



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF CORE NICKEL CORP.

**MANAGEMENT INFORMATION CIRCULAR CONCERNING A REVERSE TAKEOVER
BY ARIZONA COPPER AND GOLD LTD.**

Dated as of February 13, 2026

The matters contemplated by this management information circular (this “**Circular**”) are important and require your immediate attention. They require the shareholders of Core Nickel Corp. (“**Core Nickel**” or the “**Company**”) to make important decisions. Please carefully read this Circular, including the schedules annexed hereto, as they contain detailed information relating to, among other things, the proposed acquisition by Core Nickel of all of the issued and outstanding common shares of Arizona Copper and Gold Ltd. (“**ACG**”) by way of plan of arrangement, and the Reverse Takeover (as defined in the policies of the TSX Venture Exchange) of Core Nickel by ACG. If you are in doubt as to how to deal with these materials or the matters they describe, please consult your broker, lawyer or other professional advisor.

All information contained in this Circular with respect to ACG and its subsidiaries was provided by ACG for inclusion herein and, with respect to such information, Core Nickel and its board of directors and officers have relied on ACG.

Neither the TSX Venture Exchange Inc. (the “Exchange”) nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this information circular.

CORE NICKEL CORP.

c/o Suite 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1

Tel: (647) 403-3797

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Core Nickel Corp. will be held at 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1 on Friday, March 13, 2026 at 10:00am PST for the following purposes:

1. to receive the audited financial statements of Core Nickel for the year ended April 30, 2025, together with the report of the auditor thereon;
2. to re-appoint DMCL LLP, Chartered Professional Accountants, to act as the auditor of Core Nickel immediately following the Meeting and to authorize the directors to fix their remuneration;
3. conditional on and effective upon the closing of the Transaction, to appoint McGovern Hurley LLP, Chartered Professional Accountants, to serve as the auditor for the Resulting Issuer and to authorize the directors of the Resulting Issuer to fix their remuneration;
4. to (A) elect the directors of Core Nickel to serve from the close of the Core Nickel Meeting (the “**Current Slate**”) until the earlier of: (i) the close of the next annual general meeting of Core Nickel Shareholders; (ii) the time of completion of the Transaction with ACG within the meaning of Policy 5.2 – *Changes of Business and Reverse Takeovers* of the TSX Venture Exchange Corporate Finance Manual, as more fully described in the accompanying Circular (the “**Change of Board Time**”); and/or (iii) such time that their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the articles of Core Nickel or the provisions of the *Business Corporations Act* (British Columbia) and (B) to elect the directors of Core Nickel (the “**New Slate**”) as constituted completion of the transaction (the “**Resulting Issuer**”) to serve from the Change of Board Time until the close of the next annual general meeting of Resulting Issuer Shareholders or until their successors are elected or appointed;
5. to consider and, if thought advisable, to pass, with or without amendment, an ordinary resolution (the “**Transaction Resolution**”) approving the acquisition of ACG resulting in the reverse takeover of Core Nickel;
6. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution to adopt and approve the stock option plan of Core Nickel, as more particularly described in the Circular;
7. subject to the approval of the Transaction Resolution, to consider and, if thought advisable, pass, with or without variation, a special resolution (the “**Continuance Resolution**”) authorizing and approving the continuance of Core Nickel (the “**Core Nickel Continuance**”) out of the provincial jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) into the provincial jurisdiction of Ontario under the *Business Corporations Act* (Ontario) (the “**OBCA**”) at such time as determined by the Core Nickel Board, in its sole discretion;

Shareholders are encouraged to vote on the matters BEFORE the Meeting by proxy to ensure that their votes are properly counted. Those Shareholders who are unable to attend the Meeting are requested to read the notes to the enclosed form of proxy and then to complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular accompanying this Notice.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

The record date for determination of the Shareholders entitled to receive Notice of and to vote at the Meeting is January 21, 2026 (the “**Record Date**”). Only holders of record of common shares of Core Nickel at the close of business on the Record Date will be entitled to vote in respect of the matters to be voted on at the Meeting or any adjournment or postponement thereof.

The form of proxy accompanies this Notice. The audited financial statements, auditors' report and management's discussion and analysis have been delivered to those shareholders who indicated to Core Nickel that they wished to receive copies of same.

To be effective, the proxy must be duly completed and signed and then deposited by mail to Core Nickel's registrar and transfer agent, Olympia Trust Company, at PO Box 128, STN M, Calgary, ABV T2P 2H6 (Attention: Proxy Department), in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment or postponement thereof. An instrument of proxy may also be voted by faxing your proxy to 403-668-8307 or scan and email to proxy@olympiatrust.com. Alternatively, a registered Shareholder can vote online at <https://css.olympiatrust.com/pxlogin> and enter the 12-digit control number, or as otherwise indicated in the instructions contained in the form of proxy.

Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form.

DATED at Toronto, Ontario this day 13th of February, 2026.

CORE NICKEL CORP.

By order of the Board

"Christopher Tate"

Christopher Tate

Chief Executive Officer and President

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GLOSSARY

“**ACG**” means Arizona Copper and Gold Ltd., a corporation incorporated under the laws of the Province of Ontario.

“**ACG Board**” means the board of directors of ACG.

“**ACG Options**” means the outstanding incentive stock options of ACG entitling the holders thereof to exercise and purchase ACG Shares at an exercise price of \$0.50 for a period of five (5) years from the date of issuance.

“**ACG Shares**” means the common shares of ACG as constituted on the date of this Circular.

“**ACG SR Financing**” means the brokered private placement by ACG of 1,297,168 Subscription Receipts at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$1,556,601.60.

“**ACG Unit**” means units of ACG issued immediately prior to the Closing pursuant to the conversion of the Subscription Receipts, each unit comprised of one ACG Share and one common share purchase warrant of ACG.

“**ACG Warrants**” means warrants to purchase ACG Shares.

“**Affiliate**” means a Company that is affiliated with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

“**Agency Agreement**” means the agency agreement entered into between ACG, Core Nickel and the SR Agents dated November 26, 2025, in connection with the Concurrent Financings.

“**Arizona Desert**” means AZ Desert Land Holdings Corp , an Arizona company and wholly-owned subsidiary of ACG.

“**Arrangement**” means an arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms thereof or as contemplated in the Transaction Agreement;

“**Associate**” when used to indicate a relationship with a Person, means:

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person,

- (c) any trust or estate in which the Person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity,
- (d) in the case of a Person who is an individual
 - (i) that Person's spouse or child, or
 - (ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"Audit Committee" means the audit committee of Core Nickel.

"BCBCA" means the *Business Corporations Act* (British Columbia), as amended.

"Broker Warrants" means the warrants issuable in connection with the Subscription Receipt Financings, each to be exercisable to acquire one Resulting Issuer Share at \$1.20 until 12 months following the satisfaction of the Escrow Release Conditions.

"CanAlaska" means CanAlaska Uranium Ltd.

"Chief Executive Officer" or **"CEO"** means an individual who served as chief executive officer of Core Nickel, or performed functions similar to a chief executive officer, for any part of the most recently completed financial year.

"Chief Financial Officer" or **"CFO"** means an individual who served as chief financial officer of Core Nickel, or performed functions similar to a chief financial officer, for any part of the most recently completed financial year.

"Circular" means this Information Circular dated February 13, 2026

"Closing" means the completion of the Transaction on the Closing Date.

"Closing Date" means no later than March 25, 2026 or such other date as may be mutually agreed to in writing between Core Nickel and ACG.

"Company" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"Completion of the Transaction" means the date the Final Exchange Bulletin is issued by the Exchange.

"Concurrent Financings" means the ACG SR Financing and the Core Nickel SR Financings, collectively.

"Consolidated Core Shares" means common shares in the capital of Core, as constituted after giving effect to the Consolidation.

"Consolidation" means the consolidation of the Core Shares on the basis of 1 Consolidated Core Share for every 8.5 Core Shares.

"Continuance" means the continuance of the Resulting Issuer from the Province of British Columbia under the *Business Corporations Act* (British Columbia) to the Province of Ontario under the *Business Corporations Act* (Ontario).

“Control Person” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“Core Nickel” means Core Nickel Corp., a company incorporated under the laws of the Province of British Columbia.

“Core Nickel Board” means the board of directors of Core Nickel.

“Core Nickel Options” means outstanding stock options of Core Nickel.

“Core Nickel Properties” means collectively, the Mel Project, the Hunter Property, the Odei River Property, the Resting Lake Project and the Halfway Lake Property, including, in each case, any extensions or renewals thereof and any and all surface, water, access and other non-mineral rights of and to any lands or other rights of any kind held by Core Nickel.

“Core Nickel Share” means a common share in the capital of Core Nickel.

“Core Nickel SR Financing” means the brokered private placement by Core Nickel of 1,362,374 Subscription Receipts at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$1,634,848.80.

“Core Nickel Unit” has the meaning ascribed to that term under *“Information Concerning Core Nickel – Financing”*.

“Core Nickel Warrants” means warrants to purchase Core Nickel Shares outstanding immediately prior to the Transaction, including Financing Compensation Warrants issued by Core in connection with the Concurrent Financings.

“CSE” means the Canadian Securities Exchange.

“Current Stock Option Plan” means the Core Nickel’s current stock option plan, as updated and amended from time to time.

“DMCL LLP” means DMCL LLP, the independent auditors of Core Nickel.

“Eagle Project Technical Report” means the report entitled *“National Instrument 43-101 Technical Report on the Eagle Project”* dated February 9, 2026, with an effective date of January 30, 2026, prepared in accordance with NI 43-101 by Benjamin Soms, CPG of Ethos Geological Inc.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree in writing before the Effective Date;

“Escrow Agent” means Olympia Trust Company.

“Escrow Release Conditions” has the meaning ascribed to that term under *“Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings”*.

“Exchange” means the TSX Venture Exchange Inc.

“Exchange Policy 5.4” means Exchange Policy 5.4 – *Escrow Vendor Consideration and Resale Restrictions*.

“Exchange Ratio” means a 1:1 exchange of the securities of ACG or Core Nickel for the respective securities of the Resulting Issuer.

“Fairness Opinion” means the opinion of RWE Growth Partners, Inc. dated February 2, 2026, to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Transaction and Exchange Ratio are fair, from a financial point of view, to the shareholders of Core Nickel;

“Final Exchange Bulletin” means the bulletin issued by the Exchange following closing of the Transaction and the submission of all required documentation which evidences the final Exchange acceptance of the Transaction.

“IFRS” means IFRS Accounting Standards as issued by the International Accounting Standards Board.

“Insider” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of the Company that is an insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“Majority of the Minority Approval” has the meaning ascribed to that term under *“Information Concerning the Transaction and the Concurrent Financings – Exchange and Securities Laws Matters”*.

“MD&A” means Core Nickel’s Management’s Discussion and Analysis.

“Member” has the meaning ascribed to that term in the TSXV Corporate Finance Manual.

“Name Change” means Core Nickel’s change of name to “Arizona Eagle Mining Corp.” upon the filing of a Form 11 *Notice of Alteration* under the BCBCA with the British Columbia Registrar of Companies.

“Named Executive Officer” or **“NEO”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

“New Slate” means the Resulting Issuer Board following Closing.

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“Non-Arm’s Length Party” means in relation to a Company, a Promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

“Non-Arm’s Length Transaction” means a proposed transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both ACG and Core Nickel.

“OBCA” means the *Business Corporations Act* (Ontario), as amended.

“Parties” means ACG and Core Nickel, the parties to the Transaction Agreement.

“Person” means a Company or an individual.

“Plan of Arrangement” means the plan of arrangement of ACG substantially in the form and content of Schedule B to the Transaction Agreement and any amendments or variations thereto made in accordance with the Plan of Arrangement or as contemplated in the Transaction Agreement.

“Promoter” means, if used in relation to a Company, a person who (a) acting alone or in concert with one or more other persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the Company, or (b) in connection with the founding, organization or substantial reorganization of the business of the Company, directly or indirectly receives, in consideration of services or property or both, 10% or more of a class of the issuer’s own securities or 10% or more of the proceeds from the sale of a class of the Company’s own securities of a particular issue, but does not include a person who (c) receives securities or proceeds referred to in paragraph (b) solely (i) as underwriting commissions, or (ii) in consideration for property, and (d) does not otherwise take part in founding, organizing or substantially reorganizing the business.

“Qualified Person” means, Benjamin Soms under the section of this Circular entitled Information Concerning the Eagle Project.

“Related Party Transaction” has the meaning ascribed to that term under Exchange Policy 5.9, and includes a related party transaction that is determined by the Exchange, to be a Related Party Transaction. The Exchange may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which may compromise the independence of the issuer with respect to the transaction.

“Resulting Issuer” means the issuer, Arizona Eagle Mining Corp. (formerly ACG), existing on the Completion of the Transaction.

“Resulting Issuer Audit Committee” has the meaning ascribed to that term under *“Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Committees of the Board of Directors”*.

“Resulting Issuer Board” means the board of directors of the Resulting Issuer.

“Resulting Issuer Option” means an option exercisable to purchase Resulting Issuer Shares.

“Resulting Issuer Share” means a common share in the capital of the Resulting Issuer.

“Resulting Issuer Unit” has the meaning ascribed to it in the section titled, *“Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings”*.

“Resulting Issuer Warrant” has the meaning ascribed to it in the section titled, *“Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings”*.

“Resulting Issuer Warrant Share” has the meaning ascribed to it in the section titled, *“Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings”*.

“RwE” means RwE Growth Partners, Inc., financial advisor engaged by the Special Committee to provide the Fairness Opinion;

“Special Committee” means the committee of Core Nickel comprised entirely of the three independent members of the Core Nickel Board.

“**Sponsor**” has the meaning specified in *Exchange Policy 2.2 – Sponsorship and Sponsorship Requirements*.

“**Sponsorship Policy**” means *Policy 2.2 – Sponsorship and Sponsorship Requirements* of the Exchange.

“**SR Agents**” means Stifel Nicolaus Canada Inc., Clarus Securities Inc. and PowerOne Capital Markets Limited.

“**Stock Option Plan Resolution**” means the ordinary resolution of Core Nickel Shareholders to adopt and approve the Current Stock Option Plan, a copy of which is attached to this Circular as Schedule K;

“**Subscription Receipts**” means the subscription receipts issued pursuant to the ACG SR Financing and the Core Nickel SR Financing, each convertible into one ACG Unit or one Core Nickel Unit, as the case may be, immediately prior to the Closing.

“**Technical Report Effective Date**” means the effective date of the Eagle Project Technical Report, which is, January 30, 2026.

“**Termination Date**” means the date on which a Termination Event occurs.

“**Termination Event**” means either: (i) the Escrow Release Conditions have not been satisfied prior to 5:00pm (Toronto Time) on that date which is 120 days following the closing date of the Concurrent Financings, (ii) the Transaction is terminated at an earlier time, or (iii) the ACG or Core Nickel advise the SR Agents or announce to the public that they do not intend to satisfy the Escrow Release Conditions or complete the Transaction.

“**Transaction**” means the acquisition by Core Nickel of all of the issued and outstanding ACG Shares in exchange for Core Nickel Shares on the basis of the Exchange Ratio, and by way of plan of arrangement, pursuant to which ACG will become a wholly-owned subsidiary of Core Nickel.

“**Transaction Agreement**” means the arrangement agreement dated February 13, 2026 between Core Nickel and ACG, as the same may be amended, restated, supplemented or otherwise modified from time to time, providing for, among other things, the Transaction.

“**TSXV**” means the TSX Venture Exchange.

“**TSXV Corporate Finance Manual**” means the corporate finance manual of the Exchange.

“**United States**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

MANAGEMENT INFORMATION CIRCULAR

as at February 13, 2026 (except as indicated)

This information circular (“**Circular**”) is provided in connection with the solicitation of proxies by or on behalf of management of Core Nickel Corp. for use at the annual general and special meeting of Core Nickel’s shareholders to be held on **Friday, March 13, 2026, at 900-885 West Georgia Street, Vancouver, British Columbia at 10:00 a.m. PST** or at any adjournment(s) or postponement(s) thereof, for the purposes set forth in the Notice (as defined below).

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This Circular contains certain information that may constitute forward-looking information and forward-looking statements (**collectively, “Forward-Looking Statements”**) which are based upon the current internal expectations, estimates, projections, assumptions and beliefs of ACG and Core Nickel. Such statements can be identified by the use of forward-looking terminology such as “expect,” “likely,” “may,” “will,” “should,” “intend,” “anticipate,” “potential,” “proposed,” “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-Looking Statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-Looking Statements in this Circular include, but are not limited to, statements with respect to:

- future financial position;
- estimates of the future prices of, or demand for, gold, copper, nickel or other minerals;
- market conditions, business strategy, corporate plans, objectives and goals;
- estimates of the timing, cost, nature and results of exploration activities;
- projected development of the Core Nickel Properties exploration expenditures and other expenses for specific exploration and development;
- exploration, mining and development risks;
- the completion, timing and expected effects of the Transaction and the benefits anticipated to be received by ACG, Core, and/or the Resulting Issuer from such transactions;
- the value of the currencies in which ACG, Core Nickel, and/or the Resulting Issuer incur or will or plan to incur expenditures including the United States dollar and the Canadian dollar;
- the impact of competition for mineral projects; and
- the use of capital, the availability of additional capital, requirements for additional capital, and the timing of such requirements.

In connection with the Forward-Looking Statements contained in this Circular, ACG and Core Nickel have made certain assumptions about the Resulting Issuer’s business, the economy and the mineral exploration industry in general and have also assumed that contracted parties provide goods and services on agreed timeframes, plant and equipment work as anticipated, required regulatory approvals, including of the Exchange, are received, all required permits or licenses are obtained and/or renewed, no unusual geological or technical problems occur, no material adverse change in the price of gold or other minerals occurs and no significant events occur outside of the normal course of business for ACG, Core Nickel or the Resulting Issuer.

Readers are cautioned that the above list of cautionary statements is not exhaustive. Known and unknown risks, many of which are beyond the control of Core Nickel, ACG, and the Resulting Issuer, could cause actual results to differ

materially from the Forward-Looking Statements in this Circular. Such risks include, without limitation, those discussed under the heading “Risk Factors” in this Circular. The purpose of Forward-Looking Statements is to provide the reader with a description of management’s expectations, and such Forward-Looking Statements may not be appropriate for any other purpose. You should not place undue reliance on Forward-Looking Statements. Although management of ACG and Core Nickel believe that the expectations reflected in such Forward-Looking Statements are reasonable, neither party can give assurance that such expectations will prove to be correct.

Forward-Looking Statements contained herein are made as of the date of this Circular and are based on the beliefs, estimates, expectations and opinions of management on such date. ACG and Core Nickel undertake no obligation to update or revise any Forward-Looking Statements, whether as a result of new information, estimates or opinions, future events or results or otherwise, or to explain any material difference between subsequent actual events and such Forward-Looking Statements, except as required by applicable law. The Forward-Looking Statements contained in this Circular are expressly qualified in their entirety by this cautionary statement.

CAUTIONARY NOTE REGARDING USE OF MARKET INFORMATION

This Circular contains information concerning the mining industry, estimates and forecasts that are based on estimates prepared by Core Nickel using publicly available governmental sources as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which Core Nickel believes to be reasonable. Although Core believes that these third-party sources are reliable, neither Core Nickel nor ACG has independently verified the information provided by these third parties. While Core Nickel is not aware of any misstatements regarding any third-party information presented in this Circular, their estimates, in particular, estimates that constitute Forward-Looking Statements, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under “Risk Factors.”

INFORMATION PERTAINING TO ACG

The information contained or referred to in this Circular relating to ACG has been furnished by ACG. In preparing this Circular, Core Nickel has relied upon ACG to ensure that the Circular contains full, true and plain disclosure of all material facts relating to ACG. Although Core Nickel has no knowledge that would indicate that any statement contained herein concerning ACG is untrue or incomplete, neither Core Nickel nor any of its respective directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by ACG to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information. Technical information relating to the Eagle Project contained in this Circular is derived from, and in some instances is an extract from, the Technical Report provided by ACG. For a complete description of assumptions, qualifications, and procedures associated with the information in the Technical Report, reference should be made to the full text of the Technical Report.

DATE OF INFORMATION

Except as otherwise indicated in this Circular, all information disclosed in this Circular is as of February 13, 2026, and the phrase “as of the date hereof” and equivalent phrases refer to such date.

UNITS, MEASURES, ABBREVIATIONS AND CONVENTIONS

This Circular uses standard scientific and technical abbreviations and the International System of Units (SI). Unless otherwise indicated, measurements are expressed in metric units; where imperial or U.S. customary units are provided, they appear parenthetically for ease of reference. Length is expressed in metres (m) and kilometres (km), with feet (ft) and miles (mi) provided where helpful. Area is expressed in hectares (ha) and, where relevant, acres (ac).

Mass and tonnage are expressed in grams (g), kilograms (kg) and tonnes (t), with kilotonnes (kt) and megatonnes (Mt) used for larger quantities. For clarity, a tonne (t) means a metric tonne of 1,000 kilograms. Where used, pounds (lbs) and ounces (oz) refer to avoirdupois units, and troy ounces are indicated as ozt. Density and concentration are expressed in grams per tonne (g/t), parts per million (ppm), parts per billion (ppb), and per cent (%), including weight per cent (wt.%), as appropriate for the context.

Distances and drill intervals are reported in metres (m) and kilometres (km). Hole azimuths and dips are given in degrees (°). Core sizes follow industry norms and are referenced using standard designations (for example, HQ and NQ). Geophysical references use established abbreviations, including induced polarization (IP) and resistivity (Res). Time periods use days (d), months (mo) and years (yr) as context requires.

References to scientific and technical standards are to NI 43-101 and to the Canadian Institute of Mining, Metallurgy and Petroleum definition standards (CIM Definition Standards). U.S. land tenure and permitting references use Bureau of Land Management (“BLM”) and Notice of Intent (“NOI”) as applicable.

Unless otherwise stated in a particular table or figure, numeric values are presented on a rounded basis. Totals, subtotals and percentages shown in tables may not reconcile precisely to component figures due to rounding conventions.

CURRENCY

Unless otherwise indicated, all monetary amounts in this Circular are expressed in Canadian dollars, and references to “\$” are to Canadian dollars and to “US\$” are to United States dollars.

SUMMARY

The following is a summary of information relating to ACG, Core Nickel and the Resulting Issuer (assuming completion of the Transaction), and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular. Capitalized terms used but not defined in this summary have the meanings given to them in the Glossary.

Core Nickel

Core Nickel is a corporation incorporated and existing under the BCBCA, and its head office is located in Vancouver, British Columbia. Core Nickel is a “reporting issuer” in each of the Provinces of British Columbia, Alberta, Ontario and Newfoundland and Labrador and its common shares are listed on the Exchange under the symbol “CNCO.V”. Trading of the Core Nickel Shares was halted on September 15, 2025, in connection with the announcement of the Transaction. On September 12, 2025, the last trading day prior to the trading halt, the closing price of Core Nickel’s common shares was \$0.14.

Core Nickel currently holds interests in five mineral exploration projects located in the Thompson Nickel Belt in northern Manitoba, totaling 27,028 hectares of exploration ground. The majority of Core Nickel’s land is classified as greenfield or early-stage exploration, with the exception of the Mel property, which hosts the Mel deposit. The Core Nickel Properties consist of the Mel Project, the Hunter Property, the Odei River Property, the Resting Lake Project and the Halfway Lake Property.

Core Nickel’s head office and principal address is c/o Clark Wilson LLP, Suite 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

See “*Information Concerning Core Nickel*” for further information.

ACG

ACG is a corporation incorporated and existing under the OBCA. ACG is a private mineral exploration company based in Toronto, Ontario and its principal business is the acquisition, exploration and development of mineral properties. ACG, through its wholly-owned Arizona subsidiary AZ Desert Land Holdings Corp., holds a 100% interest in the Eagle Project, comprised of approximately 4,533.5 acres of patented and unpatented claims located near the town of Prescott Valley, Arizona.

The ACG Shares are not listed for trading on any exchange.

ACG’s head office and principal address is Suite 3400 - 333 Bay Street, Toronto, Ontario, M5H 2S7, Canada.

See “*Information Concerning ACG*” for further information.

The Transaction

Transaction Overview

Core Nickel and ACG have entered into the Transaction Agreement, the terms of which were established as a result of negotiation between the Special Committee and management of ACG and agreed to by the Core Nickel Board and the ACG Board. Pursuant to the terms of the Transaction Agreement, Core Nickel will acquire all of the issued and outstanding ACG Shares by way of a plan of arrangement under Section 182 of the OBCA. For the purpose of the Transaction, ACG and Core Nickel have agreed that Core Nickel has a deemed value of \$7,709,000 (based on the number of Core Nickel Shares outstanding and the market price of the Core Nickel Shares on the day prior to the announcement of the Transaction) and ACG shall have a deemed value of \$47,843,000, for an aggregate value of \$58,742,000 (prior to completion of the Concurrent Financings). Each ACG Share outstanding as of the effective date of the Transaction will be exchanged for Resulting Issuer shares on a basis of 1:1. Core Nickel shall issue 39,868,950 Resulting Issuer Shares (not including ACG Shares underlying the ACG Subscription Receipts) in exchange for all of the issued and outstanding ACG Shares at a deemed price of \$1.20 per Resulting Issuer Share, and shall issue 2,500,000 Resulting Issuer Options as replacement options for the 2,500,000 outstanding ACG Options.

Upon completion of the Transaction, ACG will become a wholly-owned subsidiary of Core Nickel, and Core Nickel will continue as the Resulting Issuer. On the effective date of the Continuance, the Resulting Issuer will be a corporation governed by the OBCA. The Resulting Issuer will carry on the business previously carried on by ACG under the corporate name "Arizona Eagle Mining Corp." It is anticipated that there will be approximately 49,006,929 Resulting Issuer Shares, 4,698,079 Resulting Issuer Warrants and 2,637,647 Resulting Issuer Options outstanding immediately following completion of the Transaction.

Consolidation and Name Change

Immediately prior to the Closing Time, it is expected that Core Nickel will (A) consolidate the Core Nickel Shares on the basis of 1 Consolidated Core Nickel Share for every 8.5 pre-consolidation Core Nickel Shares; (B) and change its name to "Arizona Eagle Mining Corp.". The Resulting Issuer will carry on the business theretofore carried on by Core Nickel and ACG under the corporate name "Arizona Eagle Mining Corp.". Olympia Trust Company, as transfer agent of Core Nickel, will mail letters of transmittal to the Core Nickel Shareholders providing instructions on exchanging pre-Consolidation Core Nickel Shares, together with their letter of transmittal, to Olympia in accordance with the instructions in the letter of transmittal.

Effects of the Transaction

In connection with the completion of the Transaction, it is expected that:

- (a) each ACG Share issued and outstanding immediately before Closing shall be exchanged by each holder thereof, for one fully paid and non-assessable Core Share in accordance with the Exchange Ratio and each such ACG Share shall be cancelled upon exchange;
- (b) each ACG Warrant outstanding immediately before Closing shall be exchanged for one Resulting Issuer Warrant in accordance with the Exchange Ratio. Each such Resulting Issuer Warrant shall have substantially the same terms as the ACG Warrants being exchanged, and all such ACG Warrants shall be cancelled upon exchange. The exercise price for each Resulting Issuer Share underlying the Resulting Issuer Warrants will be equal to the exercise price per ACG Share under the ACG Warrants in effect immediately prior to Closing;
- (c) each ACG Option outstanding immediately before Closing shall be exchanged for one Resulting Issuer Option in accordance with the Exchange Ratio;
- (d) there will be approximately 49,006,929 Resulting Issuer Shares issued and outstanding;
- (e) former ACG Shareholders will hold approximately 39,868,950 Resulting Issuer Shares, representing approximately 81.35% of the outstanding Resulting Issuer Shares (not including ACG Shares underlying the ACG Subscription Receipts);
- (f) former Core Nickel Shareholders will hold 6,478,437 Resulting Issuer Shares representing approximately 13.22% of the outstanding Resulting Issuer Shares (not including Core Nickel Shares underlying the Core Nickel Subscription Receipts);
- (g) purchasers of Subscription Receipts (in both the ACG SR Financing and the Core Nickel SR Financing) will hold 2,659,542 Resulting Issuer Shares representing approximately 5.43% of the outstanding Resulting Issuer Shares; and
- (h) subject to shareholder approval, all of the directors and officers of Core Nickel, other than Mike Pilmer, will have resigned and been replaced by the New Slate and by those officers appointed by the New Slate, respectively.

Completion of the Transaction is subject to the satisfaction of certain closing conditions set out in the Transaction Agreement, including implementation of the Consolidation, completion of the Concurrent Financings, and receipt of all applicable shareholder and regulatory approvals, including Exchange approval.

See “*Information Concerning the Transaction and the Financing – The Transaction*” for further information.

Non-Arm’s Length Transaction

The Transaction constitutes a Non-Arm’s Length Transaction under Exchange Policy 5.2. For purposes of MI 61-101, the Transaction also constitutes a “related party transaction” (as defined in MI 61-101). Pursuant to MI 61-101, no formal valuation is required because Core Nickel is listed only on the Exchange and the Core Shares are not listed or quoted on any other stock exchange in Canada or the United States.

To be approved by Shareholders at the Meeting, the Transaction Resolution must receive Majority of the Minority Approval, meaning a simple majority of votes cast by Shareholders excluding the votes that are excluded pursuant to Policy 5.2. The votes attached to 19,411,758 Core Nickel Shares, held by the categories of Shareholders identified under the heading “*Exchange and Securities Law Matters*”, will not be counted for the Majority of the Minority Approval. Because the categories of Shareholders whose Core Nickel Shares are excluded from voting pursuant to Policy 5.2 is broader than the categories of Shareholders excluded from voting pursuant to MI 61-101, and includes all Shareholders whose votes would otherwise be excluded under MI 61-101, obtaining the Majority of the Minority Approval will also satisfy the MI 61-101 minority-approval requirement. The Core Nickel Board unanimously recommends that Shareholders vote in favour of the Transaction Resolution.

Opinion of RWE Growth Partners, Inc.

The Special Committee engaged RWE to act as a financial advisor in connection with the Transaction. In connection with RWE’s engagement, RWE was requested to provide the Special Committee with an opinion as to the fairness, from a financial point of view, to the shareholders of Core Nickel. The Fairness Opinion states that, based upon and subject to the assumptions, limitations and qualifications set forth therein, RWE is of the opinion that, as of February 2, 2026, the Transaction is fair, from a financial point of view, to the shareholders of Core Nickel. **The Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety.**

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule “J” to this Circular. Shareholders of Core Nickel are urged to, and should, read the Fairness Opinion in its entirety. The summary of the Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to whether or not shareholders of Core Nickel should vote for the Transaction Resolution. See “*The Transaction —Fairness Opinion*” and Schedule “J” “*RWE Growth Partners, Inc. - Fairness Opinion*”.

The Concurrent Financings

In connection with the Transaction, ACG and Core Nickel entered into the Agency Agreement with the SR Agents on November 26, 2025 pursuant to which ACG and Core Nickel each completed a brokered private placement of 1,297,168 and 1,362,374 Subscription Receipts respectively, for gross proceeds of \$1,556,601.60 and \$1,634,848 respectively, at an issue price of \$1.20 per Subscription Receipt.

Each ACG Subscription Receipt will automatically convert, without any further action or payment of any additional consideration therefor, subject to adjustments in certain events, into one ACG Unit, being comprised of one ACG Common Share and one ACG Warrant. Each ACG Unit will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one Resulting Issuer Unit. Each Resulting Issuer Unit will consist of one Resulting Issuer Share and one Resulting Issuer Warrant. Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share at an exercise price of \$1.50 per Resulting Issuer Warrant Share for a period of three (3) years following the Concurrent Financing closing date. The Resulting Issuer Warrants will be created and issued pursuant to a warrant indenture to be entered into between the Resulting Issuer and Olympia Trust Company as warrant agent.

The Core Nickel SR Financing was conducted on substantially the same terms as the ACG SR Financing described above. For the Core Nickel SR Financing, each Core Nickel Subscription Receipt will automatically convert, upon the satisfaction of the Escrow Release Conditions, on or prior to the date which is 120 days following the closing of

the Concurrent Financings, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one post-Consolidation Resulting Issuer Unit.

The net proceeds of the Concurrent Financings will be released to the Resulting Issuer upon the satisfaction of the Escrow Release Conditions. The Subscription Receipts, and the ACG Shares and Core Shares, each underlying such Subscription Receipts, as applicable, may not be traded before the date that is 90 days following the closing of the Concurrent Financings. See “*Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings*” for further information.

It is intended that the net proceeds from the Concurrent Financings will be used by the Resulting Issuer to fund exploration and development at the Eagle Project and for general corporate working capital. See “*Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*” for further information.

The gross proceeds of the Concurrent Financings have been deposited in escrow pursuant to the Subscription Receipt Agreement, entered into by ACG, Core Nickel and the Escrow Agent, on behalf of the holders of the Subscription Receipts. If the Escrow Release Conditions are not satisfied on or before 5 p.m. (Toronto time) on the date that is 120 days from closing of the Concurrent Financings, the Escrow Agent will return the proceeds from the Concurrent Financings plus accrued interest to the holders of the Subscription Receipts, and the Subscription Receipts will be cancelled without any further action.

In connection with the Concurrent Financings, ACG and Core Nickel paid the SR Agents both a cash fee and Broker Warrants.

Members of the Core Nickel Board subscribed for approximately \$300,000 of ACG Subscription Receipts. Members of the ACG Board and officers of ACG subscribed for approximately \$428,847.60 of Core Nickel Subscription Receipts.

Available Funds and Principal Purposes

The following table sets forth the Resulting Issuer’s expected sources of funds following completion of the Transaction. The amounts shown in the table are estimates only, and are based on information available to ACG and Core Nickel as at the date of this Circular:

Source of Funds	Amount
Estimated ACG working capital	\$2,069,975 ⁽¹⁾
Estimated Core Nickel working capital	\$461,846
Gross proceeds of the Financings	\$3,191,450
Total	\$5,723,271

Note:

- ⁽¹⁾ Current working capital of ACG does not include deduction of payment for three remaining property acquisitions currently in escrow and expected to close on or before March 3, 2026, with the aggregate payments estimated at C\$820,000 (US\$596,000). With these liabilities deducted, current ACG working capital as at January 31, 2026 would be \$1,249,975. These liabilities are included in the table setting out the Principal Use of Funds of the Resulting Issuer, below.

Principal Purposes of Funds

The following table sets out information regarding the Resulting Issuer’s intended principal uses of funds following the Closing. The intended uses of funds may vary based upon a number of factors, and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to ACG and Core Nickel as of the date of this Circular:

The net funds available to the Resulting Issuer are expected to be used, principally, as follows:

Principal Use of Funds	Amount
General, administrative expenses and working capital ⁽¹⁾	\$571,000
Closing costs	\$240,000
Agent's fees ⁽²⁾	\$151,623
Exchange and listing fees	\$225,000
Recommended exploration program for the Eagle Project	\$2,921,000 ⁽³⁾
Property acquisition costs	\$820,000 ⁽⁴⁾
Unallocated working capital	\$794,648
Total	\$5,723,271

Notes:

- (1) Includes fees paid for marketing, geological and GIS consultants, legal services, audit services, CFO expenses and office expenses.
- (2) Cash commission paid and payable to the Agents pursuant to the Concurrent Financings. As additional compensation under the Concurrent Financings, the Resulting Issuer will issue to the Agents an aggregate of 126,352 Broker Warrants.
- (3) Based on the Phase 1 exploration program recommended in the Eagle Project Technical Report with a budget of \$3,220,000, less Phase 1 exploration expenses incurred by ACG since the date of the Eagle Project Technical Report but prior to January 31, 2026. See *"Information Concerning the Resulting Issuer – Milestones, Exploration and Development"* for further information.
- (4) Based on aggregate remaining purchase prices of US\$596,000 at an estimated exchange rate of 1.3758 CAD/USD.

For further details, please see the discussion under the heading *"Information Concerning the Resulting Issuer – Available Funds and Principal Purposes"*.

Selected *Pro Forma* Consolidated Financial Information

The following table sets out certain financial information for each of ACG and Core Nickel as at the dates indicated below, and selected *pro forma* financial information for the Resulting Issuer after giving effect to the Subscription Receipt Financing and the Transaction. The following information should be read in conjunction with the *pro forma* consolidated financial statements of the Resulting Issuer, which may be found at Schedule "I". The *pro forma* financial information is provided for informational purposes only and does not purport to be indicative of results of operations of the Resulting Issuer following Closing as of any future date or for any future period.

	ACG September 30, 2025 (\$)	Core Nickel October 31, 2025 (\$)	Pro Forma Adjustments (\$)	Pro Forma Consolidated ⁽¹⁾ (\$)
Current assets	5,698,254	743,823	(377,727)	6,064,350
Noncurrent assets	98,985	1,153,804	(1,153,804)	98,958
Total assets	5,797,239	1,897,627	(1,531,531)	6,163,335
Current liabilities	160,183	56,735	-	216,918
Noncurrent liabilities	-	-	-	-
Total liabilities	160,183	56,735	-	216,918
Total shareholders' equity	5,637,056	1,840,892	(1,531,531)	5,946,417
Total liabilities and shareholders' equity	5,797,239	1,897,627	(1,531,531)	6,163,335

Notes:

- (1) Based on the unaudited *pro forma* balance sheet of the Resulting Issuer. See *Schedule "I"*.

Conflicts of Interest

There are no known existing or potential conflicts of interest between the Resulting Issuer or a subsidiary of the Resulting Issuer and a proposed director, officer or Promoter of the Resulting Issuer or a subsidiary of the Resulting Issuer except as set out below. No Insider, Promoter or Control Person of ACG and their respective Associates and Affiliates (before giving effect to the Transaction) have any interest in Core Nickel, except as set out below under the heading *"Interests of Insiders, Promoters or Control Persons"*.

Certain proposed directors of the Resulting Issuer are, or may in the future be, directors, officers or shareholders of other companies that are, or may in the future be, engaged in the business of, or enter into transactions with, the Resulting Issuer. Such associations and transactions may give rise to conflicts of interest from time to time. See *“Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Conflicts of Interest”*. See *“Information Concerning Core Nickel – Non-Arm’s Length Party Transactions”*.

Certain directors and executive officers of Core Nickel and ACG hold securities of both companies or have positions with both companies. The Core Nickel Board established the Special Committee to supervise the review and negotiation of the Transaction Agreement, oversee the preparation of this Circular, and make a recommendation to the Core Nickel Board. The Special Committee met regularly, received advice from legal counsel and financial advisers, and concluded that the Arrangement is in the best interests of Core Nickel and fair, from a financial point of view, to Shareholders. See *“Majority of the Minority Approval”* and *“Exchange and Securities Laws Matters”*.

Interests of Insiders, Promoters or Control Persons

Following completion of the Transaction and assuming completion of the Minimum Financing as described above and after giving effect to the Consolidation:

- (a) the original Core Nickel Board other than Michael Pilmer, will have resigned;
- (b) the Resulting Issuer Board will consist of Kevin Reid, Marc Pais, Rickard Vernon, Mike Pilmer, and Dawn Meidinger;
- (c) the original officers of Core Nickel, namely Christopher Tate and Carmello Marrelli, will have resigned their current positions; and
- (d) the executive officers of the Resulting Issuer will consist of Kevin Reid, Chief Executive Officer; Marc Pais, Executive Chair; Clyde Smith, Vice President – Exploration; and Sung Min (Eric) Myung, Chief Financial Officer.

The shareholdings of each current Insider, Promoter, and Control Person of ACG and each proposed Insider, Promoter, and Control Person of the Resulting Issuer, and their respective Associates and Affiliates before and after giving effect to the Transaction, calculated on a non-diluted basis, are set out below:

Insider, Promoter or Control Person of ACG or the Resulting Issuer	ACG Shares Held Prior to the Transaction		Resulting Issuer Shares Held After Giving Effect to the Transaction and Concurrent Financings	
	Number	Approximate Percentage ⁽¹⁾	Number	Approximate Percentage ⁽¹⁾
Kevin Reid ⁽²⁾ CEO of ACG and proposed CEO and director of the Resulting Issuer	6,750,000	16.93%	7,262,567	14.82%
Marc Pais ⁽³⁾ Chair and director of ACG and proposed executive Chair of the Resulting Issuer	8,000,100	20.10%	8,859,571	18.10%
Sung Min (Eric) Myung CFO of ACG and proposed CFO of the Resulting Issuer	0	0	0	0
Clyde Smith Vice President, Exploration of ACG and the proposed Vice-President, Exploration of the Resulting Issuer	0	0	0	0

Insider, Promoter or Control Person of ACG or the Resulting Issuer	ACG Shares Held Prior to the Transaction		Resulting Issuer Shares Held After Giving Effect to the Transaction and Concurrent Financings	
	Number	Approximate Percentage ⁽¹⁾	Number	Approximate Percentage ⁽¹⁾
Rickard Vernon ⁽⁴⁾ Director of ACG and proposed director of the Resulting Issuer	1,280,000	3.21%	1,477,647	3.02%
Mike Pilmer ⁽⁵⁾ Proposed director of the Resulting Issuer	300,000	0.75%	335,294	0.68%
Dawn Meidinger Proposed director of the Resulting Issuer	0	0	0	0
Paul Reid ⁽⁶⁾ Director of ACG	8,000,100	20.10%	9,211,865	18.80%
Conor Dooley ⁽⁷⁾ Proposed Corporate Secretary of the Resulting Issuer	100,000	0.25%	110,000	0.22%
TOTAL:	24,430,200	61.34%	27,256,944	55.64%

Notes:

- (1) Calculated a non-diluted basis.
- (2) The total number of Resulting Issuer Shares held by Kevin Reid includes the 2,000,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Reid, and the 277,273 Resulting Issuer Shares issuable upon the conversion of the 277,273 Subscription Receipts purchased by Mr. Reid in the Core Nickel SR Financing. Mr. Reid also holds 1,000,000 ACG Options and 2,000,000 Core Nickel Warrants (prior to adjustments resulting from the Consolidation), and will own an additional 277,273 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Reid in the Core Nickel SR Financing and completion of the Transaction, and therefore Mr. Reid will hold 17.37% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (3) The total number of Resulting Issuer Shares held by Marc Pais includes the 5,180,500 (pre-Consolidation) Core Nickel Shares currently held by Mr. Pais, and the 250,000 Resulting Issuer Shares issuable upon the conversion of the 250,000 Subscription Receipts purchased by Mr. Pais in the ACG SR Financing. Mr. Pais also holds 500,000 ACG Options, 475,000 Core Nickel Options (prior to adjustments resulting from the Consolidation) and 2,000,000 Core Nickel Warrants (prior to adjustments resulting from the Consolidation), and will own an additional 250,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Pais in the ACG SR Financing and completion of the Transaction, and therefore Mr. Pais will hold 19.78% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (4) The total number of Resulting Issuer Shares held by Rick Vernon include 980,000 ACG Shares held directly, 300,000 ACG Shares held by his spouse, 1,000,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Vernon, and the 80,000 Resulting Issuer Shares issuable upon the conversion of the 80,000 Subscription Receipts purchased by Mr. Vernon in the Core Nickel SR Financing. Mr. Vernon also holds 500,000 ACG Options and 1,000,000 (pre-Consolidation) Core Nickel Warrants, and will own an additional 80,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Vernon in the Core Nickel SR Financing and completion of the Transaction, and therefore Mr. Vernon will own or control 4.38% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (5) The total number of Resulting Issuer Shares held by Mike Pilmer include the 300,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Pilmer and 300,000 Core Nickel Warrants (prior to adjustments resulting from the Consolidation) and therefore Mr. Pilmer will hold 0.76% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (6) The total number of Resulting Issuer Shares held by Paul Reid includes the 8,175,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Reid, and the 250,000 Resulting Issuer Shares issuable upon the conversion of the 250,000 Subscription Receipts purchased by Mr. Reid in the ACG SR Financing. Mr. Reid also holds 500,000 ACG Options, 475,000 Core Nickel Options (prior to adjustments resulting from the Consolidation) and 3,000,000 Core Nickel Warrants (prior to adjustments resulting from the Consolidation), and will own an additional 250,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Reid in the ACG SR Financing and completion of the Transaction, and therefore Mr. Reid will hold 20.67% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (7) The total number of Resulting Issuer Shares held by Conor Dooley includes 100,000 ACG Shares and 85,000 (pre-Consolidation) Core Nickel Shares. Mr. Dooley will also hold 10,000 Resulting Issuer Warrants upon completion of the Transaction.

As described under “*Exchange and Securities Law Matters*”, the Transaction is a Non-Arm’s Length Transaction under Policy 5.2 and a “related party transaction” (as defined in MI 61-101). No formal valuation is required under MI 61-101 because Core Nickel is listed only on the Exchange. The Transaction Resolution will be submitted to Shareholders for Majority of the Minority Approval in accordance with Policy 5.2, which will also satisfy the MI 61-101 minority-approval requirement. Other than as disclosed in this Circular, no director, executive officer, promoter or control person of Core Nickel or ACG, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or will materially affect Core Nickel.

Sponsorship

Core Nickel intends to rely upon an exemption from the sponsorship requirement contained in subsection 3.4(a)(i) of the Sponsorship Policy on the basis that (a) the Resulting Issuer will not be a 'Foreign Issuer' (as defined in the Sponsorship Policy), and (b) management of the Resulting Issuer meets a high standard such that the directors and senior officers of the Issuer collectively possess appropriate experience, qualifications and history whereby each member or proposed member of the board is suitable both on an individual basis and in relation to other members of the board, in accordance with Section 4.3(a)(i)(B) of the Sponsorship Policy. See "*Information Concerning the Resulting Issuer - Sponsorship*" for further information.

Interest of Experts

No Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Circular or as having prepared or certified a report or valuation described or included in this Circular, holds any beneficial interest, directly or indirectly, in any property of ACG, Core Nickel or the Resulting Issuer or of an Associate or Affiliate of ACG, Core Nickel or the Resulting Issuer, other than as described below.

McGovern Hurley LLP, Chartered Professional Accountants the current auditors of ACG, audited the annual financial statements of ACG for the financial years ended December 31, 2023 and December 31, 2024, and delivered the auditors' report thereon, copies of which are attached as schedules to this Circular. McGovern Hurley LLP has confirmed that it is independent of ACG in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.

DMCL LLP audited the financial statements of Core Nickel for the financial year April 30, 2025, and delivered the auditors' reports thereon, copies of which are attached as schedules to this Circular. DMCL LLP has confirmed that it is independent of Core Nickel in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Deloitte LLP audited the financial statements of Core Nickel for the financial year April 30, 2024, and delivered the auditors' reports thereon, copies of which are attached as schedules to this Circular. Deloitte LLP has confirmed that it is independent of Core Nickel in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Auditor, Transfer Agent and Registrar

The auditor of the Resulting Issuer is expected to be McGovern Hurley LLP at their principal offices at 251 Consumers Rd Suite 800, North York, ON M2J 4R3.

Olympia Trust Company, at its Calgary office located at 4000, 520 - 3rd Ave SW Calgary, Alberta T2P 0R3, will be appointed as the registrar and transfer agent of the Resulting Issuer Shares.

Conditional Listing Approval

The Exchange has conditionally accepted the Transaction subject to Core Nickel fulfilling all of the requirements of the Exchange. There is no guarantee that Core Nickel and/or the Resulting Issuer will be able to satisfy the requirements of the Exchange such that the Exchange will issue the Final Exchange Bulletin. See "Risk Factors".

Risk Factors

An investment in the securities of the Resulting Issuer involves a high degree of risk, should be considered highly speculative and should only be made by investors who can afford to lose their entire investment. Material risk factors associated with the Transaction and the business of the Resulting Issuer include, without limitation:

- the Transaction may not be completed
- resource exploration and development are highly speculative

- the lack of resources, lack of infrastructure, title risks, and related risks inherent to mining
- volatile market prices for the Resulting Issuer Shares
- the limited operating history of the Resulting Issuer and history of losses
- the requirement for additional financing
- the Resulting Issuer's status as a holding company
- the operations of the Resulting Issuer are subject to environmental regulations, permits and licences from various governmental authorities
- reliance on key management and conflicts of interest
- limited market for securities and liquidity risk
- currency risk associated with each of the United States dollar and Canadian dollar
- certain risks are uninsurable
- the mining industry is intensely competitive

For further details, please see the discussion under the heading "*Risk Factors*"

PROXY INFORMATION

Management Solicitation

The solicitation of proxies is made on behalf of the management of Core Nickel. Such solicitation will be primarily by mail but may also be made by telephone or other electronic means of communication or in person by the directors and officers of Core Nickel. The costs incurred in the preparation and mailing of the form of proxy, the Notice, this Circular and any other Meeting materials will be borne by Core Nickel. The cost of the solicitation will be borne by Core Nickel.

Core Nickel is not using 'notice and access' to deliver this Circular to both registered shareholders and non-registered holders of common shares of Core Nickel and copies of such materials will be sent to all registered and non-registered shareholders of Core Nickel.

If you are a non-registered holder and Core Nickel or its agent has sent these materials directly to you, your name and address and information about your holdings of Core Nickel shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Core Nickel shares on your behalf. "**Intermediary**" means a broker, a financial institution, an investment firm, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds securities on behalf of a non-registered shareholder.

A shareholder may receive multiple packages of Meeting materials if the shareholder holds common shares through more than one Intermediary, or if the shareholder is both a registered shareholder and a non-registered shareholder for different shareholdings. Any such shareholder should repeat the steps to vote through a proxy, appoint a proxyholder or attend the Meeting, if desired, separately for each shareholding to ensure that all the common shares from the various shareholdings are represented and voted at the Meeting. Please return your voting instructions as specified in the appropriate voting information form.

Appointment of Proxyholder

A duly completed form of proxy for Core Nickel will constitute the persons named in the enclosed form of proxy as the shareholder's proxyholder. The individuals whose names are printed in the enclosed form of proxy for the Meeting are directors and/or officers Core Nickel (the "**Management Proxyholders**"). The persons named in Core Nickel's form of proxy as Management Proxyholders have indicated their willingness to represent, as proxyholders, the shareholders who appoint them.

A shareholder has the right to appoint a person other than the Management Proxyholders to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder of Core Nickel. Such a shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder's shares are to be voted.

Voting of Proxies

Each shareholder may instruct his/her proxyholder how to vote his/her shares by completing the blanks in the enclosed proxy form. Shares represented by properly executed proxy forms will be voted or withheld from voting on any poll in accordance with instructions made on the proxy forms, and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's shares shall be voted accordingly.

If no choice is specified and one of the Management Proxyholders is appointed by a shareholder as proxyholder, it is intended that such person will vote in favour of the matters to be voted on at the Meeting.

The enclosed form of proxy confers discretionary authority upon the persons named therein as proxyholder with respect to amendments or variations to matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. At the date of this Circular, management of Core Nickel knows of no such amendments, variations or other matters to come before the Meeting.

Each proxy must be dated and executed by the shareholder or its attorney authorized in writing or by an Intermediary acting on behalf of a shareholder (see “**Voting by Non-Registered Shareholders**” below). In the case of a corporation, the proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

A proxy will not be valid for the Meeting or any adjournment thereof unless the completed, signed and dated form of proxy is delivered to the office of Core Nickel’s registrar and transfer agent, Olympia Trust Company: by mail to PO Box 128, STN M, Calgary, AB T2P 2H6 Attn: Proxy Dept.; or you may alternatively fax your proxy to 403-668- 8307 or scan and email to proxy@olympiustrust.com; or vote online at <https://css.olympiustrust.com/pxlogin> and enter the 12-digit control number, or as otherwise indicated in the instructions contained in the form of proxy (including, where applicable, through the transfer agent’s internet and telephone proxy voting services). All proxies in respect of the Meeting **must be completed and received not later than 10:00 a.m. (CST) on March 11, 2026**. If the Meeting is postponed or adjourned, your instructions must be received not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time the Meeting is reconvened. The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at his/her discretion without notice.

Voting by Non-Registered Shareholders

The information in this section is important to many shareholders as a substantial number of shareholders do not hold their shares in their own name.

Shareholders who hold Core Nickel Shares through Intermediaries (such shareholders being collectively called “**Beneficial Shareholders**”) should note that only registered holders of Core Nickel Shares or the persons they appoint as their proxyholders are permitted to vote at the Meeting.

If Core Nickel Shares are shown on an account statement provided to a Beneficial Shareholder by a broker or other Intermediary, then in almost all cases the name of such Beneficial Shareholder will not appear on Core Nickel’s central securities register. Such Core Nickel shares will most likely be registered in the name of the broker or an agent of the broker or other Intermediary. In Canada, the vast majority of such common shares will be registered in the name of “CDS & Co.”, the registration name of The Canadian Depository for Securities Limited, which acts as a nominee for many brokerage firms. Such common shares can only be voted by the Intermediary and can only be voted by them in accordance with instructions received from Beneficial Shareholders. Voting by Non-Registered Shareholders

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If Core Nickel Shares are shown on an account statement provided to a Beneficial Shareholder by a broker or other Intermediary, then in almost all cases the name of such Beneficial Shareholder will not appear on Core Nickel’s central securities register. Such Core Nickel shares will most likely be registered in the name of the broker or an agent of the broker or other Intermediary. In Canada, the vast majority of such common shares will be registered in the name of “CDS & Co.”, the registration name of The Canadian Depository for Securities Limited, which acts as a nominee for many brokerage firms. Such common shares can only be voted by the Intermediary and can only be voted by them in accordance with instructions received from Beneficial Shareholders. **As a result, Beneficial Shareholders should carefully review the voting instructions provided by their broker or other Intermediary and ensure that they direct the voting of their common shares in accordance with those instructions.**

Applicable regulatory policies require brokers and other Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. In accordance with the requirements of National Instrument 54-101, Core Nickel will distribute the applicable Meeting materials to Intermediaries and clearing agencies for onward distribution to Beneficial Shareholders. Core Nickel does not intend to pay Intermediaries to forward the Meeting materials if the Beneficial Shareholders have provided instructions to their Intermediary that they object to the Intermediary disclosing ownership information about them. In this case, such Beneficial Shareholder will not receive

the Meeting materials if the Intermediary does not assume the cost of delivery. Each Intermediary has its own mailing procedures and provides its own return instructions to clients.

Intermediaries are required to forward the Meeting materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive Meeting materials. Generally, Beneficial Shareholders who have not waived the right to receive Meeting materials will be sent the Meeting materials and a voting instruction form which must be completed, signed and returned by the Beneficial Shareholders in accordance with the Intermediary's directions on the voting instruction form. Intermediaries often use service companies to forward the Meeting materials to Beneficial Shareholders. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of common shares at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such Core Nickel Shares are voted.**

In some cases, Beneficial Shareholders will instead be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the Beneficial Shareholder but which is otherwise not completed. This form of proxy does not need to be signed by the Beneficial Shareholder, but, to be used at the Meeting, needs to be properly completed and deposited with Olympia Trust Company as described under "Completion and Return of Proxy" above.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Core Nickel Shares that they beneficially own. Should a Beneficial Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should strike out the names of the persons named in the Proxy and insert the Beneficial Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form.

Revocation of Proxies

A proxy may be revoked at any time prior to the exercise thereof. If a registered shareholder who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such shareholder may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the registered shareholder or by his/her attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited to the office of Core Nickel's registrar and transfer agent, Olympia Trust Company : by mail to PO Box 128, STN M, Calgary, AB T2P 2H6 Attn: Proxy Dept.; or you may alternatively fax your proxy to 403-668-8307 or scan and email to proxy@olympiustrust.com; or vote online at <https://css.olympiustrust.com/pxlogin> and enter the 12-digit control number, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of such Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered shareholders (Beneficial Shareholders) who wish to change their vote must arrange for their respective Intermediaries to revoke the proxy on their behalf well in advance of the Meeting.**

RECORD DATE AND VOTING SECURITIES

The directors of Core Nickel have set the close of business on January 21, 2026, as the Record Date for the Meeting.

Only common shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholders transfer shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established ownership of such shares,

requests not later than 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee will be entitled to vote such shares at the Meeting.

Voting at the Meeting will be by show of hands, with each shareholder present having one vote, unless a poll is requested or required, whereupon each shareholder or proxyholder present is entitled to one vote for each common share held.

Core Nickel is authorized to issue an unlimited number of Core Nickel Shares without par value of which 55,066,718 Core Nickel Shares are issued and outstanding as at the Record Date. Core Nickel has no other class of voting securities.

QUORUM

The Articles of Core Nickel provide that a quorum for the transaction of business at the Meeting shall be two persons who are, or who represent by proxy, shareholders who are entitled to vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of the directors and executive officers of Core Nickel, and based on Core Nickel's review of the records maintained by Olympia Trust Company, electronic filings with the System for Electronic Document Analysis and Retrieval (SEDAR+) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), Paul Reid, who is also a director of Core Nickel, is the only shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the voting rights attached to all outstanding shares of Core Nickel as at the Record Date.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

In considering the recommendation of the Core Nickel Board with respect to the Transaction, Core Nickel Shareholders should be aware that certain members of Core Nickel's senior management and the Core Nickel Board have certain interests in connection with the Transaction, including those described in this Circular, that may present them with actual or potential conflicts of interest in connection with the Transaction. The Core Nickel Board was aware of these interests and considered them, among other matters, when recommending approval of the Transaction by Core Nickel Shareholders.

Directors and Officers

The directors and officers of Core Nickel own or control, directly or indirectly, the following amounts of Core Nickel and ACG Securities.

Name and Position with Core Nickel	# of pre-Consolidation Core Nickel Securities	% of Undiluted Pre-Consolidation Core Nickel Shares ^{(1) (2)}	# of ACG Securities	% of Undiluted ACG Shares ⁽²⁾⁽³⁾
David Smith <i>Director</i>	Nil	Nil	Nil	Nil
Paul Reid <i>Director</i>	8,175,000 Core Nickel Shares 475,000 Core Nickel Options 2,000,000 Core Nickel Warrants	14.84%	8,000,100 ACG Shares 500,000 ACG Options	20.06%
Marc Pais <i>Director</i>	5,180,500 Core Nickel Shares 475,000 Core Nickel Options 2,000,000 Core Nickel Warrants	9.41%	8,000,100 ACG Shares 500,000 ACG Options	20.076%
Tim Dalton <i>Director</i>	2,200,000 Core Nickel Shares 1,425,000 Core Nickel Warrants	3.11%	700,000 ACG Shares	1.76%
Mike Pilmer <i>Director</i>	300,000 Core Nickel Shares 300,000 Core Nickel Warrants	0.54%	300,000 ACG Shares	0.75%
Christopher Tate <i>CEO, President</i>	471,258 Core Nickel Shares	0.86	200,000 ACG Shares	0.50%
	TOTAL:	1.139%		43.15%

Notes:

(1) Based on 55,066,718 Core Nickel Shares issued and outstanding as at the date hereof.

(2) Rounded to the nearest hundredth.

STATEMENT OF EXECUTIVE COMPENSATION

Core Nickel is a “venture issuer” as defined under National Instrument 51-102 – *Continuous Disclosure Obligations* and is disclosing its director and executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation-Venture Issuers* (“**Form 51-102F6V**”).

As at April 30, 2025, the end of Core Nickel’s most recently completed fiscal year, Core Nickel had two named executive officers (the “**NEOs**”) as that term is defined in Form 51-102F6 – *Statement of Executive Compensation*. From the date of incorporation to April 30, 2025, directors and officers were paid on a consultancy basis, with the exception of Misty Urbatsch who was an employee of Core Nickel.

Core Nickel does not have a Compensation Committee. All compensation matters are dealt with by the entire Core Board. Core Nickel has implemented a formal stock option plan (the “**Current Stock Option Plan**”) pursuant to which it has granted 1,170,000 options to purchase 1,170,000 Core Nickel Shares to its officers, directors and consultants.

The Core Nickel Board has not considered the implications of the risks associated with Core Nickel’s compensation practices.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of Core Nickel for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year Ended Apr 30 ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Misty Urbatsch ⁽²⁾	2025	151,500	Nil	Nil	Nil	Nil	151,500
	2024	60,000	Nil	Nil	Nil	Nil	60,000

Table of compensation excluding compensation securities							
Name and position	Year Ended Apr 30 ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<i>Former CEO, President & Director</i>							
Harry Chan ⁽³⁾ <i>Former CFO & Corporate Secretary</i>	2025	70,000	Nil	Nil	Nil	Nil	70,000
	2024	21,399	Nil	Nil	Nil	Nil	21,399
Paul Reid ⁽⁴⁾ <i>Director</i>	2025	n/a	n/a	n/a	n/a	n/a	n/a
	2024	n/a	n/a	n/a	n/a	n/a	n/a
Marc Pais ⁽⁵⁾ <i>Director</i>	2025	n/a	n/a	n/a	n/a	n/a	n/a
	2024	n/a	n/a	n/a	n/a	n/a	n/a
	2024	n/a	n/a	n/a	n/a	n/a	n/a
Cory Belyk ⁽⁶⁾ <i>Former Director</i>	2025	n/a	n/a	n/a	n/a	n/a	n/a
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Karen Lloyd ⁽⁷⁾ <i>Former Director</i>	2025	n/a	n/a	n/a	n/a	n/a	n/a
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Shane Shircliff ⁽⁸⁾ <i>Former Director</i>	2025	n/a	n/a	n/a	n/a	n/a	n/a
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Caitlin Glew ⁽⁹⁾ <i>Former VP Exploration</i>	2025	150,000	Nil	n/a		n/a	
	2024	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) Core Nickel was incorporated on May 5, 2022, as a wholly-owned subsidiary of CanAlaska Uranium Ltd. ("CanAlaska"). On November 10, 2023, CanAlaska and Core Nickel completed a spinout plan of arrangement.
- (2) Ms. Misty Urbatsch was the CEO and President (appointed September 5, 2023) and a director (elected November 10, 2023) of Core Nickel. She ceased to be an officer and director of Core Nickel on September 5, 2025.
- (3) Mr. Harry Chan was the CFO and Corporate Secretary (appointed September 5, 2023). He ceased to be the CFO and Corporate Secretary of Core Nickel on December 8, 2025.
- (4) Mr. Paul Reid was elected a director of Core Nickel on October 23, 2024.
- (5) Mr. Marc Pais was elected a director of Core Nickel on October 23, 2024.
- (6) Mr. Cory Belyk was elected a director of Core Nickel on November 10, 2023. He ceased to be a director of Core Nickel on September 8, 2025.
- (7) Ms. Karen Lloyd was elected a director of Core Nickel on May 5, 2022. She ceased to be a director on October 23, 2024.
- (8) Mr. Shane Shircliff was elected a director of Core Nickel on November 10, 2023. He ceased to be a director of Core Nickel on October 23, 2024.
- (9) Ms. Caitlin Glew was the Vice President of Exploration and an Officer of Core Nickel (appointed February 29, 2024). She ceased to be an officer of Core Nickel on August 31, 2025.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEO or Core Nickel or non-NEO and directors of Core Nickel during the financial year ended April 30, 2025 and 2024 for services provided or to be provided, directly or indirectly, to Core Nickel.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Paul Reid⁽²⁾ <i>Director</i>	Stock Options	475,000	January 30, 2025	\$0.175	\$0.18	\$0.105	January 30, 2028
Marc Pais⁽³⁾ <i>Director</i>	Stock Options	475,000	January 30, 2025	\$0.175	\$0.18	\$0.105	January 30, 2028
Misty Urbatsch⁽⁴⁾ <i>Former CEO, President & Director</i>	Stock Options	550,000 650,000 475,000	May 24, 2024 October 21, 2024 January 30, 2025	\$0.055 \$0.20 \$0.175	\$0.055 \$0.195 \$0.18	\$0.105	May 24, 2027 October 21, 2027 January 30, 2028
Harry Chan⁽⁵⁾ <i>Former CFO & Corporate Secretary</i>	Stock Options	130,000 170,000	May 24, 2024 October 21, 2024	\$0.055 \$0.20	\$0.055 \$0.195	\$0.105	May 24, 2027 October 21, 2027
Cory Belyk⁽⁶⁾ <i>Former Director</i>	Stock Options	130,000 170,000	May 24, 2024 October 21, 2024	\$0.055 \$0.20	\$0.055 \$0.195	\$0.105	May 24, 2027 October 21, 2027
Shane Shircliff⁽⁷⁾ <i>Former Director</i>	Stock Options	130,000 170,000	May 24, 2024 October 21, 2024	\$0.055 \$0.20	\$0.055 \$0.195	\$0.105	May 24, 2027 October 21, 2027
Karen Lloyd⁽⁸⁾ <i>Former Director</i>	Stock Options	130,000 170,000	May 24, 2024 October 21, 2024	\$0.055 \$0.20	\$0.055 \$0.195	\$0.105	May 24, 2027 October 21, 2027
Caitlin Glew⁽⁹⁾	Stock Options	450,000 500,000 475,000	May 24, 2024 October 21, 2024 January 30, 2025	\$0.055 \$0.20 \$0.175	\$0.055 \$0.195 \$0.18	\$0.105	May 24, 2027 October 21, 2027 January 30, 2028

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Former VP Exploration & Officer							

Notes:

- (1) There were a total of 3,490,000 outstanding stock options as at April 30, 2025.
- (2) Mr. Paul Reid is a director of Core Nickel (elected October 23, 2024). As at April 30, 2025, all of the options held by Mr. Reid were outstanding.
- (3) Mr. Marc Pais is a director of Core Nickel (elected October 23, 2024). As at April 30, 2025, all of the options held by Mr. Reid were outstanding.
- (4) Ms. Misty Urbatsch was the CEO and President (appointed September 5, 2023) and a director (elected November 10, 2023) of Core Nickel. Ms. Urbatsch ceased to be an officer and director of Core Nickel on September 5, 2025. As at April 30, 2025, 1,125,000 options held by Ms. Urbatsch remained outstanding.
- (5) Mr. Harry Chan was the CFO and Corporate Secretary of Core Nickel from September 5, 2023 to December 8, 2025. As at April 30, 2025, 170,000 options held by Mr. Chan remained outstanding.
- (6) Mr. Corey Belyk was a director of Core Nickel from November 10, 2023 until September 8, 2025. As at April 30, 2025, 170,000 options held by Mr. Belyk remained outstanding.
- (7) Mr. Shane Shircliffe was a director of Core Nickel from November 10, 2023 until October 23, 2024. As at April 30, 2025, all of the options held by Mr. Shircliffe had been exercised or expired.
- (8) Ms. Karen Lloyd was a director of Core Nickel from May 5, 2022 to October 23, 2024. As at April 30, 2025, all of the options held by Ms. Lloyd had been exercised or expired.
- (9) Ms. Glew was an officer of Core Nickel from February 29, 2024 to August 31, 2025. As at April 30, 2025, 1,425,000 options held by Ms. Glew remained outstanding.

External Management Companies

During the year ended April 30, 2025, no management functions of Core Nickel were to any substantial degree performed by a person other than the directors or executive officers of Core Nickel.

Employment, Consulting and Management Agreements

Core Nickel has entered into agreements or arrangements under which it pays it NEOs and directors, as follows:

Christopher Tate – President and Chief Executive Officer

Mr. Christopher Tate was appointed President and Chief Executive Officer of Core Nickel on September 5, 2025.

Mr. Tate provides the services as Chief Executive Officer and President to Core Nickel pursuant to an independent contracting agreement dated effective October 7, 2025 (the “**Tate Agreement**”). Pursuant to the Tate Agreement, Mr. Tate receives a base fee of \$10,000 monthly fee (plus applicable taxes). Mr. Tate is also entitled to, but not guaranteed, performance bonuses at such times and in such amounts as may be determined by the Board. Mr. Tate is also eligible to participate in the Current Stock Option Plan in effect from time to time, with any grant of options or other equity awards thereunder being made by the Core Nickel Board in its sole discretion. Pursuant to the Tate Agreement, Mr. Tate is not entitled to participate in Core Nickel’s employee benefit plans, if and when any are implemented by Core Nickel. Mr. Tate is entitled to reimbursement of certain expenses incurred on behalf of Core Nickel.

Mr. Tate is entitled to terminate the Tate Agreement at any time by providing 30 days’ prior written notice to Core Nickel in which case he would be entitled to receive accrued and unpaid fees earned to the effective date of the termination. Mr. Tate is required to maintain certain information relating to Core Nickel as confidential, which obligation shall survive termination of the Tate Agreement.

Carmelo Marrelli – Chief Financial Officer

Mr. Marrelli was appointed as Chief Financial Officer of Core Nickel on December 8, 2025.

Mr. Marrelli provides the services as Chief Financial Officer of Core Nickel pursuant to an agreement dated October 3, 2025 (the “**Marrelli Agreement**”) among Core Nickel, Mr. Marrelli and Marrelli Support. Pursuant to the Marrelli Agreement, Marrelli Support receive a monthly fee of \$2,500, plus disbursements. Core Nickel shall grant to Mr. Marrelli such number of incentive stock options as is commensurate with the position held by Mr. Marrelli. The term of the Marrelli Agreement shall end on the date that the Transaction has been completed. The Marrelli Agreement may be terminated by any of the parties thereto by the terminating party providing the other parties with thirty (30) days’ written notice. Mr. Marrelli is required to maintain certain information relating to Core Nickel as confidential,

Non-NEO Director

Non-NEO directors of Core Nickel do not currently receive compensation for acting as a director of Core Nickel. It is anticipated that any directors' fees that may be payable will be made on an *ad hoc* basis by the Board. Non-NEO directors are entitled to participate in Core Nickel's Current Stock Option Plan. Non-NEO directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors.

Oversight and Description of Director and NEO Compensation

Director Compensation

Core Nickel has no standard arrangements pursuant to which directors are compensated by Core Nickel for their services in their capacity as directors, except for the granting from time to time of incentive stock options in accordance with the Current Stock Option Plan and the policies of the Exchange. Currently, no formalized fee structure has been implemented with respect to the payment of fees to directors for serving as directors of Core Nickel. Should Core Nickel's financial circumstances change in future, the Core Nickel Board as a whole will consider and determine compensation payable to the non-NEO directors of Core Nickel, taking into consideration general industry standards for companies similar to Core Nickel and the time and efforts provided to Core Nickel by each non-NEO director.

Non-NEO directors are entitled to receive stock options under the Current Stock Option Plan. The Core Nickel Board believes that the granting of incentive stock options provides a reward to directors for achieving results that improve company performance and thereby increase shareholder value, where such improvement is reflected in an increase in Core Nickel's share price. In making a determination as to whether a grant of long-term stock options is appropriate and if so, the number and type of stock options that should be granted, the Core Nickel Board considers: the number and terms of outstanding incentive stock options held by each director; the aggregate value in securities of Core Nickel that the Core Nickel Board intends to award as compensation; the potential dilution to shareholders; general industry standards and the limits imposed by the terms of the Current Stock Option Plan and the policies of the Exchange. The granting of incentive stock options allows Core Nickel to reward directors for their efforts to increase value for shareholders without requiring Core Nickel to use cash from its treasury. The terms and conditions of incentive stock option grants, including vesting provisions and exercise prices, are governed by the terms of the Current Stock Option Plan, which are described under "*Description of the Stock Option Plan*" below. As at the date of this Circular, incentive stock options are the only form of incentive award granted to non-NEO directors.

The directors may be reimbursed for actual expenses reasonably incurred in connection with the performance of their duties as directors.

Named Executive Officer Compensation

Core Nickel is a junior exploration-stage resource company. Core Nickel has, as of yet, no significant revenues from operations and at times may operate with limited financial resources. As a result, the Core Nickel Board has to consider not only the financial situation of Core Nickel at the time of the determination of executive compensation, but also the estimated financial situation of Core Nickel in the mid and long term.

As Core Nickel advances its exploration properties and grows its business, the general objectives of its compensation strategy will be to (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management's interests with the pursuit of Core Nickel's goals and growth strategies and the long-term interests of shareholders; (c) provide a compensation package that enables Core Nickel to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the financial constraints that Core Nickel is under.

Compensation paid to NEOs during the fiscal year ended April 30, 2025, is noted in the table above. Core Nickel has contractual agreements with its President & CEO, CFO and Vice-President Exploration, all of which are described above under "Employment, Consulting and Management Agreements". It is anticipated that the compensation due and payable under these agreements will remain an obligation of Core Nickel during the next fiscal year.

The independent members of the Core Nickel Board review, on an annual basis, the cash compensation, performance and overall compensation package for each NEO.

Other than as described above, there are no other perquisites provided to the NEOs. Core Nickel does not use specific benchmark groups in determining compensation or any element of compensation.

Pension Disclosure

There are no pension plan benefits, pension plans or retirement plans in place for NEOs of Core Nickel.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Current Stock Option Plan, being Core Nickel's only equity compensation plan as of April 30, 2025. The Current Stock Option Plan was most recently approved by the Core Nickel shareholders at its annual general meeting held on October 22, 2024. The following information is as at April 30, 2025:

Plan Category	Number of Shares to be issued upon exercise of outstanding options (a)	Weighted average exercise price of outstanding options (b)	Number of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans approved by Shareholders	3,490,000	\$0.19	2,009,171
Equity Compensation Plans not approved by Shareholders	Nil	N/A	N/A
TOTAL:	3,490,000	N/A	2,009,171

Description of the Current Stock Option Plan

The following is a summary of the substantive terms of the Current Stock Option Plan:

- The Current Stock Option Plan is a “rolling” 10% stock option plan. It is administered by the Core Nickel Board who has the full authority and sole discretion to grant options under the Current Stock Option Plan to any eligible recipient, including themselves. Eligible recipients include: directors, officers, employees and consultants of (including the personal holding companies of such individuals), or employees of management companies providing services to, Core Nickel or its Affiliates.
- The maximum number of Shares which may be reserved for issuance to any one option holder shall be subject to applicable securities laws and policies of the stock exchange on which Core Nickel's shares are listed at the time of grant of the options.
- The exercise price of options will be set by the Core Nickel Board in compliance with applicable regulatory requirements at the time of grant. As of the date hereof, TSXV policies mandate that the exercise price must be no less than the greater of the closing market price of the Shares on (a) the trading day prior to the date of grant of the option, and (b) the date of grant of the option.
- Options may have a maximum exercise period of ten (10) years.
- Options are non-assignable and non-transferable (subject to options being exercisable by the optionee's heirs or administrator).
- On the death, disability or termination of services/employment of an optionee:
 - any vested options held by an optionee who ceases to be an eligible optionee under the Current Stock Option Plan for any reason other than those set out in (b) – (d) below, will expire on the earlier of the 90th day following the date the optionee ceased to be an eligible optionee and the date of expiration of the term otherwise applicable to such options;

- in the case of the termination of an optionee due to disability, any vested options held by the optionee at the date of termination will become exercisable by the optionee until the earlier of six (6) months after the termination date and the date of expiration of the term otherwise applicable to such option;
 - in the case of death of an optionee, any vested options held by the deceased at the date of death will become exercisable by the optionee's estate until the earlier of one (1) year after the date of death and the date of expiration of the term otherwise applicable to such option; and
 - in the case of an optionee ceasing to be an eligible optionee as a result of (i) termination for cause, (ii) the optionee ceasing to meet the qualifications set forth in corporate or other legislation applicable to Core Nickel, (iii) in the case of a director, a special resolution having been passed by the shareholders of Core Nickel removing the optionee as a director of Core Nickel, or (iv) an order made by any regulatory authority having jurisdiction to so order the cessation of the optionee as a service provider to Core Nickel, then such optionee's options, whether or not vested at the date of such dismissal or other termination or cessation, will immediately terminate without right to exercise same.
- Any options that expire unexercised or that are otherwise lawfully cancelled will be eligible for re-issue under the Current Stock Option Plan.
 - The Current Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares of Core Nickel.
 - Core Nickel has the authority to deduct and withhold, or require an optionee to remit to Core Nickel, the amount of any taxes or other required source deductions which Core Nickel is required by law or regulation of any governmental authority whatsoever to remit in connection with any issuance of shares upon the exercise of options.
 - A copy of the Current Stock Option Plan may be obtained by contacting Core Nickel's Corporate Secretary (see "*Additional Information*" above).

In connection with the Transaction, it is proposed that the Current Stock Option Plan continue as the stock option plan of the Resulting Issuer.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No (a) director; (b) executive officer; (c) proposed nominee for election as a director; (d) associate of a director, executive officer or proposed nominee for election as a director; (e) employee; or (f) former director, executive officer or employee of Core Nickel, is, as at the Record Date, or was at any time during Core Nickel's last completed financial year, indebted to Core Nickel or any of its subsidiaries.

MAJORITY OF THE MINORITY SHAREHOLDER APPROVAL

Because the Transaction is a Non-Arm's Length Transaction under Exchange Policy 5.2, the Transaction Resolution must be approved by the "majority of the minority", meaning a simple majority of votes cast by Shareholders other than those whose votes are excluded under Policy 5.2, as described under "*Exchange and Securities Law Matters*". For purposes of the Majority of the Minority Approval, the votes attaching to 19,411,758 Core Nickel Shares, representing approximately 35.1% of the issued and outstanding Core Nickel Shares, will be excluded from voting on the Transaction Resolution. The categories of Shareholders excluded from voting under Policy 5.2 includes all Shareholders whose votes would be excluded for MI 61-101 minority-approval purposes; and therefore, obtaining the Majority of the Minority Approval will satisfy the MI 61-101 minority-approval requirement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than the as disclosed herein in respect of the Transaction and transactions carried out in the normal course of business of Core Nickel or any of its Affiliates, no informed person and none of the proposed directors of Core Nickel or any associate or Affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of Core Nickel's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Core Nickel or any of its subsidiaries.

Applicable securities legislation defines “**informed person**” to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

MANAGEMENT CONTRACTS

During the year ended April 30, 2025, no management functions of Core Nickel were to any substantial degree performed by a person other than the directors or executive officers of Core Nickel.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of Core Nickel. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires that each reporting company disclose its corporate governance practices on an annual basis. Core Nickel's general approach to corporate governance is summarized below.

Board of Directors

Independence

The Board is comprised of five (5) directors: David Smith, Paul Reid, Marc Pais, Tim Dalton and Mike Pilmer.

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with Core Nickel. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to Core Nickel.

Applying the definition set out in section 1.4 of NI 52-110, three (3) of the five (5) members of the Core Nickel Board are independent. The members who are independent are Tim Dalton, Mike Pilmer and David Smith. Marc Pais and Paul Reid are not independent by virtue of their respective shareholdings of Core Nickel.

In order to facilitate its exercise of independent judgment in carrying out the responsibilities of the Board, the Board ensures that a majority of the independent directors are in attendance at all Board meetings.

Other Directorships

None of the directors are currently a director of one or more other reporting issuers or reporting issuer equivalents.

Orientation and Continuing Education

Core Nickel has not adopted a formalized process of orientation for new Board members. Orientation of new directors has been and will be conducted on an ad hoc basis through discussions and meetings with other directors, officers and employees where a thorough description of Core Nickel's business, assets, operations and strategic plans and objectives are discussed. New directors are encouraged to ask questions to clarify any issues that they may have with respect to their roles and responsibilities as a director. Orientation activities have been and will be tailored to the particular needs and experiences of each director and the overall needs of the Board.

The Board does not take any formal measures to provide continuing education for the directors. The Board is notified of any material changes in reporting or regulations that may have an impact on their duties via e-mail from the CEO or Corporate Secretary. In addition, directors are kept informed as to matters impacting, or which may impact, Core Nickel's operations through reports and presentations at the Board meetings. Directors are also provided the opportunity to meet with senior management, advisors and other directors who can answer any questions that may arise.

At this stage in Core Nickel's development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have formal policies or programs in place.

Ethical Business Conduct

The Board has not adopted a formal written Code of Business Conduct and Ethics. In recruiting new Board members, the Board will consider only persons with a demonstrated record of ethical business conduct.

The Board has concluded that fiduciary duties placed on individual directors by Core Nickel's governing corporate legislation and the common law, in addition to the applicable corporate legislation restrictions placed on an individual director's participation in decisions of the Board in which the director has an interest, have been and for the foreseeable future will be sufficient to ensure that the Board operates independently of management and in the best interests of Core Nickel.

Nomination of Directors

The Board does not have a nominations committee and has not adopted a written mandate or formal procedure with respect to the nomination of directors. Nominees have historically been recruited by the efforts of existing Board members, and the recruitment process has involved both formal and informal discussions among Board members. New nominees must have a track record in general business management, special expertise in an area of strategic interest to Core Nickel, the ability to devote the required time, show support for Core Nickel's mission and strategic objectives and have a willingness to serve.

Compensation

The Board has not adopted a written mandate or formal procedure with respect to determining compensation for the directors and NEOs.

For additional information, please see "*Oversight and Description of Director and NEO Compensation*" for a detailed description of Core Nickel's compensation policies.

Other Core Nickel Board Committees

At the present time, the Core Nickel Board's only standing committees are the Special Committee and Audit Committee (see "*Audit Committee*" below).

Assessments

The Core Nickel Board monitors the adequacy of information given to directors, communications between the Core Nickel Board and management and the strategic direction and processes of the Core Nickel Board and its committees; however, the Core Nickel Board does not formally assess the performance of individual Core Nickel Board members

and their contributions. The Core Nickel Board does not, at present, have a formal process in place for assessing the effectiveness of the Core Nickel Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on Core Nickel's size, its stage of development and the limited number of individuals on the Core Nickel Board, the Core Nickel Board considers a formal assessment process to be unnecessary at this time.

Audit Committee

NI 52-110 requires Core Nickel's Audit Committee to meet certain requirements. It also requires Core Nickel to disclose in this Circular certain information regarding the Audit Committee. That information is disclosed below.

Overview

The Audit Committee's mandate includes reviewing: (a) the financial statements, reports and other financially-based information provided to shareholders, regulators and others; (b) the internal controls that management and the Core Nickel Board have established; and (c) the audit, accounting and financial reporting processes generally. In meeting these responsibilities, the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of the external auditors; and provides an open avenue of communication between the external auditors, senior management and the Board.

The Audit Committee Charter

The Core Nickel Board has adopted an Audit Committee Charter which sets out the Audit Committee's mandate, organization, powers and responsibilities. A copy of the Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

Core Nickel's Audit Committee is comprised of three directors: Mike Pilmer, Tim Dalton and David Smith. The following table sets out the names of the members of the Audit Committee and whether they are 'independent' and 'financially literate' for the purposes of NI 52-110.

Name of Member⁽¹⁾	Independent⁽²⁾	Financially Literate⁽³⁾
Mike Pilmer	Independent	Financially literate
Tim Dalton	Independent	Financially literate
David Smith	Independent	Financially literate

Notes:

- (1) It is anticipated that following the Completion of the Transaction the audit committee of the Resulting Issuer will consist of Mike Pilmer (Chair), Rick Vernon and Kevin Reid.
- (2) To be independent, a member of the Audit Committee must not have any direct or indirect 'material relationship' with Core Nickel. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. Accordingly, an executive officer of Core Nickel (except a part-time Chair) is not independent, nor is a director that is paid consulting fees for non-director services provided to Core Nickel.
- (3) To be considered financially literate, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Core Nickel's financial statements.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by Core Nickel to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Core Nickel's financial statements, or experience actively supervising one or more persons engaged in such activities; and

- (d) an understanding of internal controls and procedures for financial reporting, are as follows:

Member	Education/Experience
Mike Pilmer	Mr. Pilmer has more than 30 years of experience in banking, media and digital content solutions. He joined the Corporate and Investment Banking Group of TD Bank after earning his MBA from Western University in Ontario, Canada. Mr. Pilmer has held senior positions at Southam Inc., Hollinger Inc., Postmedia Network Canada Corp., The Stronach Group and was President and CEO of LexisNexis Canada. Mr. Pilmer was the Chair of the Audit Committee of Arizona Metals Corp. (TSX:AMC) from June 2023 to September 2025.
Tim Dalton	Mr. Dalton has worked in the investment community since 1999. Originally beginning as a proprietary trader, Mr. Dalton transitioned into a career as a sales/trader with various independent investment banks serving institutional clients in Canada and abroad. Since 2017, Mr. Dalton has been the managing director of an Exempt Market Dealer, registered with the OSC, and licensed in four provinces across Canada. Over the years, he has helped raise millions for growth and development stage companies. He has extensive experience dealing with the financial, regulatory and accounting issues that are relevant in the investment community. Mr. Dalton studied economics and political science at York University.
David Smith	David Smith is an experienced exploration geologist with a business degree and a long history of operations and reporting in publicly traded minerals exploration companies. He holds a BA from Carleton College, an MSc from the University of Oregon, and an MBA from Bainbridge Graduate Institute (now Presidio Graduate School). Since its listing in 2019, David has been VP Exploration for Arizona Metals Corp., where his duties have included analyzing and contributing to quarterly and annual financial disclosures. He has also served as Qualified Person, VP Exploration, Manager of Business Development, Chief Geologist, Director of Sustainability, and Exploration Manager for numerous TSX- and TSX-V-listed companies.

Audit Committee Oversight

Since the commencement of Core Nickel's most recent financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 – Audit Committee Composition & Reporting Obligations

Since Core Nickel is a "venture issuer" (as such term is defined in NI 52-110), it is relying on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about an audit committee in the company's Annual Information Form, if any, and this Circular).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter, attached hereto as Schedule "A".

Pre-Approval Policies and Procedures

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External Auditor Service Fees (By Category)

The following table discloses the fees billed to Core Nickel by its external auditor during the last two financial years.

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
April 30, 2025	\$38,367	\$9,630	\$2,000	\$Nil
April 30, 2024	\$58,850	\$16,050	\$6,420	\$Nil

Notes:

- (1) The aggregate fees billed by Core Nickel's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by Core Nickel's auditor that are reasonably related to the performance of the audit or review of Core Nickel's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for professional services rendered by Core Nickel's auditor for tax compliance, tax advice and tax planning. These services include the filing of Core Nickel's annual tax returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements and Auditor's Report

The Core Nickel Board has approved the audited financial statements for the fiscal year ended April 30, 2025, together with the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are available on SEDAR+ at www.sedarplus.ca. The annual financial statements were audited by DMCL LLP of Vancouver, British Columbia. The audited annual financial statements are being mailed to the Core Nickel Shareholders with this Circular.

Re-Appointment and Remuneration of Auditors of Core Nickel

Shareholders will be asked to consider, and if thought appropriate, to vote for the approval of the re-appointment of DMCL LLP, Chartered Professional Accountants, of Vancouver, British Columbia, first appointed as auditors of Core Nickel on March 10, 2025, as auditors of Core Nickel, to hold office immediately following the Meeting until the next annual general meeting of the shareholders, or until its successor has been appointed, at a remuneration to be fixed by the directors.

DMCL LLP have been Core Nickel's auditors since March 10, 2025, following the resignation of Deloitte LLP, at its own initiative. As required by Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations, a copy of the prescribed reporting package relating to the change of auditor is attached to this Circular as Schedule "B", including Core Nickel's change of auditor notice dated March 10, 2025, and letters of acknowledgement from each of Deloitte LLP and DMCL LLP each dated March 10, 2025.

The Core Nickel Board recommends a vote "FOR" the approval of the appointment of the auditor for the fiscal year ended April 30, 2026 and to authorize the Core Nickel Board to fix the remuneration to be paid to the auditor for the fiscal year ended April 30 2026.

In the absence of a contrary instruction, the persons designated by management of Core Nickel in the enclosed form of proxy intend to vote FOR the approval of the appointment of the auditor for the fiscal year ended April 30, 2026 and to vote FOR authorizing the Core Nickel Board to fix the remuneration to be paid to the auditor for the fiscal year ended April 30 2026.

Appointment and Remuneration of Auditors of the Resulting Issuer

DMCL LLP have agreed to resign as the auditors of Core Nickel as of the Change of Auditor Time. The determination not to re-appoint DMCL LLP as auditor of Core Nickel has been made in the context of the Transaction and not because of any reportable event (as that term is defined in National Instrument 51-102 – Continuous Disclosure Obligations). McGovern Hurley LLP are the current auditors of ACG and are intended to replace DMCL LLP, the current auditors of the Corporation.

In connection with the Transaction, the Shareholders will also be requested to appoint McGovern Hurley LLP, Chartered Professional Accountants, the current auditors of ACG to serve as the auditors of the Resulting Issuer, subject to the completion of the Transaction, thereby approving McGovern Hurley LLP, Chartered Professional Accountants to serve as the auditor for the Resulting Issuer until the next annual meeting of the Resulting Issuer shareholders, and to authorize the directors of the Resulting Issuer to fix their remuneration;

The Core Nickel Board recommends a vote “FOR” the approval of the resolution to appoint McGovern Hurley LLP, Chartered Professional Accountants, to serve as the auditors of the Resulting Issuer, subject to the completion of the Transaction and to vote “FOR” authorizing the Resulting Issuer Board to fix the remuneration to be paid to McGovern Hurley LLP.

In the event that the Transaction does not proceed and notwithstanding the approval of the resolution to appoint McGovern Hurley LLP as the auditors of the Resulting Issuer, the Board may, in its sole discretion, decide not to act on this resolution, without the requirement of any further approval or authorization of the Shareholders.

Election of Directors

Shareholders will be asked to consider, and if thought appropriate, to vote for an ordinary resolution to elect the five (5) directors of Core Nickel’s Current Slate, listed below, to serve from the close of the Core Nickel Meeting until the earlier of (i) the close of the next annual meeting of Core Nickel Shareholders, (ii) the Change of Board Time and/or (iii) such time that their successors are elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the articles of Core Nickel or the provisions of the BCBCA.

At the Meeting, Core Nickel Shareholders will be asked to consider and, if deemed advisable, to approve and authorize the ordinary resolutions in respect of the Current Slate election.

Pursuant to the Transaction Agreement, the parties covenanted and agreed that the New Slate, comprising Marc Pais, Kevin Reid, Rickard Vernon, Mike Pilmer and Dawn Meidinger be elected, effective at the Change of Board Time, as directors of the Resulting Issuer.

At the time of the Meeting, the Transaction will not yet have been completed and, as such, there can be no assurance that it will be completed and that the New Slate will be elected or appointed as directors of the Resulting Issuer.

The resolution approving the election of the Current Slate, and to approve the election of the New Slate in connection with the Closing, to be put before the Core Nickel Shareholders at the Meeting is set out below:

“BE IT HEREBY RESOLVED THAT, as an ordinary resolution:

1. the number of directors be set at five (5), and the election of each of Mike Pilmer, Timothy Dalton, David Smith, Marc Pais and Paul Reid as directors of the Company to hold office until the completion of the Transaction, and if the Transaction is not completed, until the next annual meeting of the shareholders, or until their successors are duly elected or appointed, is hereby approved; and
2. the number of directors be set at five (5), and to take effect immediately after and conditional upon completion of the Transaction, the election of Marc Pais, Kevin Reid, Rickard Vernon, Mike Pilmer and Dawn Meidinger as directors of the Resulting Issuer in place and stead of the Current Slate, to hold office until the next annual general meeting of the shareholders, or until their successors are duly elected or appointed, is hereby approved.”

The Core Nickel Board recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of Core Nickel in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.

To be effective, the Election of Directors and Board Reconstitution Resolution must be approved by at least 50% plus one (1) vote of the votes cast by the Shareholders, in each case attending the Meeting and voting on the proposal in person or by proxy.

Each director elected will hold office until the close of the next annual meeting of shareholders or until such person's successor is elected or appointed. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. All Nominees have established their eligibility and willingness to serve as directors.

Core Nickel does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed director nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying instrument of proxy will be voted FOR another director nominee in their discretion unless the Core Nickel Shareholder has specified in its form of proxy that its Core Nickel Shares are to be withheld from voting in the election of directors.

See below for detailed information regarding the Current Slate and the New Slate under the corresponding headings.

Current Slate

The following table sets out the names of the persons proposed to be nominated by the Core Nickel Board for election as a director as part of the Current Slate, the province or state and country in which he or she is ordinarily resident, the positions and offices which each presently holds with Core Nickel, the period of time for which he or she has been a Director, the respective principal occupations or employment during the past five years and the number of Core Nickel Shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Circular. The five nominees are all currently directors of Core Nickel. The nominees of the Current Slate for the office of Director and information concerning them as furnished by the individual nominees are as follows:

Name, Province or State and Country of Residence and Position Held	Principal Occupation for the Past Five (5) Years	Director of the Company Since	Proposed Expiry of Directorship	Number of Core Nickel Shares Beneficially Owned or Controlled⁽¹⁾⁽²⁾
Paul Reid (Ontario, Canada)	Executive Chairman of Arizona Metals Corp. (August 2019 – May 2024); Director of Core Nickel (October 2024 - Present); Director of ACG (Director and President: September 2021 - Present)	October 23, 2024	On the Closing of the Transaction	8,175,000
Marc Pais (Ontario, Canada)	Director and CEO of Arizona Metals Corp. (August 2019 – May 2024); Director of ACG (September 2021 – Present); Director of Core Nickel (October 2024 - Present)	October 23, 2024	n/a	5,180,500
David Smith (Washington, USA)	Vice-President, Exploration of Arizona Metals Corp. (TSX: AMC), principal at Highlands Geoscience	September 8, 2025	On the Closing of the Transaction	Nil
Mike Pilmer (Ontario, Canada)	Director of Core Nickel (September 2025 - Present); Director of Arizona Metals Corp. (June 2023 – September 2025)	September 12, 2025	n/a	300,000
Tim Dalton (Ontario, Canada)	Core Nickel (Director: September 2025 - Present); Managing Director of Devon Capital Inc., an Exempt Market Dealer registered with the OSC and licensed in ON, QC, AB and BC	September 8, 2025	On the Closing of the Transaction	2,200,000

Notes:

- (1) This information has been furnished by the respective directors.
- (2) Voting shares on a non-diluted basis

New Slate

For information regarding the New Slate for the Resulting Issuer, please see “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”.

Penalties and Sanctions

To the knowledge of Core Nickel, no proposed director of the Current Slate or the New Slate:

- (a) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company.

Approval of Current Stock Option Plan

At the Meeting, Core Nickel Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, the Stock Option Plan Resolution, in the form set out below, subject to such amendments, variations, or additions as may be approved at the Meeting, approving the adoption of the Current Stock Option Plan.

The Current Stock Option Plan is a “rolling” stock option plan, whereby the maximum number of Shares that may be reserved for issuance pursuant to the exercise of options is 10% of the issued Core Nickel Shares and, as such, will increase with the issue of additional shares of Core Nickel. The TSXV requires listed companies that have a “rolling” stock option plan in place to receive shareholder approval of such plan on a yearly basis at the company’s annual meeting. Accordingly, Shareholders of Core Nickel will be asked at the Meeting to approve the Current Stock Option Plan. The Current Stock Option Plan complies with the current policies of TSXV.

A summary of the terms of the Current Stock Option Plan is set out below which is qualified in its entirety by the full text of the Current Stock Option Plan attached as Schedule “K” hereto.

Summary Terms of the Current Stock Option Plan

The purpose of the Current Stock Option Plan is to attract, retain and motivate directors, officers, employees and consultants by providing them with the opportunity, through stock options, to acquire a proprietary interest in Core Nickel and benefit from the growth of Core Nickel. Options issued under the Current Stock Option Plan are non-assignable and nontransferable, other than pursuant to a will or by the laws of descent and distribution, and may be granted for a term not exceeding ten years.

The Current Stock Option Plan is administered by Core Nickel’s board of directors. The Current Stock Option Plan may be amended or terminated by the Core Nickel Board at any time (subject to regulatory and shareholder approval as applicable), but such amendment or termination will not alter the terms or conditions of any option awarded prior to the date of such amendment or termination. Any option outstanding when the Current Stock Option Plan is amended or terminated will remain in effect until it is exercised or expires or is otherwise terminated in accordance with the provisions of the Current Stock Option Plan.

The Current Stock Option Plan provides that other terms and conditions, including vesting provisions, may be attached to a particular stock option at the discretion of the Core Nickel Board, provided that if required by any stock exchange on which the Core Nickel Shares trade, Core Nickel Options issued to consultants which provide investor relations

activities must vest in stages over not less than 12 months with no more than one-quarter of the Core Nickel Options vesting in any three month period, or such longer period as the Core Nickel Board may determine. All Core Nickel Option grants are to be evidenced by the execution of an option commitment between Core Nickel and the optionee which shall give effect to the provisions of the Current Stock Option Plan.

Options may be granted under the Current Stock Option Plan only to Service Providers (as such term is defined in the Current Stock Option Plan) of Core Nickel subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Core Nickel Shares may be listed or may trade from time to time. The aggregate number of Core Nickel Shares which may be reserved for issuance to any one individual under the Current Stock Option Plan within any 12 month period shall not exceed 5% of the Core Nickel Shares issued and outstanding at the date of the grant (on a non-diluted basis) unless Core Nickel has obtained the requisite disinterested shareholder approval.

Further, the aggregate number of Core Nickel Shares which may be reserved for issuance under the Current Stock Option Plan within a 12 month period:

- (a) to any consultant to Core Nickel shall not exceed 2% of the number of Core Nickel Shares issued and outstanding on the date of the grant (on a non-diluted basis); and
- (b) to all persons who provide investor relations activities shall not exceed 2% of the number of Core Nickel Shares issued and outstanding on the date of the grant (on a non-diluted basis).

In the event an optionee ceases to be a director, employee or consultant of Core Nickel (other than by reason of death), the vested stock options will expire on the earlier of the expiry date stated in the option agreement executed in respect to such grant and one year following the date of termination.

In the event of death of an optionee, the Core Nickel Options will be exercisable by the personal representatives, heirs or executors of the optionee until the earlier of (i) the expiry date of the Core Nickel Option, and (ii) one year after the optionee's death.

The price at which an optionee may purchase a Core Nickel Share upon the exercise of an option will be as set forth in the option agreement executed in respect of such option and, in any event, will not be less than the Discounted Market Price (as such term is defined in the TSXV Policy 1.1) of the Core Nickel Shares as of the date of the grant of the stock option (the "**Grant Date**").

Core Nickel Shares will not be issued pursuant to Core Nickel Options granted under the Current Stock Option Plan until they have been fully paid for.

The Current Stock Option Plan provides Core Nickel with the express authority to withhold and remit taxes to the Canada Revenue Agency in respect of the taxable portion of the benefit realized by optionees upon the exercise of stock options under the Current Stock Option Plan.

Management is of the opinion that the Current Stock Option Plan will be beneficial to Core Nickel as it will provide Core Nickel with flexibility to grant Core Nickel Options and permits Core Nickel to continue to attract, retain and motivate directors, senior officers, employees and other service providers.

Optionee and Shareholder Approval

Core Nickel will be required to obtain the written consent of the optionee in question to such amendment in order to amend any existing Core Nickel Option if such amendment would;

- (a) materially decrease the rights or benefits accruing to an Optionee; or
- (b) materially increase the obligations of an Optionee.

Core Nickel will be required to obtain shareholder approval in order to amend any of the following terms of the Current Stock Option Plan:

- (a) persons eligible to be granted Core Nickel Options;
- (b) the maximum number or percentage, as the case may be, of Core Nickel Shares that may be reserved under the Current Stock Option Plan for issuance pursuant to the exercise of Core Nickel Options;
- (c) the limitations under the Current Stock Option Plan on the number of Core Nickel Options that may be granted to any one person or any category of persons;
- (d) the method for determining the exercise price of the Core Nickel Options;
- (e) the maximum term of the Core Nickel Options; and
- (f) the expiry and termination provisions applicable to Core Nickel Options.

Notwithstanding the above, amendments to fix typographical errors and amendments to clarify existing provisions of the Current Stock Option Plan that do not have the effect of altering the scope, nature and intent of such provisions will not require shareholder approval.

Core Nickel will be required to obtain disinterested shareholder Approval:

- (a) if the aggregate number of Security Based Compensation (as such term is defined in TSXV Policy 4.4) held by insiders (as a group) at any point in time would exceed 10% of the outstanding Core Nickel Shares;
- (b) if the aggregate number of Security Based Compensation granted or issued to insiders (as a group) within a 12 month period would exceed 10% of the outstanding Core Nickel Shares;
- (c) if the aggregate number of Security Based Compensation granted or issued to any person (including a company wholly-owned by that person) within a 12 month period would exceed 5% of the outstanding Core Nickel Shares, calculated at the date the grant or issuance; and
- (d) prior to any amendment to Core Nickel Options held by insiders that would have the effect of decreasing the exercise price or extending the term of such Core Nickel Options.

The Current Stock Option Plan proposed for approval by the Core Nickel Shareholders will be the Current Stock Option Plan of the Resulting Issuer upon completion of the Transaction, a copy of which is attached to as Schedule K of this Circular.

The Stock Option Plan Resolution to be put before the Core Nickel Shareholders at the Meeting is set out below:

“BE IT HEREBY RESOLVED THAT, as an ordinary resolution:

1. the Current Stock Option Plan, in substantially the form set out in Schedule “K” of the Circular dated February 13, 2026, including the reservation for issuance under the Current Stock Option Plan at any time of a maximum of 10% of the issued shares of Core Nickel, be and is hereby authorized and approved;
2. Core Nickel be and is hereby authorized to grant stock options pursuant to and subject to the terms and conditions of the Current Stock Option Plan;
3. the Board be authorized in their absolute discretion to establish the Current Stock Option Plan and administer the Current Stock Option Plan in accordance with its terms and conditions;

4. the form of the Current Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Core Nickel Shareholders; and
5. any one director or officer of Core Nickel is hereby authorized for and on behalf of Core Nickel to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

To be effective, the Stock Option Plan Resolution must be approved by at least 50% plus one (1) vote of the votes cast by Core Nickel Shareholders, in each case attending the Meeting and voting on the proposal in person or by proxy.

The Board has concluded that the adoption of the Current Stock Option Plan is in the best interests of Core Nickel and its shareholders, and accordingly, the Company recommends that Core Nickel Shareholders vote in favour of the Stock Option Plan Resolution.

In the absence of instructions to the contrary, the persons named in the accompanying proxy intend to vote FOR the Stock Option Plan Resolution.

Approval of the Transaction

The Transaction will constitute a reverse takeover of Core Nickel by ACG under the terms described in this Circular under the section titled "*Information Concerning the Transaction – The Transaction*".

Upon receipt and review of the Fairness Opinion, and in consultation with its advisors, the Special Committee has determined that the Transaction is in the best interest of Core Nickel and recommended to the Core Nickel Board approval of the Transaction. The Core Nickel Board, upon receipt of the recommendation of the Special Committee, has also concluded that the Transaction is in the best interests of Core Nickel. In the absence of a contrary instruction, the persons designated by management of Core Nickel in the enclosed form of proxy intend to vote FOR the approval of the Transaction Resolution.

To be effective, the Transaction Resolution must be passed at the Meeting by at least a majority of the votes cast on the Transaction Resolution by the Core Nickel Shareholders present in person or represented by proxy at the Meeting, excluding votes attached to Core Nickel Shares that are beneficially owned or over which control or direction is exercised by Non-Arm's Length Parties to the Transaction, in accordance with the Majority of the Minority Approval requirements of Policy 5.2. See the section entitled "*Information Concerning the Transaction - Exchange and Securities Laws Matters*".

"BE IT HEREBY RESOLVED THAT, as an ordinary resolution:

1. the acquisition by Core Nickel ("**Core Nickel**") of all of the issued and outstanding shares of Arizona Copper & Gold Ltd. ("**ACG**") from the shareholders of ACG in exchange for issuance to the shareholders of ACG of common shares of Core Nickel ("**Consideration Shares**") on the terms and subject to the conditions set out in the arrangement agreement between Core Nickel and ACG dated February 13, 2026 made available on Core Nickel's SEDAR+ profile (the "**Transaction Agreements**") and as described in greater detail in the management information circular of Core Nickel dated February 13, 2026, be and the same is hereby authorized and approved;
2. notwithstanding that this resolution has been passed by the shareholders of Core Nickel, the directors of Core Nickel are hereby authorized and empowered, without further notice, or approval of, the shareholders of Core Nickel: (i) to amend the Transaction Agreements; and (ii) subject to the terms of the Transaction Agreements, not to proceed with the Transaction; and

3. any officer or director of Core Nickel is hereby authorized and directed for and on behalf of Core Nickel to execute or cause to be executed, under the seal of Core Nickel or otherwise, and to deliver or cause to be delivered all such other documents, agreements or instruments, and to perform or cause to be performed all such other acts and things, as such officer or director shall determine to be necessary or desirable to give full effect to this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the performing or causing to be performed of such other acts or things.”

The Core Nickel Board, based on a recommendation by the Special Committee, is of the view that the Transaction is in the best interests of Core Nickel. In the absence of a contrary instruction, the persons designated by management of Core Nickel in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.

Continuance

Background to the Continuance

Core Nickel is currently incorporated under the BCBCA. In connection with the Transaction, the Board is of the view that it may be appropriate to continue the company as an Ontario company for corporate and administrative reasons. Following the Transaction, it is expected that the Resulting Issuer’s head office will be located in Toronto, Ontario, and its executive officers will reside in Ontario.

The Continuance, if approved and implemented, will effect a change in the legal domicile of Core Nickel as of the effective date and time thereof and will affect certain of the rights of Core Nickel Shareholders as they currently exist under the BCBCA. Management of Core Nickel is of the view that the OBCA will provide to Core Nickel Shareholders substantively the same rights as are available to Core Nickel Shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions and that shareholders will not be adversely affected by the Continuance. Core Nickel Shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.

As of the effective date of the Continuance, the election, duties, resignations and removal of Core Nickel’s directors and officers shall be governed by the OBCA, proposed articles of continuance under the OBCA (the “**Articles of Continuance**”), and by-law no. 1 in the form attached to this Circular as Schedule “D”. If adopted, by-law no. 1 and the Articles of Continuance will replace the current Notice of Articles and Articles of Core Nickel.

Procedure for the Continuance

Under the BCBCA, in order to effect the Continuance of Core Nickel from British Columbia into Ontario, Core Nickel must obtain the approval of the Shareholders by way of special resolution under the BCBCA, being a resolution passed by not less than 66 2/3% of the votes cast in person or by proxy at the Meeting. Core Nickel must also make a written application to the Registrar of Companies appointed under the BCBCA (the “**Registrar of Companies**”) for consent to continue.

If the Continuance Resolution is approved at the Meeting, it is proposed Core Nickel may apply to and file all necessary documentation with the Registrar of Companies for authorization to continue into Ontario. Immediately following receipt of the authorization of the Registrar of Companies, it is proposed that Core Nickel would apply for a Certificate of Continuance and file Articles of Continuance under the OBCA to continue Core Nickel into Ontario.

Upon the issuance of a Certificate of Continuance by the Director appointed under the OBCA (the “**OBCA Director**”), the Continuance will become effective, whereupon Core Nickel will become subject to the OBCA, as if it had been incorporated under the OBCA, and the Articles of Continuance will be deemed to be the Articles of Incorporation of Core Nickel.

The Articles of Continuance will constitute the governing instrument of the continued Core Nickel under the OBCA and the Certificate of Continuance issued by the OBCA Director will be deemed to be the certificate of incorporation of the continued Core Nickel. Upon the Articles of Continuance becoming effective, Core Nickel becomes a corporation to which the OBCA applies as if it had been incorporated under the OBCA.

Notwithstanding the Continuance of Core Nickel from British Columbia into Ontario, the BCBCA and the OBCA provide that all the rights of creditors of Core Nickel against Core Nickel property, rights and assets and all liens on the Core Nickel's property, rights and assets are unimpaired by the Continuance. All debts, contracts, liabilities and duties of Core Nickel continue to attach to Core Nickel upon being continued under the OBCA and continue to be enforceable against it as if Core Nickel had remained incorporated under the BCBCA as well as any existing cause of action, claim or legal proceeding against Core Nickel.

Notwithstanding the approval of the Continuance by special resolution of the Core Nickel Shareholders, the Board may, without further approval by the Core Nickel Shareholders, abandon the application for the Continuance under the OBCA at any time prior to the issue of a Certificate of Continuance.

Continuance Resolution

Accordingly, Core Nickel Shareholders will be asked to vote for the approval of the special resolution authorizing the board of directors, in its sole discretion, to apply for the Continuance out of the BCBCA and into the jurisdiction of the Province of Ontario under the provisions of the OBCA (the "**Continuance**"). **This special resolution will not be acted upon if the Transaction is not completed. In order to be effective, a special resolution requires the approval by not less than two-thirds of the votes cast by shareholders who vote in respect of the resolution. Management and the board of directors of Core Nickel are of the view that the Continuance is in the best interests of Core Nickel. In the absence of contrary directions, the Management Proxy Holders intend to vote proxies in the accompanying form in favour of this special resolution.**

The following is the text of the Special Resolution which requires approval of two-thirds ($\frac{2}{3}$) of the votes cast at the Meeting to be effective:

"BE IT HEREBY RESOLVED THAT, as a special resolution:

- (a) the continuance (the "**Continuance**") of Core Nickel out of the Province of British Columbia and into the Province of Ontario under the *Business Corporations Act* (Ontario) (the "**OBCA**") is hereby authorized and approved;
- (b) Core Nickel is hereby authorized to make application to the Registrar of Companies for British Columbia, for authorization to permit the Continuance in accordance with section 308 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**");
- (c) pursuant to section 308 of the BCBCA, the board of directors (the "**Board**") of Core Nickel be and is hereby authorized, directed and empowered to make application pursuant to section 180 of the OBCA to the Director under the OBCA for a certificate of continuance continuing Core Nickel as if it had been incorporated thereunder;
- (d) notwithstanding that this special resolution has been duly passed by the shareholders of Core Nickel, the Board is hereby authorized, at its discretion, to determine, at any time, to proceed or not proceed with the Continuance and to abandon the application for continuance of Core Nickel at any time prior to the implementation of the Continuance without further approval of the shareholders of Core Nickel; and
- (e) any director or officer of Core Nickel is hereby authorized to execute (whether under the corporate seal of Core Nickel or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with the foregoing resolutions (including, without limitation, the execution and filing of such Articles of Continuance and of certificates or other assurances that the Continuance will not adversely affect creditors or shareholders of Core Nickel), the execution

of any such document or the doing of any such other act or thing by any director or officer of Core Nickel being conclusive evidence of such determination.”

The Core Nickel Board recommends a vote “FOR” the approval of the foregoing resolution. In the absence of a contrary instruction, the persons designated by management of Core Nickel in the enclosed form of proxy intend to vote FOR the approval of the foregoing resolution.

Rights of Dissenting Core Nickel Shareholders

Section 309 of the BCBCA gives registered Core Nickel Shareholders who object to the Continuance the right to dissent (the “**Dissent Right**”) under Division 2 of Part 8 of the BCBCA and to be paid the fair value of their Core Nickel Shares determined as of the day before the Continuance Resolution was passed. Persons who are beneficial owners of Core Nickel Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to invoke their Dissent Right should contact the registered Core Nickel Shareholder for assistance with exercising the Dissent Right. The Dissent Right is briefly summarized below, but Core Nickel Shareholders are referred to the full text of Sections 237 to 247 of the BCBCA attached to this Circular as Schedule “C”.

The statutory provisions dealing with the right of dissent are technical and complex. Any Core Nickel Shareholders who wish to exercise their right of dissent should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237-247 of the BCBCA may prejudice their Dissent Right. Core Nickel Shareholders registered as such on January 21, 2026 may exercise their Dissent Right pursuant to and in the manner set forth in Sections 237-247 of the BCBCA, provided that the notice of dissent duly executed by such Core Shareholder is received by Core Nickel 2 business days in advance of the date of the Meeting. Dissenting Core Nickel Shareholders (the “**Dissenting Core Nickel Shareholder**”) are ultimately entitled to be paid fair value for their dissenting shares (each, a “**Dissenting Share**”) and shall be deemed to have transferred their Dissenting Shares to Core Nickel.

A vote against the Continuance Resolution, an abstention from voting in respect of the Continuance Resolution, or the execution or exercise of a proxy to vote against the Continuance Resolution does not constitute a notice of dissent, but a Core Nickel Shareholder need not vote against the Continuance Resolution in order to dissent. However, a Core Nickel Shareholder who consents to or votes in favour of the Continuance Resolution, other than as a proxy for a Core Nickel Shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any Dissent Right.

Prior to the Continuance becoming effective, Core Nickel will send a notice of intention to act to each Dissenting Core Nickel Shareholder stating that the Continuance Resolution has been passed and informing the Dissenting Core Nickel Shareholder of its intention to act on such Continuance Resolution. A notice of intention need not be sent to any Core Nickel Shareholder who voted in favour of the Continuance Resolution or who has withdrawn their notice of dissent.

Within one month of the date of the notice given by Core Nickel of its intention to act, the Dissenting Core Nickel Shareholder is required to send written notice to Core Nickel that he or she requires Core Nickel to purchase all of their shares and at the same time to deliver certificates representing those shares to Core Nickel. Upon such delivery, the Dissenting Core Nickel Shareholder will be bound to sell and Core Nickel will be bound to purchase the shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Continuance Resolution was passed by the Core Nickel Shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Core Nickel Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Core Nickel Shareholders.

A Dissenting Core Nickel Shareholder who has sent a demand for payment, or Core Nickel, may apply to the court which may:

- (a) require the Dissenting Core Nickel Shareholder to sell and Core Nickel, to purchase the shares in respect of which a notice of dissent has been validly given;
- (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors;

- (c) join in the application of any other Dissenting Core Nickel Shareholder who has delivered a demand for payment; and
- (d) make consequential orders and give such directions as it considers appropriate.

No Dissenting Core Nickel Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a Core Nickel Shareholder in respect of their shares for which a demand for payment has been given, other than the rights to receive payment for those shares. Until a Dissenting Core Nickel Shareholder who has delivered a demand for payment is paid in full, that Dissenting Core Nickel Shareholder may exercise and assert all the rights of a creditor of Core Nickel. No Dissenting Core Nickel Shareholder may withdraw their demand for payment unless Core Nickel consents. Strict adherence to the procedures set forth above will be required and failure to do so may result in the loss of the Dissent Right. Accordingly, each Core Nickel Shareholder who might desire to exercise the Dissent Right should carefully consider and fully comply with the provisions set forth above and below and consult their legal advisor.

The Board may elect not to proceed with the transactions contemplated in the Continuance Resolution if any Dissent Notices are received. Shareholders who wish to exercise the Dissent Right should carefully review the dissent procedures described in Sections 237 to 247 of the BCBCA attached as Schedule "C" to this Circular and seek legal advice, as failure to adhere strictly to the Dissent Right requirements may result in the loss of any right to dissent.

In order to dissent, a written objection to the Continuance must be received by Core Nickel at the following address: Core Nickel c/o Clark Wilson LLP, 900 – 885 West Georgia Street, Vancouver, British Columbia V6C 3H1, Attention: Chief Executive Officer, at or before 2 days before the Meeting. A vote against the Continuance Resolution, an abstention or the execution of the proxy to vote against the Continuance Resolution does not constitute such written objection.

Corporate Governance Differences between BCBCA and OBCA

In general terms, the OBCA provides to the Core Nickel Shareholders substantively the same rights as are available to the Core Nickel Shareholders under the BCBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences. The following is a summary comparison of certain provisions of the BCBCA and the OBCA which pertain to rights of the Core Nickel Shareholders.

This summary is not intended to be exhaustive, and the Shareholders should consult their legal advisers regarding all of the implications of the Continuance.

Charter Documents

Under the OBCA, the charter documents will consist of a Certificate and Articles of Continuance, which set forth, among other things, the name of the corporation and the amount and type of authorized capital, and by-laws, which govern the management of Core Nickel following the Continuance. The Articles and the by-laws are kept at Core Nickel's registered office, or such other place in Ontario designated by the directors.

Under the BCBCA, the charter documents consist of a Certificate of Incorporation and Notice of Articles, which sets forth the name of the corporation, its directors and the amount and authorized share structure, and Articles, which govern the management of Core Nickel. The Notice of Articles is filed with the Registrar of Companies while the Articles are kept at Core Nickel's records office.

The Continuance into Ontario and the adoption of the Articles of Continuance and by-laws will not result in any substantive changes to the constitution, powers or management of Core Nickel, except as otherwise described herein.

Amendments to Charter Documents

Under the OBCA, certain fundamental changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration at a special meeting of shareholders, and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the

alteration than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate an OBCA corporation requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the Articles, would entitle such holders to vote separately as a class or series under Section 170 of the OBCA.

Any substantive change to the charter documents of a company under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by a company, a change in the name of a company, an increase, reduction or elimination of the maximum number of shares that the company is authorized to issue out of any class or series of shares, an alteration of the special rights and restrictions attached to issued shares or continuance of a company out of the jurisdiction requires a resolution of the type specified in its Articles. If the Articles do not specify the type of resolution, a special resolution passed by the majority of votes that the Articles of the company specify is required, if that specified majority is at least two thirds and not more than three quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two thirds of the votes cast on the resolution. Other fundamental changes such as a proposed amalgamation or arrangement require a similar special resolution passed by holders of shares of each class or series entitled to vote at a general meeting of the company and the holders of all classes or series of shares adversely affected by such changes. Certain actions, if permitted under the Articles, including approval of share consolidations, share splits and corporate name changes, may be effected by approval of the directors only.

Sale of Undertaking or Property

The OBCA requires approval by not less than two-thirds of the votes cast upon a special resolution at a duly called special meeting for a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business of the corporation. If a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business of the corporation would affect a particular class or series of shares of the corporation in a manner different from the shares of another class or series of the corporation entitled to vote on the sale, lease or exchange at the meeting, the holders thereof are entitled to vote separately as a class or series in respect to such sale, lease or exchange.

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking (as opposed to 'property' under the OBCA) of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the company specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

Right of Dissent and Appraisal

The OBCA provides a holder of shares of any class or series entitled to vote on a resolution may dissent to certain actions being taken by a company and require the company to purchase the shares held by such shareholder at the fair value of such shares, determined as of the close of business on the day before the resolution was adopted. The dissent right is applicable in respect of a resolution:

- (a) to amend its Articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) to amend its Articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) to amalgamate with another corporation;
- (d) to be continued under the laws of another jurisdiction; or

- (e) to sell, lease or exchange all or substantially all the corporation's property.

Although the procedure under BCBCA for exercising rights of dissent differs from the procedure under the OBCA, the BCBCA also provides that shareholders of a company, whether or not such shareholder's shares carry the right to vote, are entitled to dissent to certain actions being taken by the company and require the company to purchase the shares held by such shareholder at the fair value of such shares, determined immediately before the passing of the resolution. A shareholder is entitled to dissent pursuant to the BCBCA in respect of:

- (a) a resolution to alter the company's Articles to alter restrictions on the powers of the company or on the business that the company is permitted to carry on;
- (b) a resolution to adopt an amalgamation agreement;
- (c) a resolution to approve an amalgamation into a foreign jurisdiction;
- (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of a company's undertaking;
- (f) a resolution to continue into a jurisdiction other than British Columbia;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

Oppression Remedies

Under the OBCA, a registered security holder, former registered security holder, beneficial security holder, former beneficial security holder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy may apply to a court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates:

- (a) any act or omission of the corporation or its affiliates effects, or threatens to effect, a result;
- (b) the business or affairs of the corporation or its affiliates are, or have been or are threatened to be carried on or conducted in a manner; or
- (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner,

that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of, any security holder, creditor, director or officer of the corporation.

The OBCA contains rights that are substantially broader in that they are available to a larger class of complainants than the BCBCA. Under the BCBCA, a shareholder of a company has the right to apply to court on the ground that:

- (a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or
- (b) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a company may, with leave of the court, bring an action in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the OBCA, and this right extends also to registered security holders, former registered security holders, beneficial security holders, former beneficial security holders, directors, former directors, officers and former officers of a corporation or any of its affiliates, and any other person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries, or to intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate.

Shareholder Proposals

Both the OBCA and the BCBCA contain provisions with respect to shareholder proposals.

Under the OBCA, a registered holder of shares entitled to vote or a beneficial owner of shares that are entitled to be voted at a meeting of shareholders may: (i) submit to the corporation notice of a proposal; and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. A corporation that solicits proxies shall set out the proposal in the management information circular or attach the proposal to the circular. If requested by the shareholder, management must also include in the management information circular a statement by the shareholder in support of the proposal provided such statement meets certain criteria. A shareholder proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than 5% of the shares or 5% of the shares of a class or series of shares of the corporation entitled to vote at the meeting to which the proposal is to be presented.

A corporation is not required to set out the proposal or statement in support of the proposal in a management information circular where:

- (a) notice of the proposal is submitted to the corporation less than 60 days before: (i) the anniversary date of the previous annual meeting, if the matter is proposed to be raised at an annual meeting; or (ii) the date of a meeting other than the annual meeting, if the matter is proposed to be raised at a meeting other than the annual meeting;
- (b) it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the corporation or its directors, officers or security holders;
- (c) it clearly appears that the proposal does not relate in a significant way to the business or affairs of the corporation;
- (d) within two years before the receipt by the corporation of a person's notice of proposal, the person failed to present, in person or by proxy, at a meeting of the corporation's shareholders, a proposal which had been submitted by the person and had been included in a management information circular or a notice of meeting relating to that shareholders' meeting; or
- (e) substantially the same proposal was submitted to shareholders in a management information circular, dissident's information circular, or notice of a meeting relating to a previous meeting of shareholders, such previous meeting was held within five years before the receipt by the corporation of the person's current notice of proposal, and at that previous meeting, the proposal did not receive the minimum amount of support.

Pursuant to the BCBCA, a proposal may only be submitted by qualified shareholders, which means a person who:

- (a) is a registered owner or beneficial owner of one or more shares of the company that carry the right to vote at general meetings; and
- (b) has been a registered owner or beneficial owner of one or more such shares for an uninterrupted period of at least two years before the date of the signing of the proposal;

provided that such shareholder has not, within two years before the date of the signing of the proposal, failed to present, in person or by proxy, at any annual general meeting, an earlier proposal submitted by such shareholder in respect of which the corporation complied with its obligations under the BCBCA.

A proposal pursuant to the BCBCA is valid if:

- (a) the proposal is signed by a submitter who is a qualified shareholder;
- (b) the proposal is signed by qualified shareholders who, together with the submitter, are, at the time of signing, registered owners or beneficial owners of shares that, in the aggregate: (i) constitute at least 1/100 of the issued shares of the company that carry the right to vote at general meetings, or (ii) have a fair market value in excess of \$2,000;
- (c) the proposal, and the declarations referred to in paragraph (d) below, are received at the registered office of the company at least three months before the anniversary of the previous year's annual reference date; and
- (d) the proposal is accompanied by a declaration from the submitter and each supporter, signed by the submitter or supporter, as the case may be, or, in the case of a submitter or supporter that is a corporation, by a director or senior officer of the signatory: (i) providing the name of and a mailing address for that signatory; (ii) declaring the number and class or series of shares carrying the right to vote at general meetings that are owned by that signatory as a registered owner or beneficial owner; and (iii) unless the name of the registered owner has already been provided under subparagraph (i), providing the name of the registered owner of those shares.

A corporation that receives a valid proposal must send the text of the proposal, the names and mailing addresses of the submitter and supporting shareholders, and the text of any supporting statement accompanying the proposal to all persons who are entitled to notice of the annual general meeting in relation to which the proposal is made. Such information must be sent in, or within the time for sending of, the notice of the applicable annual general meeting, or in the corporation's information circular, if any, sent in respect of the applicable annual general meeting. If the submitter is a qualified shareholder at the time of the annual general meeting to which its proposal relates, the corporation must allow the submitter to present the proposal, in person or by proxy, at such meeting. If two or more proposals received by the corporation in relation to the same annual general meeting are substantially the same, the corporation needs to comply with such requirements only in relation to the first proposal received and not any others.

Requisition of Meetings

Both the BCBCA and the OBCA provide that shareholders of a company holding not less than 5% of the issued voting shares of a company may give notice to the directors requiring them to call and hold a meeting.

Place of Meetings

Subject to the Articles or any unanimous shareholder agreement, the OBCA permits meetings of shareholders to be held inside or outside Ontario as the directors determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Under the BCBCA, meetings of shareholders are required to be held in British Columbia unless:

- (a) a location outside of British Columbia is provided for in the Articles;

- (b) the Articles do not restrict the company from approving a location outside of British Columbia, the location is approved by the resolution required by the Articles for that purpose (in the case of Core Nickel, the location may be approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location for the meeting is approved in writing by the Registrar of Companies before the meeting is held.

Directors

The OBCA and BCBCA both provide that a public company must have a minimum of three directors. The OBCA does not have a provincial residency requirement for directors (although at least 25% must be resident Canadians) and the BCBCA has neither Canadian nor provincial residency requirements for directors.

ADDITIONAL INFORMATION

Additional information relating to Core Nickel and its operations is available on SEDAR+ at www.sedarplus.ca. Financial information concerning Core Nickel is provided in its comparative financial statements and management's discussion and analysis for Core Nickel's most recently completed financial year. Copies of this information are available either on SEDAR+, or by contacting Core Nickel at its offices located at 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1; Attn: Chief Executive Officer or via telephone at (647) 403-3797 or via email at chris.tate73@outlook.com.

OTHER MATTERS TO BE ACTED UPON

Management of Core Nickel is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that properly may come before the Meeting.

CORE NICKEL BOARD APPROVAL

The contents of this Circular have been approved and its mailing has been authorized by the Board.

INFORMATION CONCERNING THE TRANSACTION AND THE CONCURRENT FINANCINGS

Background to the Transaction

The entering into of the Transaction Agreement was the result of negotiations conducted among representatives of Core Nickel, the Special Committee, ACG, and their respective financial and legal advisors. The following is a summary of the material events, meetings, negotiations and discussions between the Parties that preceded the public announcement of the execution of the Transaction Agreement on February 13, 2026.

Prior to entering into the Transaction Agreement, Core Nickel had primarily focused on advancing the Core Nickel Properties. However, management of Core Nickel and the Core Nickel Board reviewed Core Nickel's overall corporate strategy and long-term strategic plan. As part of this process, Core Nickel Board and management continuously reviewed the relative strategic benefits of: (i) continuing with the Core Nickel Properties located in Manitoba, Canada and the associated capital requirements; and (ii) corporate transactions that could involve acquisitions of other assets of merit that would be more desirable to investors and the capital markets.

Since its inception, and continuing through most of 2025, ACG was acquiring the properties comprising the Eagle Project and was successful in raising sufficient capital. Management of Core Nickel and the Core Nickel Board, which was also comprised of Paul Reid and Marc Pais who are directors of ACG, entered into informal discussions during 2025 regarding the viability and merits of Core Nickel undertaking a reverse takeover transaction with ACG, which would result in Core Nickel operating the business of ACG, including the Eagle Project.

On September 12, 2025 the Core Nickel Board met to review a proposed draft letter of intent to formalize the discussions of the reverse takeover transaction with ACG and conferred with its legal advisors on the process to engage financial advisors and to proceed with the next steps on the transaction. On September 14, 2025, Core Nickel Board met and unanimously resolved to form the Special Committee, comprised entirely of independent directors: Timothy Dalton, Mike Pilmer and David Smith. Among other things, the Special Committee addressed the following matters in discharging their mandate: (a) consider and evaluate the Transaction and any reasonable alternatives to the Transaction with the assistance of its advisors and management; (b) carry out all analysis or preparatory work that it considered useful or necessary in connection with any transaction; (c) review, have oversight of, and supervise the transaction process; (d) negotiate, or supervise the negotiation of, the terms and conditions of any transaction and to supervise the preparation of any legal agreements or other documentation necessary to implement the same; (e) assess the fairness of any transaction to Core Nickel Shareholder and any other relevant stakeholders of Core Nickel, and whether any transaction is in the best interests of Core Nickel, its securityholders and any other relevant stakeholders; (f) with the advice of legal counsel, ensure that Core Nickel, Core Nickel Board and management understood the legal and regulatory framework applicable to any transaction, including, without limitation, any matters necessary to comply with the requirements of MI 61-101; (g) ensure that Core Nickel, Core Nickel Board, and management received financial and other advice with respect to Core Nickel, any third parties and any transaction; (h) advise Core Nickel Board and make a recommendation as to whether a transaction would be in the best interests of Core Nickel and its securityholders and other relevant stakeholders and to undertake such processes as it considers necessary or appropriate to provide such advice and recommendation, or, if a recommendation is not being made to Core Nickel Board, to provide reasons as to why not; (i) if a transaction was approved by Core Nickel Board, maintain, on behalf of Core Nickel Board, oversight and review of its implementation; (j) oversee, together with the senior management of Core Nickel, the required public disclosure and communication to the relevant stakeholders of Core Nickel; and (k) consider, without the need for further authorization by Core Nickel Board, such other matters as the Special Committee considers necessary or appropriate in order to fulfill its mandate and discharge its responsibilities.

On September 15, 2025, with the assistance of its legal advisors, Core Nickel and ACG entered into a non-binding letter of intent (the "**Letter of Intent**") with respect to the proposed acquisition of ACG by Core Nickel in a share exchange transaction by way of a plan of arrangement or such other transaction structure as determined by the parties based upon tax, securities and corporate law and other considerations.

Prior to the discussions that culminated in the non-binding Letter of Intent dated September 15, 2025, management of Core Nickel and ACG had held preliminary discussions in late May 2025 regarding a potential transaction between the companies. On June 4, 2025, ACG delivered to Core Nickel management a draft letter of intent outlining terms that were, in substance, substantially similar to those ultimately reflected in the Letter of Intent. On or about June 16, 2025, Core Nickel formed a special committee consisting of one independent director, and on June 18, 2025, the

“special committee” met with independent legal counsel to consider the proposed transaction and related process matters. Over the ensuing two-plus weeks, the “special committee” purported to conducted interviews with prospective independent financial advisors and, during that period, did not respond to ACG on the substance of the draft proposal. On July 7, 2025, more than a month after delivery of the draft letter of intent, ACG withdrew the proposal and terminated discussions. In early September 2025, Core Nickel effected a board and management change and appointed new independent directors, following which the parties re-engaged and executed the Letter of Intent on September 15, 2025.

On October 2, 2025, Core Nickel and ACG jointly announced ACG SR Financing to raise gross proceeds of up to \$10,000,000. On October 20, 2025, Core Nickel and ACG jointly announced that, due to demand for an RRSP and TFSA-eligible offering, Core Nickel intended to undertake a brokered offering of subscription receipts concurrently with the ACG SR Financing previously announced by ACG, to raise aggregate gross proceeds of up to \$10,000,000, and announced the Core Nickel SR Financing. On November 26, 2025, Core Nickel and ACG entered into the Agency Agreement with the SR Agents.

On November 26, 2025, ACG closed the ACG SR Financing and raised gross proceeds of \$1,556,601.60 and Core Nickel closed the Core Nickel SR Financing and raised gross proceeds of \$1,634,848.80, for aggregate proceeds of \$3,191,450.40.

Between September 15, 2025 and February 2026, Core Nickel and ACG exchange detailed due diligence requests from each other in respect of legal, technical, financial and tax enquiries. Each party responded to the detailed information requests by uploading documents to an electronic data room, and providing responses to enquiries. The process of providing information and responding to enquiries continued up to the signing of the Transaction Agreement.

On February 12, 2026, the Special Committee and Core Nickel Board met and received, reviewed and discussed the Transaction and the draft Transaction Agreement with advice of its legal and financial advisors. Core Nickel management presented its views on the Transaction. RWE delivered its opinion in writing that as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications described to Core Nickel Board, the consideration to be received by Core Nickel Shareholders is fair, from a financial point of view, to Core Nickel Shareholders. Following receipt of the detailed report from Core Nickel’s management and its financial and legal advisors, the meeting was adjourned.

On February 12, 2026 following receipt of the Special Committee’s recommendation, Core Nickel Board unanimously resolved to approve the Transaction, determining that it was in the best interests of Core Nickel to do so, on the basis of the recommendation of the Special Committee and in light of the other factors considered.

The Transaction Agreement was executed by the Parties on February 13, 2026.

Recommendation of the Special Committee and Core Nickel Board

The Special Committee, after consulting with management of Core Nickel and legal and financial advisors in evaluating the Transaction, and taking into account other factors including the reasons described in the section entitled “*Part I — The Transaction — Reasons for Recommendation of the Special Committee and Core Nickel Board*”, unanimously recommended that Core Nickel Board approve the Transaction Agreement.

Core Nickel Board, after consulting with management of Core Nickel and legal and financial advisors in evaluating the Transaction and receiving the unanimous recommendation of the Special Committee, and taking into account other factors including the reasons described in the section entitled “*Part I — The Transaction — Reasons for Recommendation of the Special Committee and Core Nickel Board*”, unanimously determined that the Transaction is in the best interests of Core Nickel.

Accordingly, Core Nickel Board unanimously recommends that Core Nickel Shareholders vote FOR Core Nickel Transaction Resolution.

Reasons for Recommendation of the Special Committee and Core Nickel Board

The Special Committee and Core Nickel Board consulted with management of Core Nickel and legal and financial advisors in evaluating the Transaction and, in reaching their respective conclusions and formulating their unanimous recommendations, reviewed a significant amount of information and considered a number of factors, including the following, among others:

- Core Nickel Shareholders will maintain exposure to the Core Nickel Properties and will gain exposure to ACG's Eagle Project, which will be the principal project of the Resulting Issuer.
- Core Nickel Shareholders will benefit from the strengthened capital position and increased access to capital of the Resulting Issuer
- The risks associated with Core Nickel continuing to execute its business and strategic plan with the Core Nickel Properties, as an alternative to the Transaction, and that the Resulting Issuer will be better positioned to pursue a growth and value maximizing strategy as compared with Core Nickel with only its Core Nickel Properties, as a result of the Resulting Issuer's increased technical expertise, asset diversification, increased financial capacity, enhanced access to capital over the long term, the likelihood of increased investor interest and access to business development opportunities due to the Resulting Issuer's larger market presence.
- The RWE Fairness Opinion delivered to the Special Committee to the effect that, as of the date thereof, and based upon and subject to the assumptions, limitations and qualifications set forth in the RWE Fairness Opinion, the Transaction and Exchange Ratio are fair, from a financial point of view, to Core Nickel Shareholders.
- Current industry, economic and market conditions and trends and its expectations of the future prospects in the copper and gold exploration and mining sector and potential for further consolidation and acquisitions, as well as information concerning the business, operations, assets, financial performance and condition, and prospects of Core Nickel, including the lack of strategic alternatives to the Transaction.
- Core Nickel's due diligence review and investigations of ACG.

The Special Committee and Core Nickel Board also considered a number of other factors and risks relating to the Transaction including:

- The risk that expected benefits to the Resulting Issuer are not realized.
- The risk that changes in law or regulation, and geopolitical developments, could adversely impact the expected benefits of the Transaction to Core Nickel, Core Nickel Shareholders and other stakeholders.
- The risk that the Transaction may not be completed despite the parties' efforts or that completion of the Transaction may be unduly delayed, even if Core Nickel Shareholder approval is obtained, including the possibility that other conditions to the parties' obligations to complete the Transaction may not be satisfied, and the potential resulting negative impact this could have upon Core Nickel's business.
- The limitations contained in the Transaction Agreement on Core Nickel's ability to solicit additional interest from third parties, given the nature of the deal protections and "fiduciary out" in the Transaction Agreement, as well as the fact that if the Transaction Agreement is terminated under certain circumstances, Core Nickel will be required to pay the Termination Fee to ACG.
- The fact that if the Transaction Agreement is terminated and Core Nickel Board decides to seek another transaction or business combination, it may be unable to find a party willing to undertake a transaction which would result in greater or equivalent value compared to the Transaction.
- The fact that Core Nickel has incurred and will continue to incur significant transaction costs and expenses in connection with the Transaction, regardless of whether the Transaction is completed.

The Special Committee and Core Nickel Board believed that overall, the anticipated benefits of the Transaction to Core Nickel outweighed these risks and negative factors.

The information and factors described above and considered by the Special Committee and Core Nickel Board in reaching its determinations are not intended to be exhaustive but include material factors considered by the Special Committee and Core Nickel Board. In view of the wide variety of factors considered in connection with the evaluation of the Transaction and the complexity of these matters, the Special Committee and Core Nickel Board did not find it useful to, and did not attempt to, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Special Committee and Core Nickel Board may have given different weight to different factors.

Fairness Opinion

Core Nickel Board engaged RWE to act as its financial advisor in connection with the Transaction. In connection with RWE's engagement, RWE was requested to provide the Special Committee with an opinion as to the fairness to Core Nickel Shareholders, from a financial point of view, of the Transaction. The Fairness Opinion states that, based upon and subject to the assumptions, limitations and qualifications set forth therein, RWE is of the opinion that, as of February 2, 2026, the Transaction and Exchange Ratio are fair, from a financial point of view, to Core Nickel Shareholders. **The Fairness Opinion is subject to the assumptions, limitations and qualifications contained therein and should be read in its entirety.** See Schedule "J" to this Circular, "*RWE Fairness Opinion*".

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule "J" to this Circular. Core Nickel Shareholders are urged to, and should, read the Fairness Opinion in its entirety. The summary of the Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to whether or not Core Nickel Shareholders should vote for Core Nickel Transaction Resolution.

The Fairness Opinion was necessarily based upon information available, and financial, stock market and other conditions and circumstances existing and disclosed, to as of the date of the Fairness Opinion. Although subsequent developments may affect the Fairness Opinion, RWE has no obligation to update, revise or reaffirm its opinion.

The Fairness Opinion was only one of many factors taken into consideration by the Special Committee in making its recommendation to Core Nickel Board, and by Core Nickel Board in determining that the Transaction is in the best interest of Core Nickel and recommending that Core Nickel Shareholders voting for Core Nickel Transaction Resolution, and should not be viewed as determinative of the views of the Special Committee, Core Nickel Board or Core Nickel's management with respect to the Transaction or the Consideration provided for pursuant to the Transaction.

Neither RWE nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in the applicable Canadian Securities Laws) of Core Nickel or ACG or any of their respective associates or affiliates.

For its financial advisory services to the Special Committee in connection with the Transaction, Core Nickel has agreed to pay a flat fee to RWE for the Fairness Opinion (no portion of which is contingent on the conclusion reached in the Fairness Opinion or upon completion of the Transaction). In addition, Core Nickel has agreed to reimburse RWE for its expenses, including reasonable fees and expenses of counsel, and to indemnify RWE and related parties against certain liabilities arising out of RWE's engagement.

The Transaction

Description of the Transaction

ACG has entered into the Transaction Agreement with Core Nickel, which provides for the acquisition by Core Nickel of all of the issued and outstanding shares of ACG by way of a plan of arrangement under Section 182 of the OBCA and on terms and subject to the conditions set out in the Plan of Arrangement. Pursuant to the Transaction, each issued and outstanding ACG Share will be transferred to and acquired by Core Nickel, without any act or formality on the part of the holder of the ACG Share or Core Nickel, in exchange for such number of Core Nickel Shares (on a post-

Consolidation basis) as is equal to the Exchange Ratio multiplied by the number of outstanding ACG Shares. In accordance with the Plan of Arrangement, all ACG Warrants which shall be deemed to be issued upon conversion of the ACG Subscription Receipts immediately prior to the Effective Time and any outstanding ACG Options shall, without further action or formality by or on behalf of the holders thereof, be transferred and assigned (free and clear of all Liens) by the holders thereof to Core and Resulting Issuer Warrants and Resulting Issuer Options shall be issued to such holders in exchange for such ACG Warrants and ACG Options pursuant to the Arrangement on an economically equivalent basis.

Upon completion of the Transaction, ACG will become a wholly-owned subsidiary of Core Nickel. In connection with the Transaction, Core Nickel will complete the Consolidation and change its name to “Arizona Eagle Mining Corp.” All references herein to “Resulting Issuer” refer to Core Nickel after completion of the Transaction.

In connection with the Transaction:

- (a) each ACG Share issued and outstanding immediately before Closing shall be exchanged by each holder thereof, for one fully paid and non-assessable Core Share in accordance with the Exchange Ratio and each such ACG Share shall be cancelled upon exchange;
- (b) each ACG Warrant outstanding immediately before Closing shall be exchanged for one Resulting Issuer Warrant in accordance with the Exchange Ratio. Each such Resulting Issuer Warrant shall have substantially the same terms as the ACG Warrants being exchanged, and all such ACG Warrants shall be cancelled upon exchange. The exercise price for each Resulting Issuer Share underlying the Resulting Issuer Warrants will be equal to the exercise price per ACG Share under the ACG Warrants in effect immediately prior to Closing;
- (c) each ACG Option outstanding immediately before Closing shall be exchanged for one Resulting Issuer Option in accordance with the Exchange Ratio;
- (d) there will be approximately 49,006,929 Resulting Issuer Shares issued and outstanding after Closing;
- (e) former ACG Shareholders will hold approximately 39,868,950 Resulting Issuer Shares, representing approximately 81.35% of the outstanding Resulting Issuer Shares (not including ACG Shares underlying the ACG Subscription Receipts);
- (f) former Core Nickel Shareholders will hold 6,478,437 Resulting Issuer Shares representing approximately 13.22% of the outstanding Resulting Issuer Shares (not including Core Nickel Shares underlying the Core Nickel Subscription Receipts);
- (g) purchasers of Subscription Receipts (in both the ACG SR Financing and the Core Nickel SR Financing) will hold 2,659,542 Resulting Issuer Shares representing approximately 5.43% of the outstanding Resulting Issuer Shares; and
- (h) subject to shareholder approval, all of the directors and officers of Core Nickel, other than Mike Pilmer, will have resigned and been replaced by the New Slate and by those officers appointed by the New Slate, respectively.

Effect of the Transaction

In accordance with the Transaction Agreement and the OBCA, on the Closing Date, Core Nickel will acquire all of the issued and outstanding ACG Shares in exchange for Core Nickel Shares on the basis of the Exchange Ratio and ACG will be a wholly-owned subsidiary of Core Nickel, as the Resulting Issuer. On the effective date of the Continuance, the Resulting Issuer will be a corporation governed by the OBCA. The Resulting Issuer will carry on the business previously carried on by ACG under the corporate name “Arizona Eagle Mining Corp.”

Terms of the Transaction Agreement

The following summarizes the material provisions of the Transaction Agreement. This summary may not contain all of the information about the Transaction Agreement that is important to Core Nickel Shareholders. The rights and obligations of Core Nickel and ACG pursuant to the Transaction are governed by the express terms and conditions of the Transaction Agreement and not by this summary or any other information contained in this Circular. Core Nickel Shareholders are urged to read the Transaction Agreement carefully and in its entirety, as well as this Circular, before making any decisions regarding the Transaction. This summary is qualified in its entirety by reference to the Transaction Agreement, which has been filed by Core Nickel on its SEDAR+ profile at www.sedarplus.ca, and by the Plan of Arrangement, a copy of which is set out at Schedule “B” of the Transaction Agreement. Capitalized terms not expressly defined herein have the meanings ascribed thereto in the Transaction Agreement.

Representations and Warranties

Pursuant to the Transaction Agreement, Core Nickel made customary representations and warranties to ACG. The Transaction Agreement also contains customary representations and warranties made by ACG to Core Nickel. These representations and warranties include, among other things, representations and warranties made by Core Nickel on the one hand and ACG on the other hand as to: (i) corporate organization and valid existence, power to conduct business, qualification and good standing of the respective entities and their subsidiaries; (ii) ownership of subsidiaries and other investments; (iii) the requisite corporate power and capacity of the respective entities to enter into and perform their obligations under the Transaction Agreement, and the valid authorization, execution and delivery thereof; (iv) that other than as disclosed in the Transaction Agreement, no consents, authorizations or approvals are required in connection with the execution and delivery of the Transaction Agreement and that such execution and delivery will not violate applicable laws, constating documents, contracts and court orders; (v) compliance with disclosure obligations of the Exchange, Canadian securities regulators and any other applicable securities laws, as the case may be, and the applicable rules and regulations promulgated thereunder; (vi) compliance with other applicable laws and regulations and with the charter documents of each of the respective entities; (vii) financial statements; (viii) tax matters; (ix) matters affecting the voting, control or sale of the securities of the respective entities and their subsidiaries; (x) litigation and government proceedings; (xi) material contracts; (xii) capitalization; (xiii) indebtedness; (xiv) employment matters; (xv) Related Party Transactions; (xvi) corporate records; (xvii) environmental matters; and (xviii) technical disclosure on mineral properties.

Completion of the Transaction is subject to the following conditions which may only be waived, in whole or in part, by the mutual consent of each of ACG and Core Nickel:

- the approval of ACG Shareholders at the Meeting;
- the approval of Core Nickel Shareholders at the Core Nickel Meeting;
- each of the Interim Order and the Final Order being obtained on terms consistent with the Transaction Agreement, and not having been set aside or modified in a manner unacceptable to either ACG or Core Nickel;
- final approval of the Transaction by the TSXV; and
- no law being in effect that makes consummation of the Transaction illegal or otherwise prohibits or enjoins either Core Nickel or ACG from consummating the Transaction.

Completion is subject to the following additional conditions in favour of ACG:

- the Consolidation having been completed;
- The representations and warranties of Core Nickel which are qualified by references to materiality or by the expression “Material Adverse Effect” were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of Core Nickel were true and correct as of the date of the Transaction Agreement and are true and correct as of

the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date;

- Core Nickel having fulfilled or complied in all material respects each of its respective covenants contained in the Transaction Agreement to be fulfilled or complied with by it on or prior to the Effective Time;
- there being no legal or regulatory action or proceeding shall be pending or threatened by any person which would, in the opinion of ACG, acting reasonably, enjoin, restrict or prohibit the completion of the Arrangement;
- Core having obtained all material consents and waivers to complete the Arrangement required pursuant to its Material Contracts and the material Contracts of the Core Subsidiary, each in a form satisfactory to ACG, acting reasonably, and shall have provided all notices to complete the Arrangement required pursuant to its Material Contracts and the Material Contracts of the Core Subsidiary;
- no order having the effect of suspending the issuance or ceasing the trading of any of ACG Shares or Core Shares shall have been issued or made by any governmental entity, securities regulatory authority or stock exchange;
- All severance payments, to be determined in ACG's sole discretion, shall have been satisfied;
- no Material Adverse Effect shall have occurred or exist with respect to Core; and
- ACG and Core shall have obtained all regulatory approvals necessary to permit the completion of the Arrangement, including the TSXV conditional approval.

Completion is subject to the following additional conditions in favour of Core that may only be waived by Core Nickel:

- the representations and warranties made to Core by ACG in the Transaction Agreement which are qualified by references to materiality or by the expression "Material Adverse Effect" were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of ACG were true and correct as of the date of the Transaction Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date;
- all of the terms, covenants and conditions of the Transaction Agreement to be complied with or performed by ACG at or before the Effective Time having been complied with or performed in all material respects;
- no legal or regulatory action or proceeding shall be pending or threatened by any person which would, in the opinion of Core Nickel, acting reasonably, enjoin, restrict or prohibit the completion of the Arrangement;
- dissent rights shall not have been exercised with respect to more than 10% of the issued and outstanding ACG Shares;
- since the date of the Transaction Agreement, no Material Adverse Effect shall have occurred or exist with respect to ACG;
- ACG shall have obtained all material consents and waivers to complete the Arrangement required pursuant to its Material Contracts and the material Contracts of the ACG Subsidiary, each in a form satisfactory to Core Nickel, acting reasonably, and shall have provided all notices to complete the Arrangement required pursuant to its Material Contracts and the material Contracts of the ACG Subsidiary;
- no order having the effect of suspending the issuance or ceasing the trading of any of Core Shares shall have been issued or made by any Governmental Entity, securities regulatory authority or stock exchange;

- Core shall have obtained all Regulatory Approvals necessary to permit the issuance of the Consideration Shares, including without limitation the TSXV; and
- all necessary actions (including the obtaining of the Final Order which will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the U.S. Securities Act from the registration requirements of the U.S. Securities Act regarding the distribution of the Consideration Shares and Resulting Issuer Replacement Warrants) shall have been taken with respect to the Arrangement so that the Consideration Shares issued in exchange for ACG Shares, and the Resulting Issuer Replacement Warrants and Options issued in exchange for ACG Warrants and Options, in each case to be issued in the United States pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) of the U.S. Securities Act and similar exemptions under all applicable state securities laws.

Covenants

Each of Core Nickel and ACG have agreed, in favour of the other, to a number of usual and customary covenants under the Transaction Agreement, including, among other things, the conduct of the businesses of ACG, Core Nickel, and each of their subsidiaries, obtaining the approval of the Exchange, the Court and both the Core Nickel Shareholders and the ACG Shareholders in respect of the Transaction, respectively, to refrain from amending their respective constating documents, and to use all reasonable commercial efforts to satisfy the conditions precedent to its obligations under the Transaction Agreement.

Mutual Covenants Regarding Non-Solicitation Covenant

Under the Transaction Agreement, each of Core Nickel and ACG has agreed to certain non-solicitation covenants, as follows:

- each Party shall not, directly or indirectly, through any of its Representatives or any Representatives of its Subsidiaries, or otherwise, and shall not permit any such person to:
 - (a) solicit, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of a Party or entering into any form of agreement, arrangement or understanding (other than a confidentiality and standstill agreement permitted by the Transaction Agreement)) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (b) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than the other Party) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal, provided however that a Party may communicate and participate in discussions with a person for the purpose of (A) clarifying the terms of any reasonably unclear proposal; and (B) advising such third party that an Acquisition Proposal does not constitute a Superior Proposal when the Board of such Party has so determined;
 - (c) make a Core Change in Recommendation or an ACG Change in Recommendation;
 - (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five (5) Business Days following the formal announcement of such Acquisition Proposal will not be considered to be in violation of this covenant, provided the Board of such Party has rejected such Acquisition Proposal and affirmed the Board Recommendation of such Party before the end of such five (5) Business Day period); or
 - (e) enter into or publicly propose to enter into any agreement in respect of an Acquisition Proposal.

Each Party also covenanted that it shall, and shall cause its subsidiaries and their respective Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of the Transaction Agreement with any person (other than the other Party and its Representatives) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection with such termination shall, at the written request of the other Party:

- discontinue access to and disclosure of all information, including any data room and any confidential information, properties, facilities, books and records of such Party or subsidiaries of such Party; and
- request, and exercise all rights it has to require (a) the return or destruction of all copies of any confidential information regarding such Party or its Subsidiaries provided to any person (other than the other Party and its Representatives), and (b) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding such Party or its Subsidiaries, to the extent that such information has not previously been returned or destroyed, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

Each Party also covenanted and agreed: (a) that it shall take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation or similar agreement, covenant or restriction to which such Party or any of its Subsidiaries is a party and (b) not to release, and cause its Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting such Party, or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, use, business purpose or similar agreement, covenant or restriction to which such Party or any of its Subsidiaries is a party, without the prior written consent of the other Party (which may be withheld or delayed in the other Party's sole and absolute discretion) (it being acknowledged by the Parties that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing the Transaction Agreement shall not be a violation of these covenants).

Notification of Acquisition Proposal

If a Party or any of its Subsidiaries or any of their respective Representatives receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to such Party or any of its Subsidiaries, including information, access, or disclosure relating to the properties, facilities, books or records of such Party or any of its Subsidiaries, Such Party shall promptly notify the other Party, at first orally (and, in any event, within 12 hours) and then in writing (and, in any event, within 24 hours), of:

- such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall further provide the other Party with copies of all written documents, correspondence or other material received in respect of, from or on behalf of any such person; and
- the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

Responding to an Acquisition Proposal

If at any time, prior to obtaining the approval by the ACG Shareholders of the Arrangement Resolution or the Core Shareholders of the Transaction Resolution, as applicable, a Party receives a bona fide unsolicited written Acquisition Proposal from a person, such Party may (a) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal; and (b) enter into, participate, facilitate and maintain discussions or negotiations with, and may provide copies of, access to, or disclosure of, confidential information, properties, facilities, books or records of such Party or any of its Subsidiaries, and otherwise cooperate with or assist, the person making such Acquisition Proposal if and only if:

- the Board of such Party first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or could reasonably be expected to lead to a Superior Proposal;
- such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure or similar restriction with such Party or any of its subsidiaries;
- such Party has complied in all material respects with its obligations under Article 6 of the Transaction Agreement; and
- prior to providing such access or disclosure to such person, such Party enters into a confidentiality and standstill agreement with such person (unless such person is already a party to a confidentiality and standstill agreement with such Party) having terms not more favourable in any material respect to such person than the equivalent terms of the confidentiality agreement in place between the Parties and before providing any such copies, access or disclosure, such Party provides the other Party with a true, complete and final executed copy of the confidentiality and standstill agreement.

Right to Match

If a Party (a “**Receiving Party**”) receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution or the Transaction Resolution, as applicable, the Receiving Party may, subject to compliance with Article 6 and Article 7 of the Transaction Agreement, enter into a definitive agreement with respect to such Superior Proposal or make a Change in Recommendation in respect of such Superior Proposal, if and only if:

- the person making the Superior Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure or similar restriction with the Receiving Party;
- the Receiving Party has been, and is, in compliance with its obligations under Article 6 of the Transaction Agreement;
- the Receiving Party has delivered to the other Party a written notice of the determination of its Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Receiving Party to enter into a definitive agreement or make a Change in Recommendation in respect of the Superior Proposal (a “**Superior Proposal Notice**”);
- the Receiving Party has provided the other Party a copy of the proposed agreement for the Superior Proposal;
- at least five (5) Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the other Party received the Superior Proposal Notice and the date on which such other Party received a copy of the proposed definitive agreement for the Superior Proposal;
- during the Matching Period, the other Party has had the opportunity (but not the obligation) to offer to amend the Transaction Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
- after the Matching Period, the Board of the Receiving Party has determined, in good faith after consultation with its financial advisors and outside legal counsel, that (a) such Acquisition Proposal continues to constitute a Superior Proposal (including compared to the terms of the Arrangement as proposed to be amended by the other Party under Section 6.4(b)) and, (b) that failure to take the relevant action in accordance with the Transaction Agreement would be inconsistent with its fiduciary duties; and
- prior to entering into such definitive agreement, the Receiving Party terminates the Transaction Agreement pursuant to Section 7.2(d)(ii) of the Transaction Agreement where the Receiving Party is Core or Section 7.2(c)(ii) of the Transaction Agreement where the Receiving Party is ACG, and, in either case, pays the Termination Fee in accordance with Section 7.4 of the Transaction Agreement.

During the Matching Period, or such longer period as the Receiving Party may approve (in its sole discretion) in writing for such purpose: (a) the other Party shall have the opportunity (but not the obligation) to offer to amend the Transaction Agreement and the Arrangement; (b) the Board of the Receiving Party shall, in good faith and in consultation with outside legal counsel and financial advisors, review any offer made by the other Party to amend the terms of the Transaction Agreement and the Arrangement in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously determined to constitute a Superior Proposal ceasing to be a Superior Proposal; and (c) the Receiving Party shall, and shall cause its Representatives to, negotiate in good faith with the other Party to make such amendments to the terms of the Transaction Agreement and the Arrangement as would enable the other Party to proceed with the transactions contemplated by the Transaction Agreement on such amended terms. If, as a consequence of the foregoing, the Board of the Receiving Party determines that such Acquisition Proposal would cease to be a Superior Proposal, the Receiving Party shall promptly so advise the other Party and the Parties shall amend the Transaction Agreement to reflect such offer made by the other Party and shall take or cause to be taken all such actions as are necessary to give effect to the foregoing. Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Receiving Party's shareholders or amends or modifies other material terms or conditions thereof shall constitute a new Acquisition Proposal for purposes of Section 6.4 of the Transaction Agreement and, to the extent such new Acquisition Proposal is determined to be a Superior Proposal, the other Party shall be afforded a new five Business Day Matching Period from the later of the date on which such other Party received the Superior Proposal Notice for the new Superior Proposal and the date on which such other Party received a copy of the definitive agreement/all of the materials referred to in Section 6.4(a)(v) of the Transaction Agreement with respect to such new Superior Proposal.

The Board of the Receiving Party shall promptly reaffirm the (a) Core Board Recommendation in circumstances where the Receiving Party is Core or (b) the ACG Board Recommendation in circumstances where the Receiving Party is ACG, in each case, by news release after: (A) the Board of the Receiving Party has determined that any Acquisition Proposal is not a Superior Proposal if the Acquisition Proposal has been publicly announced or publicly disclosed or (B) the Board of the Receiving Party determines that a proposed amendment to the terms of the Transaction Agreement and the Arrangement would result in an Acquisition Proposal that has been publicly announced or publicly disclosed and which previously constituted a Superior Proposal ceasing to be a Superior Proposal. The Receiving Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such news release. Each successive amendment to any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of Section 6.4 of the Transaction Agreement, and ACG shall be afforded a new five (5) Business Day Matching Period from the later of the date on which ACG received the Core Nickel Superior Proposal Notice and a copy of the proposed agreement for the new Superior Proposal from Core Nickel.

If the Receiving Party provides a Superior Proposal Notice to the other Party after the date that is less than five (5) Business Days before:

- the ACG Meeting in circumstances where the Receiving Party is ACG, ACG shall be entitled to, and shall upon request from Core, adjourn or postpone the ACG Meeting to a date that is not more than seven (7) Business Days after the scheduled date of the ACG Meeting; or
- (ii) the Core Meeting in circumstances where the Receiving Party is Core, Core shall be entitled to, and shall upon request from ACG, adjourn or postpone the Core Meeting to a date that is not more than seven (7) Business Days after the scheduled date of the Core Meeting.

Notwithstanding anything to the contrary set forth in the Transaction Agreement, nothing shall prohibit the ACG Board or the Core Board, as applicable, from making a Change in Recommendation or from making any disclosure to any security holders of the applicable Party, if, in the good faith judgment of the ACG Board or the Core Board, as applicable, after consultation with outside counsel and financial advisors, failure to take such action or make such disclosure would be inconsistent with the fiduciary duties of the ACG Board or the Core Board, as applicable, or such disclosure is otherwise required under applicable Law (including by responding to an Acquisition Proposal under a directors' circular under applicable Securities Laws); provided that, such Party shall provide the other Party and its outside legal counsel with an opportunity to review the form and content of such disclosure and shall give reasonable consideration to any comments made by the other Party and its outside legal counsel.

Termination

The Transaction Agreement may be terminated prior to the Effective Time by:

- (A) the mutual written agreement of the Parties;
- (B) either ACG or Core Nickel if:
 - (a) ACG Shareholder Approval is not obtained at the ACG Meeting, provided that a Party may not terminate the Transaction Agreement pursuant to Section 7.2(b)(i) of the Transaction Agreement if the failure to secure the ACG Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Transaction Agreement;
 - (b) Core Nickel Shareholder Approval is not obtained at the Core Nickel Meeting, provided that a Party may not terminate the Transaction Agreement pursuant to Section 7.2(b)(ii) of the Transaction Agreement if the failure to secure the Core Nickel Shareholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Transaction Agreement;
 - (c) after the date of the Transaction Agreement, any Governmental Entity shall have issued an order, decree or ruling or any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins ACG or Core Nickel from consummating the Arrangement, and such order, decree, ruling or Law has, if applicable, become final and non-appealable; or
 - (d) the Effective Date does not occur on or prior to March 26, 2026 (the **Outside Date**), provided that a Party may not terminate the Transaction Agreement pursuant to Section 7.2(b)(iv) of the Transaction Agreement if the failure of the Effective Date to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Transaction Agreement.
- (C) ACG if:
 - (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Core Nickel under the Transaction Agreement occurs that would cause any condition in Section 5.1(c)(ii) or 5.1(c)(iii) not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 5.3 of the Transaction Agreement on or prior to the Outside Date, provided that ACG is not then in breach of the Transaction Agreement so as to cause any condition in Section 5.1(b)(i) or 5.1(b)(ii) not to be satisfied;
 - (b) (A) the Core Nickel Board fails to make the Core Board Recommendation or withdraws, amends, modifies or qualifies, publicly proposes or states its intention to withdraw, amend, modify or qualify, the Core Board Recommendation; (B) the Core Nickel Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or a neutral position with respect to an Acquisition Proposal relating to Core Nickel for more than two (2) Business Days after first learning of such Acquisition Proposal;

- (C) the Core Nickel Board accepts, approves, endorses, recommends or executes or enters into or authorizes the entering into by Core Nickel, or publicly proposes to accept, approve, endorse, recommend or execute or enter into or authorizes the entering into by Core Nickel of any agreement, letter of intent, understanding or arrangement in respect of an Acquisition Proposal; (D) the Core Nickel Board fails to publicly reaffirm (without qualification) within two (2) Business Days after having been requested in writing by ACG to do so, the Core Nickel Board Recommendation; or (E) Core Nickel breaches Article 6 of the Transaction Agreement in any material respect (in each case, a **“Core Change in Recommendation”**);
- (c) the conditions in Article 5 of the Transaction Agreement have been satisfied or waived by the applicable Party or Parties (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, in which case, there is no state of facts or circumstances then existing that would cause such conditions not to be satisfied) and Core Nickel has failed to comply with its obligations hereunder to issue the Consideration Shares; or
- (d) there has occurred a Core Material Adverse Effect that is incapable of being cured on or before the Outside Date.
- (D) Core Nickel if:
- (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of ACG under the Transaction Agreement occurs that would cause any condition in Section 5.1(b)(i) or 5.1(b)(ii) not to be satisfied, and such breach or failure is incapable of being cured in accordance with the terms of Section 5.3 of the Transaction Agreement on or prior to the Outside Date, provided that Core Nickel is not then in breach of the Transaction Agreement so as to cause any condition in Section 5.1(c)(ii) or 5.1(c)(iii) not to be satisfied;
- (b) (A) the ACG Board fails to make the ACG Board Recommendation or withdraws, amends, modifies or qualifies, publicly proposes or states its intention to withdraw, amend, modify or qualify, the ACG Board Recommendation; (B) the ACG Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or a neutral position with respect to an Acquisition Proposal relating to ACG for more than two (2) Business Days after first learning of such Acquisition Proposal; (C) the ACG Board accepts, approves, endorses, recommends or executes or enters into or authorizes the entering into by ACG, or publicly proposes to accept, approve, endorse, recommend or execute or enter into or authorizes the entering into by ACG of any agreement, letter of intent, understanding or arrangement in respect of an Acquisition Proposal; (D) the ACG Board fails to publicly reaffirm (without qualification) within two (2) Business Days after having been requested in writing by Core Nickel to do so, the ACG Board Recommendation; or (E) ACG breaches Article 6 in any material respect (in each case, an **“ACG Change in Recommendation”**); or

The Party desiring to terminate the Transaction Agreement pursuant to the above (other than the mutual termination rights mentioned above) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Termination Fees

For purposes of the Transaction Agreement, “ACG Termination Fee Event” means the termination of the Transaction Agreement:

- by ACG pursuant to Section 7.2(c) of the Transaction Agreement;
- by Core Nickel pursuant to Section 7.2(d)(ii) of the Transaction (but not including a termination by Core Nickel pursuant to Section 7.2(d)(ii) in circumstances where the ACG Change in Recommendation which led to such termination resulted solely because the ACG Board, acting in good faith, determined that a Core Nickel Material Adverse Effect occurred and that, as a consequence, it would be inconsistent with ACG

Board's fiduciary duties to continue to recommend that ACG Shareholders vote in favour of the Arrangement Resolution); or

- by ACG or Core Nickel pursuant to Section 7.2(b)(i) or Section 7.2(b)(iii) of the Transaction Agreement, or by Core Nickel pursuant to Section 7.2(d)(i) of the Transaction Agreement, if:
 - o prior to such termination, an Acquisition Proposal in respect of ACG is made or publicly announced or otherwise publicly disclosed by any Person (other than Core Nickel or any of its Affiliates); and
 - o within 12 months following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) with respect to ACG is consummated or effected; or (B) ACG and/or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a Contract (other than a confidentiality and standstill agreement permitted by and in accordance with Section 6.3 of the Transaction Agreement) in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) and such Acquisition Proposal is later consummated (whether or not within 12 months after such termination).
- If an ACG Termination Fee Event occurs, ACG shall pay the Termination Fee (less any applicable withholding Tax) to Core by wire transfer in immediately available funds to an account designated by Core:
 - o prior to or simultaneously with the occurrence of such ACG Termination Fee Event, if the ACG Termination Fee Event occurs due to a termination of the Transaction Agreement by ACG pursuant to Section 7.2(c)(ii) of the Transaction Agreement;
 - o within two (2) Business Days following such ACG Termination Fee Event, if the ACG Termination Fee Event occurs due to a termination of the Transaction Agreement by Core Nickel pursuant to Section 7.2(d)(ii) of the Transaction Agreement; or
 - o prior to or simultaneously with the consummation of the Acquisition Proposal referred to in Section 7.4(a)(iii) of the Transaction Agreement.

For purposes of the Transaction Agreement, "Core Termination Fee Event" means the termination of the Transaction Agreement:

- by Core Nickel pursuant to Section 7.2(d)(ii) of the Transaction Agreement;
- by ACG pursuant to Section 7.2(c)(ii) of the Transaction Agreement (but not including a termination by ACG pursuant to Section 7.2(c)(ii) in circumstances where the Core Change in Recommendation which led to such termination resulted solely because the Core Nickel Board, acting in good faith, determined that a Core Nickel Material Adverse Effect occurred and that, as a consequence, it would be inconsistent with the Core Nickel Board's fiduciary duties to continue to recommend that Core Nickel Shareholders vote in favour of the Transaction Resolution); or
- by ACG or Core Nickel pursuant to Section 7.2(b)(ii) or Section 7.2(b)(iii) of the Transaction Agreement, or by ACG pursuant to Section 7.2(c)(i) of the Transaction Agreement, if,
 - o prior to such termination, an Acquisition Proposal in respect of Core is made or publicly announced or otherwise publicly disclosed by any Person (other than ACG or any of its Affiliates); and
 - o within 12 months following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to above) with respect to Core Nickel is consummated or effected or (B) Core Nickel and/or any of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a Contract (other than a confidentiality and standstill agreement permitted by and in accordance with Section 6.3 of the Transaction Agreement) in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same

Acquisition Proposal referred to above) and such Acquisition Proposal is later consummated (whether or not within 12 months after such termination).

If a Core Termination Fee Event occurs, Core Nickel shall pay the Termination Fee (less any applicable withholding Tax) to ACG by wire transfer in immediately available funds to an account designated by ACG:

- prior to or simultaneously with the occurrence of such Core Termination Fee Event, if the Core Termination Fee Event occurs due to a termination of the Transaction Agreement by ACG pursuant to Section 7.2(c)(ii) of the Transaction Agreement;
- within two (2) Business Days following such Core Termination Fee Event, if the Core Termination Fee Event occurs due to a termination of the Transaction Agreement by Core pursuant to Section 7.2(d)(ii) of the Transaction Agreement; or
- prior to or simultaneously with the consummation of the Acquisition Proposal referred to in Section 7.4(c)(iii) of the Transaction Agreement.

Plan of Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Schedule "B" to the Transaction Agreement. Pursuant to the Plan of Arrangement:

Pursuant to the Plan of Arrangement, commencing at the Effective Time (being 12:01 a.m. (Toronto time) on the Effective Date), each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case effective as at five-minute intervals starting at the Effective Time:

- (a) each ACG Share outstanding immediately prior to the Effective Time held by an ACG Shareholder in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred, without any further act or formality, to Core, free and clear of any Liens, in consideration for a debt claim against Core in an amount payable in accordance with Article 3 of the Plan of Arrangement, and:
 - (a) such ACG Shareholder shall cease to be the holder of such Dissenting Shares and shall cease to have any rights as a holder of such ACG Shares other than the right to be paid fair value for such Dissenting Shares;
 - (b) such ACG Shareholder's name shall be removed as the registered holder of such Dissenting Shares from the registers of ACG Shares maintained by or on behalf of ACG; and
 - (c) Core shall be deemed to be the transferee of such Dissenting Shares, free and clear of any Liens;
- (b) immediately thereafter, each ACG Share outstanding immediately prior to the Effective Time (other than any ACG Shares in respect of which Dissent Rights have been validly exercised) shall be transferred to and acquired by Core, without any act or formality on the part of the holder of such ACG Share or Core, free and clear of all Liens, in exchange for such number of Consideration Shares equal to the Exchange Ratio multiplied by the number of outstanding ACG Shares, and:
 - (a) the holder of such ACG Share shall cease to be the holder thereof and shall cease to have any rights as a holder of ACG Shares other than the right to receive the Consideration in accordance with the Plan of Arrangement;
 - (b) such holder's name shall be removed from the register of holders of ACG Shares maintained by or on behalf of ACG and added to the register of holders of Core Shares; and
 - (c) Core shall be recorded as the registered holder of such ACG Shares so exchanged and shall be deemed to be the legal and beneficial owner thereof;

- (c) each ACG Warrant outstanding at the Effective Time shall be exchanged for an equivalent Resulting Issuer Replacement Warrant exercisable to acquire from the Resulting Issuer the number of Resulting Issuer Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of ACG Shares subject to such ACG Warrant immediately prior to the Effective Time, provided that:
 - (a) no fractional Resulting Issuer Shares shall be issued upon any particular exercise or settlement of Resulting Issuer Replacement Warrants, and the aggregate number of Resulting Issuer Shares to be issued upon exercise by a holder of one or more Resulting Issuer Replacement Warrants shall be rounded down to the nearest whole number (with all exercises that are effectuated concurrently by a holder being aggregated before any such reduction is effectuated);
 - (b) the exercise price per Resulting Issuer Share under each Resulting Issuer Replacement Warrant shall be equal to the exercise price per ACG Share under the corresponding ACG Warrant immediately prior to the Effective Time, divided by the Exchange Ratio, and the aggregate exercise price payable on any particular exercise shall be rounded up to the nearest whole cent (with all concurrent exercises being aggregated before any such increase is effectuated);
 - (c) the Resulting Issuer Replacement Warrants shall be issued under and subject to the Core Warrant Indenture as "Series B Company Warrants"; and
 - (d) each ACG Warrant so exchanged shall be cancelled immediately following such transfer;
- (d) each ACG Option outstanding at the Effective Time, whether or not vested, shall be exchanged for an equivalent Resulting Issuer Replacement Option exercisable to acquire from the Resulting Issuer the number of Resulting Issuer Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of ACG Shares subject to such ACG Option immediately prior to the Effective Time, provided that:
 - (e) no fractional Resulting Issuer Shares shall be issued upon any particular exercise or settlement of Resulting Issuer Replacement Options, and the aggregate number of Resulting Issuer Shares to be issued upon exercise by a holder of one or more Resulting Issuer Replacement Options shall be rounded down to the nearest whole number (with all exercises that are effectuated concurrently by a holder being aggregated before any such reduction is effectuated);
 - (f) each Resulting Issuer Replacement Option shall have an expiry term and vesting provisions equivalent to those provided for in the ACG Option for which it was exchanged, and shall provide for an exercise price per Resulting Issuer Share equal to the exercise price per ACG Share under the corresponding ACG Option immediately prior to the Effective Time, divided by the Exchange Ratio, and the aggregate exercise price payable on any particular exercise shall be rounded up to the nearest whole cent (with all concurrent exercises being aggregated before any such increase is effectuated);
 - (g) the Resulting Issuer Replacement Options shall be issued under and governed by the Core Option Plan;
 - (h) notwithstanding the foregoing, it is intended that subsection 7(1.4) of the Tax Act shall apply to the exchange of an ACG Option for a Resulting Issuer Replacement Option; accordingly, in the event that the in-the-money amount in respect of a Resulting Issuer Replacement Option exceeds the in-the-money amount in respect of the ACG Option for which it is exchanged, the exercise price of such Resulting Issuer Replacement Option shall be adjusted to ensure that the in-the-money amount in respect of the Resulting Issuer Replacement Option does not exceed the in-the-money amount in respect of the ACG Option; and
 - (i) the holders of such ACG Options shall cease to be holders thereof, shall cease to have any rights as holders in respect of such ACG Options, shall be removed from the applicable register, and all agreements relating thereto shall be cancelled; and

- (j) all other rights to be issued ACG Shares existing at the Effective Time, whether or not then vested or otherwise then exercisable, shall be exchanged solely for the right to be issued such number of Consideration Shares per ACG Share as included in the Consideration.

If any fractional Consideration Share would otherwise be issuable to any ACG Shareholder, the aggregate number of Consideration Shares payable to such ACG Shareholder shall be rounded down to the nearest whole Consideration Share, with no consideration being paid for the fractional share.

Exchange and Securities Law Matters

The Transaction is subject to MI 61-101 and Exchange Policies 5.2 and 5.9, which regulate certain transactions to ensure equality of treatment among securityholders for certain transactions, including Related Party Transactions. For such transactions, these rules may require certain enhanced disclosure, approval by a majority of securityholders excluding certain shareholders, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors.

For Exchange purposes, the Arrangement constitutes a Non-Arm's Length Transaction because ACG, certain holders of ACG Shares, and certain of their non-arm's length parties are non-arm's length to Core Nickel for the purposes of Policy 5.2. Accordingly, the Transaction Resolution requires the approval of a simple majority of the votes cast by Shareholders in person or represented by proxy at the Core Nickel Meeting or any adjournment or postponement thereof, excluding votes cast in respect of Core Nickel Shares by "Non-Arm's Length Parties" to the Transaction (the "**Majority of the Minority Approval**"). For the Majority of the Minority Approval, votes attaching to Core Nickel Shares held by the holders of ACG Shares listed below, and the directors and officers of ACG who are also holders of Core Nickel Shares, will be excluded from calculating the simple majority required to pass the Transaction Resolution. In addition, Core Nickel Shares held by any Non-Arm's Length Party to Core Nickel receiving a collateral benefit would also be excluded. On the recommendation of the Special Committee, Core Nickel has determined that no collateral benefits arise in connection with the Transaction.

For purposes of MI 61-101, the Transaction constitutes a "related party transaction" (as defined in MI 61-101) because, as at the time the Arrangement was agreed to, Paul Reid was a "control person" of each of Core Nickel and ACG for the purposes of applicable securities laws. Core Nickel is listed only on the Exchange and not on any of the specified market in Section 5.5(b) of MI 61-101, and therefore is exempt from the requirement to obtain a formal valuation. Pursuant to Section 5.6 of MI 61-101, "minority approval" is required. The categories of Shareholders who are excluded from voting on the Transaction Resulting under the Exchange's Majority of the Minority Approval include all Shareholders whose votes are required to be excluded pursuant to MI 61-101 and additional categories of excluded voters. Accordingly, obtaining Majority of the Minority Approval will also satisfy the MI 61-101 minority-approval requirement. The following shareholders votes will be excluded from Majority of the Minority Approval:

Holder	Basis for exclusion	Core Nickel shares (pre-consolidation, undiluted)
Paul Reid	ACG director	8,175,000
Marc Pais	ACG director	5,180,500
Kevin Reid	ACG CEO	2,000,000
Rickard Vernon	ACG director	1,000,000
Other Shareholders	Shareholders of ACG	3,056,258
TOTAL:		19,411,758

As at the date hereof, as known to management of Core Nickel, it is expected that an aggregate of 19,411,758 Core Nickel Shares will be excluded from voting in respect of the Transaction Resolution, representing approximately 35.1% of the issued and outstanding Core Nickel Shares.

Shareholder Approvals and Voting Exclusions

Completion of the Transaction is subject to the approvals required by the Exchange and by MI 61-101, in addition to corporate and court approvals. For purposes of this Circular, the approval standard for the Transaction Resolution is Majority of the Minority Approval under Exchange Policy 5.2. For that vote, votes attaching to Core Nickel Shares held by the categories of parties discussed above under the heading "*Exchange and Securities Law Matters*" are

expected to be excluded for the Majority of the Minority Approval. The scrutineers at the Meeting will tabulate votes in accordance with these standards. Obtaining the Majority of the Minority Approval will also satisfy the minority-approval requirement under MI 61-101.

The Concurrent Financings

ACG and Core Nickel engaged in concurrent subscription receipt financings in the form of brokered private placements.

ACG raised aggregate gross proceeds of \$1,556,601.60 from the ACG SR Financing and Core Nickel raised aggregate gross proceeds of \$1,634,848.80 from the Core Nickel Financing for cumulative aggregate gross proceeds of \$3,191,450.40.

Pursuant to the terms of the Agency Agreement, the SR Agents agreed to undertake a brokered private placement of subscription receipts of ACG and Core Nickel, on a best efforts basis, at a price of \$1.20 per Subscription Receipt.

Each ACG Subscription Receipt will automatically convert, without any further action or payment of any additional consideration therefor, subject to adjustments in certain events, into one ACG Unit, being comprised of one ACG Common Share and one ACG Warrant. Each ACG Unit will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one unit of the Resulting Issuer (a “**Resulting Issuer Unit**”). Each Resulting Issuer Unit will consist of one Resulting Issuer Share and one Resulting Issuer Warrant (each a “**Resulting Issuer Warrant**”). Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share (a “**Resulting Issuer Warrant Share**”) at an exercise price of \$1.50 per Resulting Issuer Warrant Share for a period of three years following the Concurrent Financing closing date. The Resulting Issuer Warrants will be created and issued pursuant to a warrant indenture to be entered into between Core Nickel and Olympia Trust Company as warrant agent.

The Core Nickel SR Financing was conducted on substantially the same terms as the ACG SR Financing described above. For the Core Nickel SR Financing, each Core Nickel Subscription Receipt will automatically convert, upon the satisfaction of the Escrow Release Conditions, on or prior to the date which is 120 days following the closing of the Concurrent Financings, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one post-Consolidation Resulting Issuer Unit.

Both ACG and Core Nickel completed the Concurrent Financings under exemptions from the prospectus and registration requirements of applicable securities law pursuant to subscription agreements between each participant in the Concurrent Financings and ACG and Core Nickel.

The Concurrent Financings closed on November 26, 2025. The gross proceeds of the Concurrent Financings, less 50% of the SR Agents’ fee and certain expenses, will be held in escrow and, upon the satisfaction or waiver of certain conditions, including, without limitation, the satisfaction or waiver of all conditions to the closing of the Transaction, the net proceeds will be released to the Resulting Issuer and the remaining SR Agents’ fees will be released to the SR Agents. In the event that the Escrow Release Conditions are not satisfied by the Termination Date, the proceeds of the ACG SR Financing will be returned to the holders of the Subscription Receipts and the Subscription Receipts will be cancelled.

The escrow release conditions (the “**Escrow Release Conditions**”) are as follows:

- (a) the receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering, Transaction and the Exchange Listing, and any relevant listing documents having been accepted for filing with the Exchange;
- (b) the completion or the satisfaction of all conditions precedent to the Transaction, substantially in accordance with the definitive agreements relating to the Transaction;
- (c) delivery of a legal opinion of counsel to Core Nickel that the Resulting Issuer Shares issued in exchange for the Subscription Receipt Shares under the Transaction will not be subject to a

statutory hold period under applicable securities laws (subject to customary qualifications and limitations);

- (d) such other customary escrow release conditions requested by the Stifel Nicolaus Canada Inc. in form and substance satisfactory to the Stifel Nicolaus Canada Inc., acting reasonably; and
- (e) Core Nickel and the Stifel Nicolaus Canada Inc. having delivered a joint notice to the SR Agent confirming that the conditions set forth in (a), (b) and (d) (if applicable) above have been met or waived.

As a condition precedent to the execution by the Lead Agent of the notice referred to in (e) above, the Chief Executive Officer and Chief Financial Officer of Core Nickel (or such other officers as may be acceptable to the Lead Agent) shall certify to the SR Agents that the Escrow Release Conditions (other than that set out in (c) above) have been satisfied.

SR Agents' Fees and Broker Warrants

As contemplated under the Agency Agreement, ACG and Core Nickel paid to the SR Agents a cash fee of \$151,623, being 6% of the aggregate gross proceeds of the Concurrent Financings (reduced to 3% in respect of purchasers on the companies' "president's lists", up to gross proceeds of \$1,000,000 (the "**President's List**")), half of which was payable to the SR Agents on the closing date of the Concurrent Financings and the remaining half of which was deposited in escrow on closing of the Concurrent Financings and shall be payable to the SR Agents upon release of the escrowed funds in accordance with the Agency Agreement. As additional compensation, the SR Agents will receive an aggregate of 126,352 of broker warrants (the "**Broker Warrants**"), exercisable to acquire 126,352 Resulting Issuer (on a post-Consolidation basis), being equal to 6% of the aggregate number of Subscription Receipts issued pursuant to the Concurrent Financings (reduced to 3% on subscription receipts issued to President's List purchasers). Each Broker Warrant shall be exercisable at a price of \$1.20 per Resulting Issuer Share for a period of 12 months from the date of the Closing.

RISK FACTORS

The operations of Core Nickel and ACG are speculative due to the high-risk nature of their business, which is the identification, acquisition and exploration of mineral properties. The risks below are not the only ones facing the Resulting Issuer. Additional risks not currently known to Core Nickel or ACG, or that Core Nickel or ACG currently deems immaterial may also impair the Resulting Issuer's operations. The order in which the following risk factors appear does not necessarily reflect management's opinion of their order or priority.

Termination of the Transaction Agreement

The Transaction Agreement is conditional upon the satisfaction of a number of conditions. Each of the parties has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Transaction Agreement. Accordingly, there can be no certainty that the Transaction Agreement will not be terminated, and that the Transaction will be completed. Please see "*Information Concerning the Transaction and the Financing – The Transaction*" for further information.

Approval of the Exchange and, in the case of ACG, court approval

Completion of the Transaction is subject to a number of conditions including the approval of the Exchange and the Shareholders. Because the Transaction is a Non-Arm's Length Transaction under Policy 5.2, the Transaction Resolution requires Majority of the Minority Approval. Failure to obtain any required shareholder approval would prevent completion of the Transaction. Certain of such conditions are outside the control of either or both of ACG or Core Nickel, and there can be no assurance that these conditions will be satisfied. In addition, the Transaction is being undertaken by way of a plan of arrangement under Section 182 of the OBCA, which requires ACG to obtain an interim and final order of the Ontario court. There is no assurance that ACG will be able to obtain the requisite court approvals.

Resource exploration and development are highly speculative

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by Core Nickel or ACG may be affected by numerous factors that are beyond the control of Core Nickel or ACG and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which factors may result in Core Nickel or ACG not receiving an adequate return of investment capital. All of the claims to which Core Nickel or ACG have a right to acquire an interest or the claims which Core Nickel or ACG have an interest in are in the exploration stage only and are without a known body of commercial ore. Development of the subject mineral properties would follow only if favorable exploration results are obtained.

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that Core Nickel's or ACG's mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of Core Nickel's and ACG's operations will in part be directly related to the costs and success of their exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Lack of Availability of Resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Core Nickel or ACG on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in Core Nickel's and ACG's exploration programs.

Potential Lack of Adequate Infrastructure

Mineral exploration and development activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important requirements, which affect capital and operating costs. Core Nickel's and ACG's properties are presently accessible by a network of roads and footpaths. Unusual or infrequent weather phenomena or other interference in the maintenance or provision of such infrastructure could adversely affect Core Nickel's or ACG's operations, financial condition and results of operations. The present infrastructure may not be adequate for Core Nickel's or ACG's planned exploration and development activities. If Core Nickel or ACG are required to improve or develop the current infrastructure, their planned operations may be delayed and their capital and operating costs will be affected.

Title Risks

Although Core Nickel and ACG have exercised the usual due diligence with respect to determining title to their respective properties, there is no guarantee that Core Nickel's or ACG's title to their respective properties will not be challenged or impugned; that licenses will be renewed upon their expiry; and that Core Nickel or ACG will be able to explore their respective properties as permitted or to enforce their rights with respect to their respective properties.

Core Nickel and ACG do not yet own title to certain of their properties. Titles to some of the licenses are in the names of the respective vendors and transfer of title to Core Nickel, ACG or their subsidiaries is conditional upon Core Nickel or ACG fulfilling their obligations under a number of agreements with current title holders. Until titles to the licenses are transferred to Core Nickel or ACG, there is no guarantee that Core Nickel's or ACG's interests in the licenses will not be challenged by the present title holders.

Although Core Nickel and ACG hold the surface rights to those concessions, it requires work permits and local community approvals to realize further exploration work such as surveying, geophysical, geochemical, geological and sample surveys and drilling. There can be no assurance that the appropriate permits and approvals will be obtainable on reasonable terms or on a timely basis.

Core Nickel's or ACG's mineral property interests may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. Until competing interests in the mineral lands have been determined, Core Nickel and ACG can give no assurance as to the validity of title of Core Nickel or ACG to those lands or the size of such mineral lands. Accordingly, the properties of Core Nickel and ACG may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

Mineral Exploration and Mining Carry Inherent Risks

Mining operations are subject to hazards normally encountered in exploration, development and production. These include unexpected geological formations, rock falls, flooding, dam wall failure and other incidents or conditions which could result in damage to plant or equipment or the environment and which could impact production throughput. Although it is intended to take adequate precautions to minimize risk, there is a possibility of a material adverse impact on Core Nickel's or ACG's operations and their financial results.

Volatile Market Price for Resulting Issuer Shares

The market price for Resulting Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;
- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Shares;
- sales or perceived sales of additional Resulting Issuer Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the Resulting Issuer's industry generally and its business and operations;
- announcements of developments and other material events by the Resulting Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and precious metals' price volatility;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer or from a lack of market comparable companies; and

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

There can be no assurance that metal prices will be such that the properties of Core Nickel or ACG can be mined at a profit. Factors beyond the control of Core Nickel and ACG may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Core Nickel's or ACG's principal products and exploration targets is affected by various factors, including political events, economic conditions and production costs.

Limited Operating History

Core Nickel acquired the Core Nickel Properties in November 2023 from the spin out agreement with CanAlaska Uranium Ltd. and subsequently has completed limited exploration and engineering work on the Core Nickel Properties. ACG acquired the Eagle Project by staking in 2024 and purchase agreements in 2025 and subsequently has completed limited exploration. The Resulting Issuer will therefore be subject to many of the risks common to entering a new area of investment, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and a lack of revenue. There is no assurance that the Resulting Issuer will be successful in achieving a return on its shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

History of Losses

Core Nickel and ACG have incurred operating losses in prior periods. The Resulting Issuer may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Resulting Issuer expects to continue to increase its operating expenses as it implements initiatives to continue to grow its business. If the Resulting Issuer's revenues do not increase to offset its expected increases in costs and operating expenses, the Resulting Issuer will not be profitable.

Requirement for Additional Financing

The further development and exploration of the properties of Core Nickel and ACG depend upon the Resulting Issuer's ability to obtain financing through equity financing, joint ventures, debt financing, or other means. There is no assurance that the Resulting Issuer will be successful in obtaining required financing as and when needed. Volatile markets for precious and base metals may make it difficult or impossible for the Resulting Issuer to obtain equity financing or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Resulting Issuer to postpone its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations.

Environmental Regulations, Permits and Licenses

The Resulting Issuer's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Resulting Issuer intends to comply fully with all environmental regulations. The current or future operations of Core Nickel, ACG, and the Resulting Issuer, including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining,

production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require the Resulting Issuer to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that Resulting Issuer may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Resulting Issuer may undertake. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed.

Reliance on Management

The success of the Resulting Issuer is dependent upon the ability, expertise, judgment, discretion and good faith of senior management and key employees. While employment agreements and incentive programs are customarily used as primary methods of retaining the services of key employees, these agreements and incentive programs cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Resulting Issuer's business, operating results or financial condition.

Conflicts of Interest

Certain directors and officers of the Resulting Issuer are also directors and officers of other entities, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with the business strategy of the Resulting Issuer. Consequently, there is a risk that such officers or directors will be in a position of conflict. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA.

Limited Market for Securities

There can be no assurance that an active and liquid market for Resulting Issuer Shares will be maintained and an investor may find it difficult to resell any securities of the Resulting Issuer.

Liquidity Risk

The Resulting Issuer's ability to remain liquid over the long term may depend on its ability to obtain additional financing. The Resulting Issuer has in place planning and budgeting processes to help determine the funds required to support normal operating requirements on an ongoing basis as well as its planned development and capital expenditures. The Resulting Issuer's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due.

Uninsurable Risks

Core Nickel's and ACG's businesses are subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Core Nickel's and ACG's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although Core Nickel and ACG maintain insurance to protect against certain risks in such amounts as they consider to be reasonable, their insurance may not cover all the potential risks associated with a mining company's operations. Core Nickel and ACG may also be unable to maintain insurance to cover these risks at economically feasible premiums.

Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Core Nickel and ACG or to other companies in the mining industry on acceptable terms. Core Nickel or ACG might also become subject to liability for pollution or other hazards which may not be insured

against or which Core Nickel or ACG may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Core Nickel or ACG to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Competition

The mining industry is intensely competitive in all its phases, and Core Nickel and ACG compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Resulting Issuer's ability to acquire additional suitable properties or prospects in the future.

Legal and Policy Changes

Core Nickel's and ACG's operations and properties are subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the Resulting Issuer's operations and financial condition. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income and other taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements.

The above risks are beyond the Resulting Issuer's control and the occurrence of any of the foregoing could have a material and adverse impact on the Resulting Issuer and its business, prospects, financial position, financial condition and/or results of operations.

Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the properties of ACG or Core Nickel or in respect of any other projects in which the Resulting Issuer becomes involved. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties, or other liabilities.

INFORMATION CONCERNING CORE NICKEL

Corporate Structure

Name and Incorporation

The full corporate name of Core Nickel is “Core Nickel Corp.” Core Nickel was incorporated pursuant to the BCBCA on May 5, 2022. Core Nickel’s head office, as well as its registered and records office, is located at 800 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

General Development of the Business

History

Core Nickel became a reporting issuer pursuant to a plan of arrangement spin-out transaction with CanAlaska. The arrangement agreement dated September 1, 2023 (the “**Spin-Out Arrangement**”) entered into between CanAlaska and Core Nickel (at the time, a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a final order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia).

Pursuant to the Spin-Out Arrangement and on the effective date,

- (a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 Core Nickel Shares;
 - i. The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
 - ii. \$1,000,000 cash;
- (b) the existing common shares of CanAlaska were re-designated as Class A Shares (the “CVV Class A Shares”) and CanAlaska created a new class of common shares known as the “New CVV Common Shares”;
- (c) each CVV Class A Share was exchanged for one New CVV Common Share and 0.19987 of one Core Nickel Share;
- (d) the CVV Class A Shares were cancelled;
- (e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares were permitted to be issued if all outstanding warrants had been exercised;
- (f) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

As described above, Core Nickel currently holds interests in the Core Nickel Properties located in the Thompson Nickel Belt in northern Manitoba, totaling 27,028 hectares of exploration ground as a result of the Spin-Out Arrangement. The majority of Core Nickel’s land is classified as greenfield or early-stage exploration, with the exception of the Mel property, which hosts the Mel deposit.

Financing

On November 27, 2025, Core Nickel completed the Core Nickel SR Financing, which was structured on similar economic terms as the ACG SR Financing. Pursuant to the Core Nickel SR Financing, Core Nickel issued the Core Nickel Subscription Receipts at a price of \$1.20 per Core Nickel Subscription Receipt. The Core Nickel Subscription Receipts will be deemed to be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit in the capital of Core Nickel (each, a "**Core Nickel Unit**"), subject to adjustment in certain events, immediately before the closing of the Transaction upon the satisfaction and/or waiver of the Escrow Release Conditions. Each Core Nickel Unit will consist of one Core Share and one-half of one Core Nickel Warrant issued on a post-Consolidation basis. See "*Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings*" for further information.

In respect of the Core Nickel SR Financing, Core Nickel will pay to the SR Agents a cash commission of \$68,090.90, being 6% of the aggregate gross proceeds of the Core Nickel SR Financing (reduced to 3% in respect of purchasers on the "president's lists", to gross proceeds of up to \$1,000,000 (the "**President's List**")), half of which was payable to the SR Agents on the closing date of the Concurrent Financings and the remaining half of which was deposited in escrow on closing of the Concurrent Financings and shall be payable to the SR Agents upon release of the escrowed funds in accordance with the Agency Agreement. As additional consideration, and subject to the conversion of the Core Nickel Subscription Receipts and release of the escrowed funds, Core Nickel will also issue 56,742 Broker Warrants to the SR Agents in respect of the Core Nickel Subscription, exercisable to acquire 56,742 Resulting Issuer Shares (being equal to 6% of the aggregate number of Core Nickel Subscription Receipts issued pursuant to the Core Nickel SR Financing (reduced to 3% on subscription receipts issued to President's List purchasers). Each Broker Warrant shall be exercisable at the Offering Price for a period of 12 months from the date of the Closing.

The Core Nickel Subscription Receipts and the underlying Core Nickel Shares and Core Nickel Warrants are qualified investments under the *Income Tax Act* (Canada) for registered accounts, and are eligible for Canadian RRSP, RRI's, DPSPs, RESPs and TFSA's. Although Core Nickel believes that the securities to be issued in the Core Nickel SR Financing are qualified investments for registered accounts, investors were urged to seek their own independent tax advice.

Significant Acquisitions and Dispositions

On November 11, 2023, Core Nickel closed the Spinout Arrangement. Pursuant to the Spinout Arrangement, CanAlaska received 24,997,844 common shares of Core Nickel in exchange for the Core Nickel Properties and \$1,000,000 cash. As a result, Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador. The Core Nickel Properties include the Mel Project, the Hunter Property, the Odei River Property, the Resting Lake Project and the Halfway Lake Property.

The Mel project is located in the northeastern portion of the Thompson Nickel Belt, approximately 20 kilometres northeast of the city of Thompson, Manitoba. The Mel project comprises one mineral lease and ten mineral claims covering a total of 2,613 hectares, with a carrying value of \$997,309. The property is 100% owned by Core Nickel, subject to a 10% net profit royalty to Vale Canada Ltd. ("Vale") referred to in the April 15 Technical Report. Core Nickel has a milling agreement with Vale at cash cost plus 5%.

The Mel project was initially explored by Canada Nickel Co. Ltd. whose parent company, Vale (formerly INCO Limited ("INCO")), discovered the Mel deposit in 1961, and exploration on the property continued into the early 1970s. Exploration ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. (previously Nunisco Resources). Victory Nickel Inc. primarily focused its exploration efforts on the Mel deposit, with minimal exploration on the remainder of the property. In 2007, Victory Nickel Inc. acquired the Mel property and completed a NI 43-101 resources estimate on the Mel deposit, indicating a historical indicated resource of 4,279,000 tonnes at 0.875% nickel and a historical inferred resource of 1,010,000 tonnes at 0.839% nickel. CanAlaska completed the acquisition of the Mel Deposit, the Mel mining lease, and ten mineral claims on May 15, 2023, through the receivership responsible for liquidating Victory Nickel's assets. On November 11, 2023, CanAlaska included the Mel deposit, the Mel mining lease, and ten mineral claims in the Spinout Arrangement with Core Nickel.

The Hunter property is 100% owned by Core Nickel and has a carrying value of \$28,885. The property consists of 11 claim blocks and one mineral exploration lease covering a total of 8,232 hectares and is located approximately 20

kilometres north of the city of Thompson, Manitoba. The Hunter property was explored by various companies including INCO from the 1950s to the early 1970s. Exploration on the Hunter property ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. In 2018, CanAlaska staked the mineral exploration lease and ten claim blocks that make up the Hunter project. CanAlaska conducted a property wide airborne VTEM survey over Hunter and included the Hunter project in the Spinout Arrangement with Core Nickel.

The Odei River has a carrying value of \$5,107 and consists of one mineral exploration license for a total of 9,411 hectares. The property is located in the Thompson Nickel Belt, Manitoba and is situated approximately 20 kilometres north of the City of Thompson, Manitoba. The property was explored in the 1960s by Canadian Nickel Company (a wholly owned subsidiary of INCO) and Merrit Copper. In 1999, the property was staked by Victory Nickel and INCO, and exploration activities were carried out under a joint venture agreement between Victory Nickel and INCO until 2007. In 2022, CanAlaska staked the Odei River property and in 2023, the property was included in the Spinout Arrangement between CanAlaska and Core Nickel.

The Resting Lake project consists of 11 claim blocks covering a total of 2,322 hectares in the southern portion of the Thompson Nickel Belt situated approximately five kilometres to the southwest of Wabowden, Manitoba. The property was covered by a regional electromagnetic survey by INCO in 1949 and was later explored by Falconbridge Nickel Mines Ltd. and Bowden Lake Nickel Mines Limited in 1959 to 1975 and in 1994. CanAlaska staked the Resting Lake claims in 2021 and conducted a property wide aeromagnetic survey in 2022. The property was included in the Spinout Arrangement between CanAlaska and Core Nickel. Core Nickel completed a property wide airborne electromagnetic (VTEM) survey in 2024. The Resting Lake property has a carrying value of \$17,505.

The Halfway Lake property consists of 22 mineral claims covering a total of 4,450 hectares in the southern portion of the Thompson Nickel Belt, Manitoba, situated approximately 12 kilometres to the northeast of Wabowden, Manitoba. The property was explored by National Malartic in the late 1950s and early 1960s, and by Falconbridge from 1962 to 1975 and in 1994. CanAlaska staked eight of the Halfway Lake claims in 2021 and another twelve claims in 2022 to form a contiguous land package, while also conducting a property wide aeromagnetic survey in 2022. In 2023, the property was included in the Spinout Arrangement between CanAlaska and Core Nickel. Core Nickel completed just under 800 m in 3 diamond drillholes and a property wide airborne electromagnetic (VTEM) survey in 2024. Most recently, Core Nickel completed 3,585.5 m in twelve diamond drillholes on the property in the winter of 2025. The Halfway Lake property has a carrying value of \$104,998.

Narrative Description of the Business

General

Core Nickel is principally engaged in the evaluation, acquisition and exploration of nickel properties that are located in the Thompson Nickel Belt in Northern Manitoba, Canada. Core Nickel's projects range from early-stage grassroots exploration through advanced-stage resource delineation.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Financial Information

The following table sets forth selected historical financial information for Core Nickel for the periods indicated. The information contained in this table should be read in conjunction with Core Nickel's financial statements. See "Schedule E" – *Interim financial statements of Core Nickel for the six month period ended October 31, 2025* and "Schedule "E"– *Annual audited consolidated financial statements of Core Nickel for the years ended April 30, 2025 and April 30, 2024*".

Income Statement Data	Six months ended October 31, 2025 (\$)	Year ended April 30, 2025 (\$)	Year ended April 30, 2024 (\$)
Total revenues	0	0	0
Net loss from continuing operations	-	-	-
Net loss and comprehensive loss	(663,281)	(2,489,933)	(700,802)

Cash dividends declared	-	-	-
Balance Sheet Data	Six months ended October 31, 2025 (\$)	Year ended April 30, 2025 (\$)	Year ended April 30, 2024 (\$)
Total assets	1,897,627	3,079,131	2,047,983
Total liabilities	56,735	678,483	173,594
Total equity	1,840,892	2,400,648	1,874,389

Management’s Discussion and Analysis

Core Nickel’s MD&A for the financial years-ended April 30, 2025 and April 30, 2024 is attached hereto as Schedule “E” and its MD&A for the interim six month period-ended October 31, 2025 is attached hereto as Schedule “F”. The MD&A should be read in conjunction with Core Nickel’s audited and unaudited consolidated financial statements for each of the last two completed financial years, and the notes thereto, which have been prepared in accordance with IFRS.

Description of the Securities

Securities

Core Nickel is authorized to issue an unlimited number of Core Nickel Shares without nominal or par value. As at the date hereof, there are 54,991,718 Core Nickel Shares issued and outstanding.

The holders of the Core Nickel Shares are entitled to receive notice of and to attend all meetings of Core Nickel and shall have one vote for each Core Nickel Share held at all meetings of the shareholders. The holders of Core Nickel Shares are entitled to receive any dividends as and when declared by the Core Nickel Board out of the assets of Core Nickel properly applicable to the payment of dividends, in such amount and in such form as the Core Nickel Board may from time to time determine, and receive the remaining property of Core Nickel (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of Core Nickel. Core Nickel Shares cannot be transferred, except in accordance with the articles of Core Nickel and applicable securities laws.

Current Stock Option Plan

Core Nickel’s Current Stock Option Plan is a “rolling” 10% stock option plan. It is administered by the Core Nickel Board who has the full authority and sole discretion to grant options under the Current Stock Option Plan to any eligible recipient, including themselves. Eligible recipients include: directors, officers, employees and consultants of (including the personal holding companies of such individuals), or employees of management companies providing services to, Core Nickel or its Affiliates.

The aggregate number of Core Nickel Shares which may be issuable pursuant to the Current Stock Option Plan, together with the Core Nickel Shares granted under pre-existing option plans of Core Nickel, shall not exceed 10% of the number of Core Nickel Shares outstanding at the time of the granting of the options. The maximum number of Core Nickel Shares which may be reserved for issuance to any one option holder shall be subject to applicable securities laws and policies of the stock exchange on which Core Nickel’s shares are listed at the time of grant of the options.

The exercise price of options will be set by the Core Nickel Board in compliance with applicable regulatory requirements at the time of grant. Options may have a maximum exercise period of ten (10) years. Options are non-assignable and non-transferable (subject to options being exercisable by the optionee’s heirs or administrator).

The vesting of the options is at the discretion of the Board, subject to (a) a director who holds such options remaining as a director of Core Nickel during the vesting period; or (b) such other service provider holding options remaining employed by or continuing to provide services to Core Nickel, as well as, at the discretion of the Core Nickel Board, achieving certain milestones or receiving a satisfactory performance review by Core Nickel during the vesting period. Options provided to Persons retained to provide investor relations activities to Core Nickel will vest (a) over a period

of not less than twelve months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or (b) such longer period as the Core Nickel Board may determine.

On the death, disability or termination of services/employment of an optionee:

- (a) any vested options held by an optionee who ceases to be an eligible optionee under the Stock Option Plan for any reason other than those set out in b) – d) below, will expire on the earlier of the 90th day following the date the optionee ceased to be an eligible optionee and the date of expiration of the term otherwise applicable to such options;
- (b) in the case of the termination of an optionee due to disability, any vested options held by the optionee at the date of termination will become exercisable by the optionee until the earlier of six (6) months after the termination date and the date of expiration of the term otherwise applicable to such option;
- (c) in the case of death of an optionee, any vested options held by the deceased at the date of death will become exercisable by the optionee's estate until the earlier of one (1) year after the date of death and the date of expiration of the term otherwise applicable to such option; and
- (d) in the case of an optionee ceasing to be an eligible optionee as a result of (i) termination for cause, (ii) the optionee ceasing to meet the qualifications set forth in corporate or other legislation applicable to Core Nickel, (iii) in the case of a director, a special resolution having been passed by the shareholders of Core Nickel removing the optionee as a director of Core Nickel, or (iv) an order made by any regulatory authority having jurisdiction to so order the cessation of the optionee as a service provider to Core Nickel, then such optionee's options, whether or not vested at the date of such dismissal or other termination or cessation, will immediately terminate without right to exercise same.

Any options that expire unexercised or that are otherwise lawfully cancelled will be eligible for re-issue under the Current Stock Option Plan.

The Current Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares of Core Nickel.

Core Nickel has the authority to deduct and withhold, or require an optionee to remit to Core Nickel, the amount of any taxes or other required source deductions which Core Nickel is required by law or regulation of any governmental authority whatsoever to remit in connection with any issuance of shares upon the exercise of options.

Consolidated Capitalization

The following table sets forth Core Nickel's capitalization as at the dates indicated. The table should be read in conjunction with the annual audited and interim financial statements of Core Nickel which are attached as Schedules "E" and "F" to this Circular.

Designation	Authorized	As at October 31, 2025	As at the date of this Circular prior to giving effect to the Consolidation, Transaction, and the Concurrent Financings
Core Nickel Shares	Unlimited	54,991,718	55,066,718 ⁽¹⁾
Core Nickel Options	5,499,172	3,490,000	1,170,000 ⁽²⁾⁽³⁾
Core Nickel Warrants	16,253,891	18,820,891	16,253,572 ⁽¹⁾⁽⁴⁾

Notes:

- (1) Between October 31, 2025 (the date of the unaudited interim financial statements of Core Nickel attached to this Circular as Schedule "F") and the date of this Circular, an aggregate of 75,000 Core Nickel Warrants were exercised resulting in the issuance of an additional 75,000 Core Nickel Shares, and 2,492,319 Core Nickel Warrants expired in accordance with their terms.

- (2) Includes 220,000 options issued with an exercise price of \$0.20 with an expiry date of October 21, 2027 to acquire one Core Nickel Share and 950,000 options issued with an exercise price of \$0.175 with an expiry date of January 30, 2028 to acquire one Core Nickel Share.
- (3) Since October 31, 2025 (the date of the unaudited interim financial statements of Core Nickel attached to this Circular as Schedule “F”), an aggregate of 2,320,000 Core Nickel Options held by former directors and officers of Core Nickel expired in accordance with the terms and conditions of the Current Stock Option Plan.
- (4) Includes: 2,102,200 warrants with an expiry date of December 28, 2025 to acquire one Core Nickel Share for the exercise price of \$0.14 per Core Nickel Share, 195,666 warrants with an expiry date of December 28, 2025 to acquire one Core Nickel Share for the exercise price of \$0.09 per Core Nickel Share, 4,000,000 warrants with an expiry date of September 20, 2027 to acquire one Core Nickel Share for the exercise price of \$0.06 per Core Nickel Share, 7,500,000 warrants with an expiry date of October 18, 2027 to acquire one Core Nickel Share for the exercise price of \$0.30 per Core Nickel Share, 1,440,000 warrants with an expiry date of October 18, 2027 to acquire one Core Nickel Share for the exercise price of \$0.30 per Core Nickel Share and 3,313,572 warrants with an expiry date of October 31, 2027 to acquire one Core Nickel Share for the exercise price of \$0.30 per Core Nickel Share.

Prior Sales

Other than the sale and issuance of the Core Nickel Subscription Receipts, no securities of Core Nickel have been sold by Core Nickel within the 12-month period prior to the date of this Circular.

Stock Exchange Price

The Core Nickel Shares are listed and posted for trading on the Exchange under the symbol “CNCO.V”. Trading of the Core Nickel Shares was halted on September 15, 2025, in connection with the announcement of the Transaction. On September 12, 2025, the last trading day prior to the trading halt, the closing price was \$0.14. Core Nickel’s Shares were listed on the CSE on November 27, 2023 until May 6, 2025. On May 6, 2025, Core Nickel’s Shares were delisted from the CSE and commenced trading on the Exchange on May 7, 2025. The following table sets forth the reported high and low and monthly trading volumes of the Core Nickel Shares on the CSE and Exchange for the periods indicated:

Period ⁽⁴⁾	High Trading Price (\$)	Low Trading Price (\$)	Total Volume for Period
November 27 to November 30, 2023 ⁽¹⁾	0.42	0.065	256,720
December 1 to December 31, 2023	0.12	0.07	877,541
January 1 to January 30, 2024	0.1675	0.09	935,244
February 1 to February 28, 2024	0.11	0.06	910,770
March 1 to March 31, 2024	0.075	0.015	1,411,422
April 1 to April 30, 2024	0.07	0.04	4,435,824
May 1 to May 31, 2024	0.085	0.045	3,128,300
June 1 to June 30, 2024	0.055	0.035	672,823
July 1 to July 31, 2024	0.05	0.035	642,048
August 1 to August 31, 2024	0.045	0.035	636,684
September 1 to September 30, 2024	0.375	0.035	8,237,393
October 1 to October 31, 2024	0.245	0.175	1,953,701
November 1 to November 30, 2024	0.24	0.135	789,210
December 1 to December 31, 2024	0.19	0.11	566,571
January 1 to January 30, 2025	0.19	0.155	246,639
February 1 to February 28, 2025	0.175	0.135	377,391
March 1 to March 31, 2025	0.15	0.105	263,137
April 1 to April 30, 2025	0.13	0.75	510,388
May 1 to May 31, 2025	0.15	0.1	1,455,850
June 1 to June 30, 2025	0.13	0.09	1,974,205
July 1 to July 30, 2025	0.13	0.1	655,334
August 1 to August 31, 2025	0.1	0.08	770,870

September 1 to September 12, 2025 ⁽²⁾	0.155	0.085	991,195
October 1 to October 31, 2025 ⁽³⁾	-	-	-
November 1 to November 30, 2025	-	-	-
December 1 to December 31, 2025	-	-	-

Notes:

- (1) The reported data begins November 27, 2023.
- (2) Trading of the Core Nickel Shares was halted on September 15, 2025 pursuant to the announcement of the Transaction. September 12, 2025 was the last trading day in the month of September.
- (3) Trading of the Core Nickel Share was halted.
- (4) Core Nickel's Shares traded on the CSE from November 27, 2023 to May 6, 2025, and from May 7, 2025 on the Exchange.

Executive Compensation

Director and named executive officer compensation

See *Statement of Executive Compensation* above on page 25 for further information on the executive compensation of each of the Core Nickel's NEOs and directors.

Management Contracts

Core Nickel is not party to any management contracts under which management functions are performed by a person other than a director or officer of Core Nickel.

Non-Arm's Length Party Transactions

Other than as described elsewhere in the Circular, Core Nickel has not entered into any Non-Arm's Length Party transaction within 24 months of the Circular.

Legal Proceedings

There are no legal proceedings material to Core Nickel to which it is a party or of which any of its property is the subject matter and no such proceedings known to Core Nickel are contemplated.

Material Contracts

The following material contracts have been entered into by Core Nickel within the preceding 24 months, other than in the ordinary course of business, copies of which, in accordance with Exchange policies, may be inspected at no charge until Closing and for a period of 30 days thereafter at the principal offices of Core Nickel during regular business hours upon received written request one business day in advance:

- Transaction Agreement. See "*Information Concerning the Transaction and the Financings – The Transaction*".
- Agency Agreement. See "*Information Concerning the Transaction and the Financings – The Subscription Receipt Financing*".

Transfer Agents and Registrar

Core Nickel's transfer agent and registrar is Olympia Trust Company located at 4000, 520 – 3rd Ave SW, Calgary, AB T2P 0R3. Olympia Trust Company holds 168,687 Common shares of Core Nickel as agent for untendered holders for the exchange of old CanAlaska shares to Core Nickel shares pursuant to the Spin-Out Arrangement.

INFORMATION CONCERNING ACG

Corporate Structure

Name, Incorporation and History

The full corporate name of ACG is “Arizona Copper and Gold Ltd.” ACG was incorporated pursuant to the OBCA on September 17, 2021, under the name Magellan Investment Corp. ACG changed its name from Magellan Investment Corp. to Arizona Gold Mines Inc. pursuant to a certificate of amendment dated November 7, 2023. Arizona Gold Mines Inc. then changed its name to Arizona Copper and Gold Ltd. pursuant to a certificate of amendment dated January 20, 2025. The registered and head office of ACG is located at 4100 - 66 Wellington Street West, Toronto, Ontario. M5K 1B7, Canada.

Intercorporate Relationships

ACG has one wholly-owned subsidiary, AZ Desert Land Holdings Corp. (“**AZ Desert**”), a corporation incorporated under the laws of the State of Arizona on February 22, 2024.

General Development of the Business

Significant Acquisitions

ACG is a private mineral exploration company. Through its wholly-owned Arizona subsidiary, AZ Desert, ACG assembled the Eagle Project by combining mineral tenure acquired by staking with targeted purchases of patented parcels and associated claims. On July 17, 2024, AZ Desert staked and filed 238 unpatented lode mining claims with the U.S. Bureau of Land Management (“**BLM**”). Together with subsequently acquired patented parcels, the Eagle Project currently comprises approximately 4,533.5 acres (1,834.4 hectares) of patented and unpatented claims in a historic mining district in Yavapai County, Arizona. ACG holds a 100% interest in the Eagle Project. The Eagle Project claims acquired by Arizona Desert through purchases include:

- Effective February 19, 2025, AZ Desert entered into a purchase and sale agreement with Big Bug Gravel & Gold, LLC for eight patented claims totaling approximately 87 acres. The eight claims are known as the Gladstone, Gladstone Westerly Extension, Sink to Rise, Monopolist, Little Kicker, Rebel, McCabe, and Columbus claims (collectively, the “**McCabe Group Claims**”). The purchase price was US\$2,000,000 and a 2% net smelter returns royalty granted to the vendor, with an option in favour of AZ Desert to repurchase 1% of the royalty for US\$1,000,000. The acquisition closed on June 30, 2025.
- On February 9, 2025, as amended on April 30, 2025, AZ Desert agreed to purchase three patented mining claims, known as Palo Alto, Sunol, and Columbia, totaling approximately 32 acres from Charles and Coral J.T. Freeman (the “**Freeman Property**”). As part of this agreement, AZ Desert also acquired two adjacent unpatented claims, Independent No. 2 and Freedom 2, totaling approximately 40 acres. The total area acquired under the Freeman Property agreement is approximately 72 acres. The aggregate purchase price was US\$685,000. The transaction closed on May 6, 2025. The Freeman Property is not subject to any royalties.
- To further consolidate surface access and mineral rights along the McCabe–Palo Alto trend, AZ Desert completed several additional arm's length acquisitions from third-party sellers in the second half of 2025:
 - Portions of the McCabe Lode and Jim Crow claims, approximately 24.42 acres, for US\$260,000 (closed October 8, 2025).
 - Patented Idaho claim, approximately 20.64 acres, for US\$250,000 (closed October 13, 2025).
 - Adventure No. 1 patented claim, approximately 20.66 acres, for US\$215,000 (closed October 17, 2025).

- Lizabeth patented claim, approximately 18 acres, for US\$275,000 (closed October 24, 2025).
- AZ Desert also added several smaller adjacent patented parcels at year-end 2025 and in early 2026 to rationalize boundaries and improve project logistics:
 - Gopher patented claim, for US\$250,000 (closed December 19, 2025).
 - Adventure and Adventure No. 3 claims (multiple parcels), for US\$300,000 (closed December 22, 2025).
 - Portion of the Arizona claim, for US\$110,000 (closed January 30, 2026).
- As at the date of this Circular, nine of twelve property purchase transactions comprising the Eagle Project have closed. Three additional adjacent parcels remain in escrow with near-term scheduled closings for aggregate consideration of US\$631,000:
 - Goswick Ranch Parcel 14, for US\$220,000 (expected closing February 19, 2026).
 - Portion of the Eva claim, for US\$151,000 (expected closing March 1, 2026).
 - Goswick Ranch Parcel 21, for US\$260,000 (expected closing March 3, 2026).

All acquisitions were negotiated with unrelated third-party vendors on customary commercial terms. No operating businesses or liabilities were acquired or assumed in any of the transactions. Other than the 2% net smelter returns royalty on the McCabe Group Claims described above, which is subject to a 1% buy-back right in favour of AZ Desert, no continuing encumbrances material to ACG's interest in the Eagle Project were created or assumed under the foregoing agreements.

For further information, see the section of this Circular titled "*Information Concerning the Eagle Project*".

Past Financings

In March of 2025, ACG conducted a private placement offering (the "**March Offering**") whereby ACG offered, for issuance and sale up to 13,000,000 subscription receipts at a price of \$0.50 per subscription receipt for aggregate gross proceeds of CAD\$6,500,000. Each subscription receipt entitled its holder to one common share of ACG. Upon final closing of the March Offering and conversion of its subscription receipts, ACG issued 10,660,000 ACG Common Shares for aggregate gross proceeds of \$5,330,000.

In August of 2025, ACG conducted another private placement offering (the "**August Offering**") whereby ACG offered, for issuance and sale, up to 3,000,000 ACG Common Shares at a price of \$1.00 per ACG Common Share for aggregate gross proceeds of \$3,000,000. Upon final closing of the August Offering, ACG issued 2,661,750 ACG Common Shares for aggregate gross proceeds of \$2,661,750.

Selected Consolidated Financial Information

Information from Inception

The following table sets forth selected historical financial information for ACG for the periods indicated. The information contained in this table should be read in conjunction with ACG's financial statements. See "*Schedule 'G' - Audited Consolidated Financial Statements for ACG for the years-ended December 31, 2024 and December 31, 2023 and MD&A of ACG for the financial years-ended December 31, 2023 and December 31, 2024*", and "*Schedule 'H' - Interim Financial Statements of ACG for the nine-month period ended September 30, 2025 and MD&A of ACG for the nine-month interim period-ended September 30, 2025*".

	Nine months ended September 30, 2025 (\$)	Year ended December 31, 2024 (\$)	Year ended December 31, 2023 (\$)
Net sales or total revenues	Nil	Nil	Nil
Income from continuing operations	Nil	Nil	Nil
Net income or loss in total	(5,643,424)	(342,967)	Nil
Total assets	5,797,239	87,129	2
Total long term financial liabilities	160,183	130,094	Nil
Cash dividends declared	Nil	Nil	Nil

Management Discussion and Analysis

ACG's MD&A for the financial years-ended December 31, 2024 and December 31, 2023 and for the nine-month period-ended September 30, 2025 are attached as Schedule "G" and Schedule "H", respectively, to this Circular. The MD&A should be read in conjunction with the ACG Financial Statements, which are attached as Schedule "G" and Schedule "H" to this Circular. The foregoing documents also available upon request without charge from ACG's head office located at 4100 - 66 Wellington Street West, Toronto, Ontario. M5K 1B7, Canada.

Trends

There are no known trends, commitments, events or uncertainties that are presently known to management of ACG and reasonably expected to have a material effect on ACG's business, financial condition or results of operations.

Description of the Securities

ACG is authorized to issue an unlimited number of ACG Shares without nominal or par value. As at the date hereof, there are 39,868,950 ACG Shares issued and outstanding.

Each ACG Share ranks equally with all other common shares with respect to distribution of assets upon dissolution, liquidation or winding-up of ACG and payment of dividends. The holders of ACG Shares are entitled to one vote per share on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the ACG Board.

Consolidated Capitalization

The following table sets out any material change in, and the effect of the material change on, the share and loan capital of ACG, on a consolidated basis, since December 31, 2024:

Designation of Security	Amount Authorized	Number of Securities of ACG outstanding as at December 31, 2024	Number of Securities of ACG outstanding as at the date of this Circular.
ACG Shares	Unlimited	6,732,440	39,868,950
ACG Options ⁽¹⁾	-	Nil	2,500,000 ⁽²⁾

Notes:

⁽¹⁾ Each ACG Option is exercisable into one ACG Share at a price of \$0.50 per ACG Share until June 16, 2030.

⁽²⁾ Consists of: 1,000,000 ACG Options granted to Kevin Reid, 500,000 ACG Options granted to Paul Reid, 500,000 ACG Options granted to Marc Pais, and 500,000 ACG Options granted to Rickard Vernon.

Prior Sales

The following table sets out information with respect to prior issuances of securities of ACG within the 12 month period prior to the date of this Circular:

Date Issued	Type Issued	Price or Exercise Price	Number of Securities
February 24, 2025	ACG Shares	\$0.10	3,400,000
March 26, 2025	ACG Shares	\$0.50	2,000,000
March 26, 2025	subscription receipts ⁽¹⁾	\$0.50	8,660,000
April 30, 2025	ACG Shares	\$0.10	1,850,000
April 30, 2025	ACG Shares ⁽²⁾	\$0.50	1,000,000
August 29, 2025	ACG Shares	\$1.00	1,600,000
September 11, 2025	ACG Shares	\$1.00	624,750
September 15, 2025	ACG Shares	\$1.00	287,000
September 16, 2025	ACG Shares	\$1.00	150,000
November 26, 2025	Subscription Receipts	\$1.20	1,297,168

Notes:

⁽¹⁾ Subscription receipts issued on March 26, 2025 converted into ACG Shares on May 5, 2025.

Stock Exchange Price

The ACG Shares are not listed on the Exchange or any other Canadian or foreign stock exchange and are not traded on any Canadian or foreign market.

Executive Compensation

The following information is presented by the management of ACG in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, and sets forth compensation as at December 31, 2025.

Compensation Discussion and Analysis

Based on compensation levels paid or issued during the most recently completed financial year, ACG’s named executive officers (“NEOs”) are Kevin Reid, Chief Executive Officer; and Eric Myung, Chief Financial Officer.

ACG’s executive compensation is administered by ACG’s directors. As a private company, ACG has not instituted any formal executive compensation policies or programs for its executive officers or directors. From the date of incorporation to December 31, 2025, directors were paid no cash compensation and officers were paid on a consultancy or salary basis.

ACG does not have a compensation committee. All compensation matters are dealt with by the entire ACG board. ACG does not have a formal stock option plan and has granted options to purchase 2,500,000 ACG Shares to its officers and directors. See, “*Executive Compensation - Stock Options and Other Compensation Securities*”.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any non-NEO directors of ACG for the periods noted therein:

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31 ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Kevin Reid ⁽²⁾	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	n/a	n/a	n/a	n/a	n/a	n/a

Table of compensation excluding compensation securities							
Name and position	Year Ended Dec 31 ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<i>Chief Executive Officer</i>							
Sung Min (Eric) Myung⁽³⁾ <i>Chief Financial Officer</i>	2025	30,929	Nil	Nil	Nil	Nil	30,929
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Marc Pais⁽⁴⁾ <i>Chair & Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Paul Reid⁽⁵⁾ <i>President & Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	Nil	Nil	Nil	Nil	Nil	Nil
Rickard Vernon⁽⁶⁾ <i>Director</i>	2025	Nil	Nil	Nil	Nil	Nil	Nil
	2024	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) ACG was incorporated on September 17, 2021.
- (2) Mr. Kevin Reid was appointed as CEO of ACG on March 26, 2025.
- (3) Mr. Sung Min (Eric) Myung was appointed as CFO of ACG on April 25, 2025. Mr. Myung is paid through Marrelli Support Services Inc. (“**Marrelli Support**”) which has a contract with ACG. An aggregate of \$30,929 was paid to Marrelli during the financial year ended December 31, 2025.
- (4) Mr. Marc Pais was elected a director and appointed as Chair of the Board of ACG on September 17, 2021.
- (5) Mr. Paul Reid was elected a director and appointed as President of ACG on September 17, 2021.
- (6) Mr. Rickard Vernon was elected a director of ACG on March 10, 2025.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to NEO or non-NEO and directors during the financial year ended December 31, 2025 for services provided or to be provided, directly or indirectly, to ACG.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Kevin Reid⁽²⁾ <i>CEO</i>	Stock Options	1,000,000	June 16, 2025	\$0.50	n/a	n/a	June 16, 2030
Marc Pais⁽³⁾ <i>Chairman & Director</i>	Stock Options	500,000	June 16, 2025	\$0.50	n/a	n/a	June 16, 2030
Paul Reid⁽⁴⁾	Stock Options	500,000	June 16, 2025	\$0.50	n/a	n/a	June 16, 2030

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<i>President & Director</i>							
Rickard Vernon⁽⁵⁾ <i>Director</i>	Stock Options	500,000	June 16, 2025	\$0.50	n/a	n/a	June 16, 2030

Notes:

- (1) There were a total of 2,500,000 outstanding options as at December 31, 2025.
- (2) Mr. Kevin Reid is the CEO of ACG (appointed March 26, 2025). As at December 21, 2025, all of the options held by Mr. Reid were outstanding.
- (3) Mr. Marc Pais is a director and the Chairman of ACG (elected September 17, 2021). As at December 31, 2025, all of the options held by Mr. Pais were outstanding.
- (4) Mr. Paul Reid is a director and the President of ACG (elected September 17, 2021). As at December 31, 2025, all of the options held by Mr. Reid were outstanding.
- (5) Mr. Rickard Vernon is a director of ACG (elected March 10, 2025). As at December 31, 2025, all of the options held by Mr. Vernon were outstanding.

Stock Option Awards

ACG does not currently have a stock option plan. ACG Options were granted pursuant to stock option agreements. In connection with the Transaction, it is proposed that the Current Stock Option Plan continue as the stock option plan of the Resulting Issuer.

Employment, Consulting and Management Agreements

Except as set forth herein, ACG has not entered into any agreements or arrangements under which it pays its NEOs and directors.

Effective April 25, 2025, ACG entered into consulting agreements with Marrelli and Sung Min (Eric) Myung, pursuant to which Marrelli provides accounting and bookkeeping services to ACG, and Mr. Myung acts as the ACG's Chief Financial Officer. These agreements provide for monthly consulting fees of \$3,000 to Marrelli for the services provided, and ACG must pay a termination fee of \$4,500 to Marrelli in the event ACG terminates Mr. Myung as Chief Financial Officer of ACG.

Non-Arm's Length Party Transactions

Other than as described elsewhere in this Circular, in Note 7 to the interim financial statements of ACG for the period ending September 30, 2025, and Note 8 to the audited consolidated financial statements for ACG for the years-ended December 31, 2024 and December 31, 2023, attached hereto, ACG has not entered into any Non-Arm's Length Party transaction within 24 months of the Circular. See "*Schedule "G" - Audited Consolidated Financial Statements for ACG for the years-ended December 31, 2024 and December 31, 2023 and MD&A of ACG for the financial years-ended December 31, 2023 and December 31, 2024*", and "*Schedule "H" - Interim Financial Statements of ACG for the nine-month period ended September 30, 2025 and MD&A of ACG for the nine-month interim period-ended September 30, 2025*".

Interests of Insiders, Promoter or Control Persons in the Transaction

Following completion of the Transaction and assuming completion of the Financing and after giving effect to the Consolidation:

- (a) the original ACG Board, other than Paul Reid, will become directors of the Resulting Issuer;
- (b) the Resulting Issuer Board will consist of Marc Pais, Kevin Reid, Rickard Vernon, Mike Pilmer, and Dawn Meidinger;
- (c) the original officers of ACG other than Paul Reid, namely Kevin Reid and Marc Pais, will continue on as officers of the Resulting Issuer; and
- (d) the executive officers of the Resulting Issuer will consist of Kevin Reid, Chief Executive Officer; Marc Pais, Executive Chair; Clyde Smith, Vice President Exploration; and Sung Min (Eric) Myung, Chief Financial Officer.

The shareholdings of each current Insider, Promoter, and Control Person of ACG and their respective Associates and Affiliates before and after giving effect to the Transaction, calculated on a non-diluted basis, are set out below:

Insider, Promoter or Control Person of ACG	ACG Shares Held Prior to the Transaction ⁽¹⁾		Resulting Issuer Shares Held After Giving Effect to the Transaction and the Concurrent Financings ⁽²⁾	
	Number	Approximate Percentage	Number	Approximate Percentage
Marc Pais ⁽³⁾	8,000,100	20.07%	8,859,570	18.08%
Kevin Reid ⁽⁴⁾	6,750,000	16.93%	7,262,567	14.82%
Paul Reid ⁽⁵⁾	8,000,100	20.07%	9,211,865	18.80%
Rickard Vernon ⁽⁶⁾	1,280,000	3.21%	1,477,647	3.02%
TOTAL	24,030,200	60.27%	26,811,649	54.71%

Notes:

- (1) Presented on a non-diluted basis and based on a total number of 39,868,950 ACG Shares issued and outstanding prior to completion of the Consolidation, the Concurrent Financings, and the Transaction.
- (2) Presented on a non-diluted basis and based on a total number of 49,006,929 Resulting Issuer Shares issued and outstanding after the Consolidation, the Financings and the Transaction.
- (3) The total number of Resulting Issuer Shares held by Marc Pais include the 5,180,500 (pre-Consolidation) Core Nickel Shares currently held by Mr. Pais, and the 250,000 Resulting Issuer Shares issuable upon the conversion of the 250,000 Subscription Receipts purchased by Mr. Pais in the ACG SR Financing. Mr. Pais also holds 500,000 ACG Options, 475,000 (pre-Consolidation) Core Nickel Options and 2,000,000 (pre-Consolidation) Core Nickel Warrants, and will own an additional 250,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Pais in the ACG SR Financing and completion of the Transaction, and therefore Mr. Pais will hold 19.79% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (4) The total number of Resulting Issuer Shares held by Kevin Reid include the 2,000,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Reid, and the 277,373 Resulting Issuer Shares issuable upon the conversion of the 277,373 Subscription Receipts purchased by Mr. Reid in the Core Nickel SR Financing. Mr. Reid also holds 1,000,000 ACG Options and 2,000,000 (pre-Consolidation) Core Nickel Warrants, and will own an additional 277,373 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Reid in the Core Nickel SR Financing and completion of the Transaction, and therefore Mr. Reid will hold 17.37% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (5) The total number of Resulting Issuer Shares held by Paul Reid include the 8,175,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Reid, and the 250,000 Resulting Issuer Shares issuable upon the conversion of the 250,000 Subscription Receipts purchased by Mr. Reid in the ACG SR Financing. Mr. Reid also holds 500,000 ACG Options, 475,000 (pre-Consolidation) Core Nickel Options and 3,000,000 (pre-Consolidation) Core Nickel Warrants, and will own an additional 250,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Reid in the ACG SR Financing and completion of the Transaction, and therefore Mr. Reid will hold 20.68% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.
- (6) The total number of Resulting Issuer Shares held by Rick Vernon include 980,000 ACG Shares held directly, 300,000 ACG Shares held by his spouse, 1,000,000 (pre-Consolidation) Core Nickel Shares currently held by Mr. Vernon, and the 80,000 Resulting Issuer Shares issuable upon the conversion of the 80,000 Subscription Receipts purchased by Mr. Vernon in the Core Nickel SR Financing. Mr. Vernon also holds 500,000 ACG Options and 1,000,000 (pre-Consolidation) Core Nickel Warrants, and will own an additional 80,000 Resulting Issuer Warrants upon conversion of the Subscription Receipts purchased by Mr. Vernon in the Core Nickel SR Financing and completion of the Transaction, and therefore Mr. Vernon will own or control 4.38% of the issued and outstanding Resulting Issuer Shares on a partially-diluted basis.

See “The Transaction”, “Information Concerning the Transaction and the Financing”, “Information Concerning the Resulting Issuer – Directors, Officers and Promoters”, “– Escrowed Securities”, and “– Pro-Forma Consolidated Capitalization”.

Legal Proceedings

There are no material pending legal proceedings to which ACG is a party or of which any of its property is the subject matter nor are any such proceedings known to ACG to be contemplated.

Auditor, Transfer Agent and Registrar

The auditor of ACG is McGovern Hurley LLP, at its office at 251 Consumers Rd Suite 800, North York, ON M2J 4R3.

Olympia Trust Company, at its Calgary office located at 4000, 520 – 3rd Ave SW, Calgary, AB T2P 0R3 is the transfer agent and registrar for the ACG Shares.

Material Contracts

Since incorporation, other than in the ordinary course of business, ACG has not entered into any contracts material to investors, other than the following:

- a purchase agreement to acquire a 100% interest in the McCabe Group Claims;
- a purchase agreement to acquire a 100% interest in the Freeman Claims;
- the Transaction Agreement. See “*Information Concerning the Transaction and the Financings – The Transaction*”.
- the Agency Agreement. See “*Information Concerning the Transaction and the Financings – The Subscription Receipt Financing*”.

Copies of these agreements are available for inspection at the head office of ACG at no cost, at any time during ordinary business hours and until 30 days after the Closing.

INFORMATION CONCERNING THE EAGLE PROJECT

Source of Information and Data

The following is a summary of the Eagle Project Technical Report (in this part titled *Information Concerning the Eagle Project*, referred to as the “**Technical Report**”) for the Eagle Project, located in the Yavapai County, Arizona, USA. The effective date of the Technical Report is January 30, 2026 (the “**Technical Report Effective Date**”). The Technical Report was prepared for ACG to support the disclosure of scientific and technical information and present the exploration potential related to the Eagle Project, located in Yavapai County, Arizona. The Technical Report summarizes historical work conducted in the Project area, exploration completed by ACG in 2024 and 2025, and recommendations for future work on the Project.

The Technical Report was prepared by Benjamin Soms, CPG of Ethos Geological Inc. It was prepared following the disclosure requirements set forth by NI 43-101. Mr. Soms is a “Qualified Person” and is considered “Independent”, as such terms are defined in NI 43-101.

The historical estimate (the “**Historical Estimate**”) discussed below in respect of the Eagle Project was prepared internally by prior owners Stan West Mining Co. The source of the Historical Estimate is as follows: Knight, D.C., 1984, Stan West Mining Corp. McCabe-Iron King Belt project summary and financial information for shareholders. The Historical Estimate is not compliant with NI 43-101, a ‘qualified person’ (as defined in NI 43-101) has not done sufficient work to classify the Historic Estimate as current mineral resources or current mineral reserves, and neither ACG nor Core Nickel is treating the Historical Estimate as current mineral resources or mineral reserves. There is no technical report associated with the Historic Estimate. The Historical Estimate contains categories that are not consistent with current CIM definitions. The Historical Estimate includes “inferred resources” together with “proven”, “probable” and “possible reserves”. Under current standards “total reserves” would be classified as “total resources”, and ACG is interpreting the “total reserves” in the Historical Estimate as a historical estimate of “total resources”. ACG considers the Historical Estimate to be relevant for the proper understanding of the Eagle Project, however significant data compilation, re-drilling, re-sampling and data verification may be required by a ‘qualified person’ for the Historical Estimate to be compliant with NI 43-101 standards and to verify the Historical Estimate as current mineral resources. There can be no certainty, following further evaluation and/or exploration work, that the Historical Estimate can be upgraded or verified as mineral resources or mineral reserves in accordance with NI 43-101.

Property Description and Location

The Eagle Project is located in Yavapai County, Arizona, approximately 10 mi (16 km) south of the town of Prescott Valley, Arizona. The Eagle Project is situated in the McCabe and Iron King mining district, a historically productive precious and base metal district that includes the historical McCabe, Gladstone, Henrietta, and Iron King mines. As of the Technical Report Effective Date, ACG, through its subsidiary, AZ Desert, controls approximately 4,533.5 acres (1,834.4 ha) of mineral tenure in central Arizona, consisting of 240 unpatented mining claims totaling 4,272.7 acres and 20 patented mining claims totaling 260.8 acres. This includes 238 unpatented mining claims on BLM land acquired by staking in 2024, and 20 patented and 2 unpatented mining claims acquired through purchase agreements finalized in early 2026 and mid to late 2025. As of the Technical Report Effective Date, ACG has entered into three additional purchase agreements that remain open and are in escrow.

ACG, through AZ Desert, its wholly-owned subsidiary, owns 100%, undivided and full legal ownership of the Eagle Project, which includes patented claim parcels and unpatented mining claims on BLM land. To maintain the claims in good standing, ACG must pay annual claim maintenance and filing fees to the BLM before September 1st of each calendar year, as well as annual property taxes on the patented parcels.

Under the administration of the BLM, ownership of unpatented mining claims in the U.S. is in the name of the claimant. The Mining Law of 1872 - which governs the location of unpatented mining claims on federal lands - grants the claimant the right to explore, develop, and mine minerals on unpatented mining claims without payments or royalties to the federal government.

There is a 2% net smelter royalty (NSR) retained by the seller on eight patented mining claims (the McCabe Group Claims”) acquired by ACG in 2025, of which 1% may be purchased by ACG for US\$1 million.

A Title Opinion on the status of the Eagle Project was prepared by Dorsey + Whitney LLP on November 25, 2025.

No drilling or ground-disturbing exploration activities have been conducted by ACG on the Eagle Property as of the Technical Report Effective Date. As such, no exploration permits have yet been required or obtained. Future drilling or trenching programs on BLM claims will require the submission and subsequent BLM approval of a Notice of Intent which allows for up to 5 acres of surface disturbance. Drilling on patented ground will require a well permit from the Arizona Department of Environmental Quality.

The author of the Technical Report was not aware of any known environmental liabilities associated with the Eagle Project, nor of any existing reclamation obligations. At the time of the Technical Report, there are no known legal, environmental, permitting, or other factors that would materially affect access, ownership, or the ability to conduct exploration work on the Eagle Project.

Figure 1, below is the ACG property map covering a total area of approximately 4,533.5 acres (1,834.4 hectares, 18.34 km²).

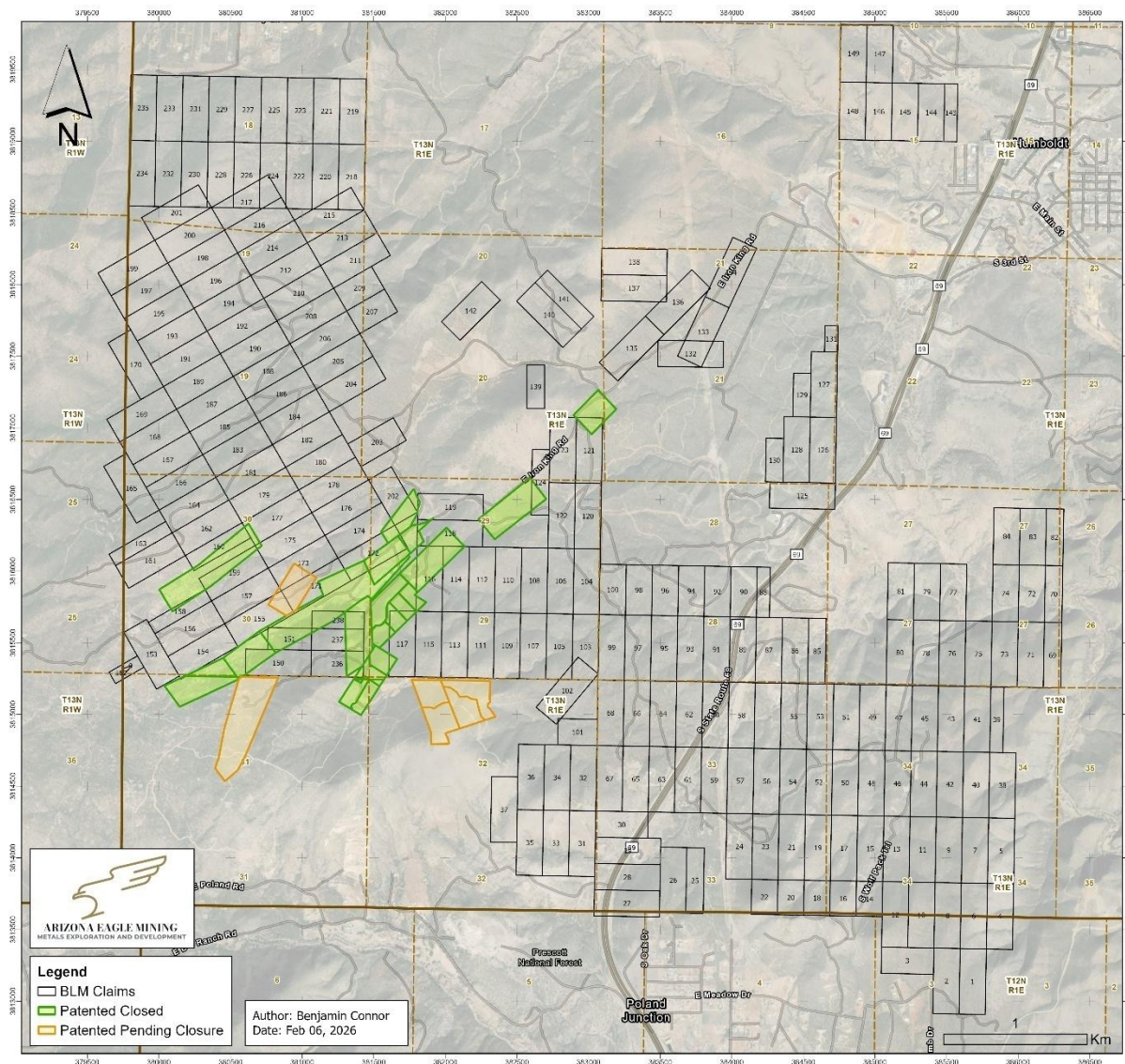


Figure 1: Arizona Copper and Gold Ltd. Eagle Project claims map location in Arizona

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Eagle Project area is accessible by a network of gravel and dirt roads that lead west and south from the Iron King Mine Road that turns west from Highway 69, one-half kilometer from Dewey-Humboldt, the nearest town (population 3,900). The Eagle Project also extends east of Highway 69 and is accessible by gravel and dirt roads. Most of the roads were built to provide access to historic mines and prospects. Larger nearby towns are Prescott Valley (pop. 50,000) and Prescott (pop. 46,000); Phoenix (pop. 1.6 million) is the nearest city.

The region experiences a mild climate characterized by hot summers, cool winters, and frequent sunny days. Average highs in the summer are around 90°F, while average lows in the winter are around 27°F. Annual rainfall is an average of about 12 inches (30 cm). The region's climate supports year-round field operations.

The Eagle Project is located in an area with well-developed infrastructure. Highway 69 crosses the Eagle Project, and the region is serviced by interstate highways and rail lines that support efficient transportation. Nearby towns such as Prescott and Prescott Valley offer essential services, including food, fuel, electrical power, postal services, law enforcement, hospitals, and an airport with commercial service provided by United Airlines. There are no permanent structures on the Property. The rolling terrain, which hosts numerous historic mines and prospects, is suitable for the development of exploration, mining, and processing facilities. Arizona has a long-established mining industry and a skilled workforce of miners, explorationists, and other professionals available throughout the state.

The Eagle Project area consists of rolling hills and broad valleys, reaching a maximum elevation of 5,377 feet (1,613m). The terrain allows for good road access throughout the Property. Vegetation is sparse, consisting of agave, yucca, globe mallow, Apache plume, blue grama grass, purple sage, and desert willow. Vegetation does not impede access to any part of the Eagle Project.

Geology

Regional Geology

The Eagle Project is located within a 6 km x 8 km area of complexly deformed, NE-striking Proterozoic metamorphic rocks intruded by granitic plutons and cut by several NE-striking, steeply dipping vein and massive sulfide mineralized zones. The project is located within the Prescott-Jerome intra-oceanic island arc, within the Central Volcanic Belt of central Arizona (Figure 2), a volcanic belt that originated through rifting of the southeastern edge of the Archean Wyoming craton at 1900 Ma. Initial southeasterly directed intra-oceanic subduction resulted in an 1800 Ma arc that evolved to calc-alkaline basalts and volcanoclastics. A flip in subduction direction to the northwest at 1750 Ma resulted in convergence, hydrous plutonism, batholith intrusion, and coalescence of all oceanic arc units into new Proterozoic crust, including the Prescott-Jerome belt. By 1720 Ma, subduction had resulted in partial fusion of oceanic crust, emplacement of large calc-alkaline granodiorite-granite batholiths, and regional metamorphism. Convergence at 1700–1650 Ma produced orogenic suturing and accretion of all elements of the subduction complex in a Proterozoic plate tectonic style characterized by vertical tectonics.

In the project area, the Prescott section of the Prescott-Jerome arc experienced three major volcanic cycles. The first cycle involved deposition of tholeiitic bimodal basalt flows and coeval gabbros. The second cycle formed a thick pile of Fe-rich tholeiitic basalt-rhyolite followed by a third cycle dominated by extrusion of huge volumes of calc-alkaline felsic fragmental rocks.



Figure 2: Project location within the regional Prescott-Jerome intra-oceanic island arc, within the Central Volcanic Belt of central Arizona

Project Geology

Proterozoic bedrock falls within five northeasterly-striking divisions of greenschist metamorphic grade volcanics, related intrusions, and sediments (Johnson et al., 2021). The division to the northwest consists of basalt (Xb) intruded by gabbro (Xgb) and granite (Xcc). To the southeast is the distinct 0.5–1.0 km wide Chaparral High Strain Zone of right-lateral shearing, made up of the strongly foliated, steeply-dipping, Texas Gulch unit (Xt) of fine-grained tuffaceous sediments, quartzose and arkosic sandstone, purple-colored slate and mylonites. The Chaparral zone cuts obliquely to foliations, has mylonitized plutons, and has offset stratigraphic units up to 1 km. A distinct rhyolite dike with abundant pyrite crystals intrudes the Chaparral zone.

The three divisions to the southeast of the Chaparral High Strain Zone are dominantly basalts, andesites, dacites, and mafic dikes (Xb, Xa, Xab, Xd) of the Spud Mountain Volcanics, agglomerates, breccias, and quartz boudins occur within the andesites. Another interval of Texas Gulch tuffs and sediments is interlayered in these volcanic units. Chlorite is widespread in greenschists and epidote may be a metamorphic mineral or represent propylitic alteration related to mineralization.

Proterozoic units are intruded by three Cretaceous (Laramide) tonalite stocks, one of which is the Ticonderoga (Walker) stock (Figure 3) dated at 64 Ma; the neighboring Big Bug stock has been dated at 70 Ma. The tonalite groundmass is fine grained quartz, feldspar (~50-80%), and biotite with phenocrysts of biotite and hornblende (~10-30%) and quartz 1-2 mm (10-20%). Some phenocrysts are altered to chlorite. Crystal size is variable, ranging from phaneritic to porphyritic. Highly weathered tonalite appears crumbly and blocky. Tonalite dikes are common near the

Ticonderoga stock. Tonalite near the California Mine is bleached and may be chloritized. Quartz veins crosscutting tonalite are common.

Figure 3 is the geologic map of the Eagle Project area that has been compiled from previous maps, and mapping by Emma Kerins of Ethos Geological.

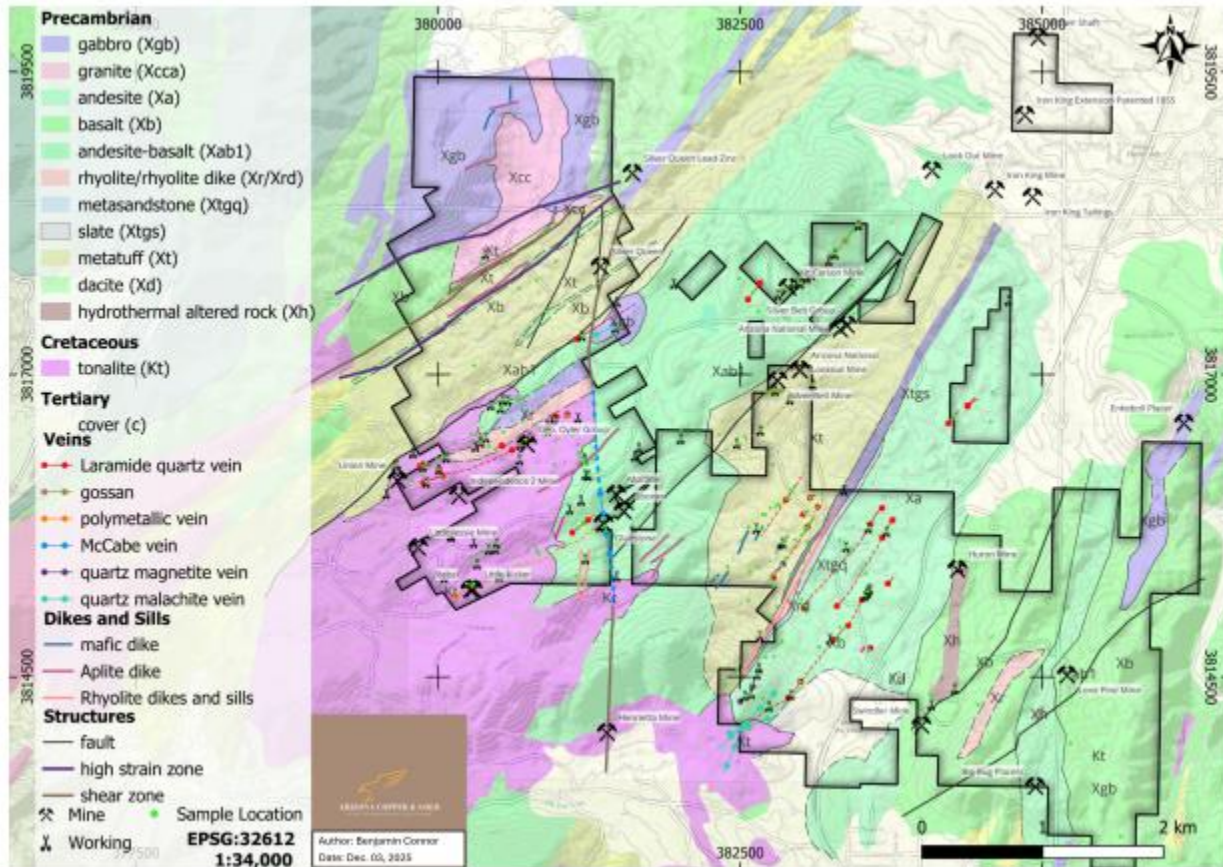


Figure 3: Geologic map of Eagle Project Area. Claim outline on this figure represents tenure prior to recent acquisitions

Mineralization

Historically, production occurred from two different NE- striking, steeply dipping deposit types in the Eagle Project area: the McCabe Au-Ag vein type and the Iron King Au-Ag-Cu-Pb-Zn volcanogenic massive sulfide (“VMS”) type.

Five discrete NE-trending gold-mineralized zones—collectively termed the Gold Zones—have been identified across a 3.5 km corridor north of the McCabe-Rebel system. Individual zones range from approximately 260 m to 1 km in strike length and exhibit surface widths of 0.3 to 2.0 m. Depth extent is currently unknown, with mineralization verified only at surface to shallow subsurface levels through historical workings. The Copper Zone in the southern Project area extends over an approximately 1 km NE-trending corridor, with mineralized widths of 1 to 4m observed in outcrop and historical workings. Depth potential remains untested by modern exploration methods.

Figure 4 is the Eagle Project claims map showing bedrock sample results throughout the property with anomalous gold assay values > 1.0 g/t Au. Figure 5 is a Gold Zones map that shows five separate NE-striking McCabe Au-Ag vein type zones with assays > 1.0 g/t Au, labeled NW Sunol Ext., Sunol Ext., Sunol, SE, and McCabe-Rebel. Figure 6 is a Copper Zone map of Iron King Au-Ag-Cu-Pb-Zn VMS type mineralization showing anomalous copper (>0.5% Cu), gold (>1.0 g/t Au) and silver (> 50 g/t Ag) assays.

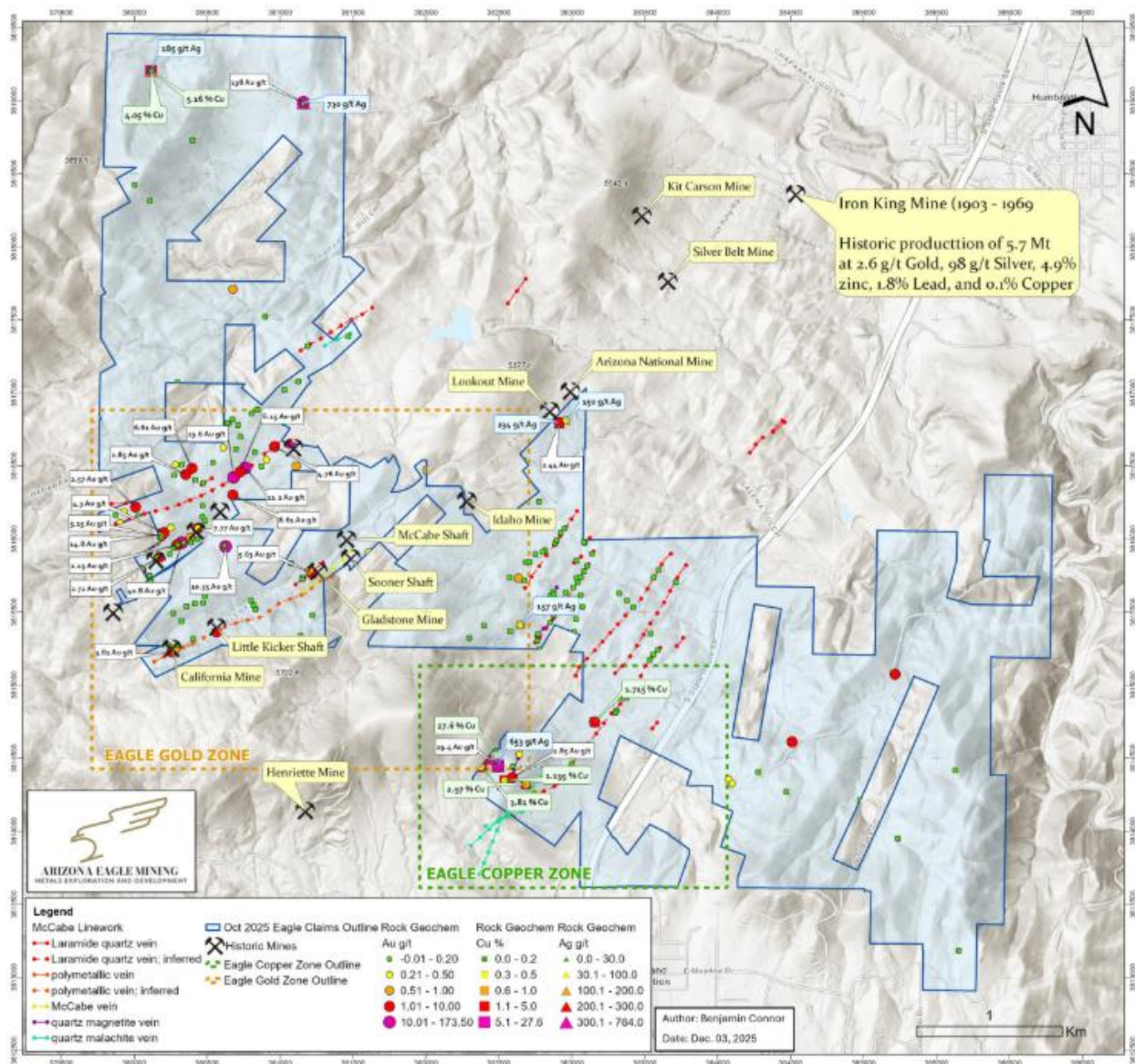


Figure 4: Bedrock sample results showing anomalous gold assays >1.0 g/t Au. Claim outline on this figure represents tenure prior to recent acquisitions; the current claim package is shown in Figure 1.

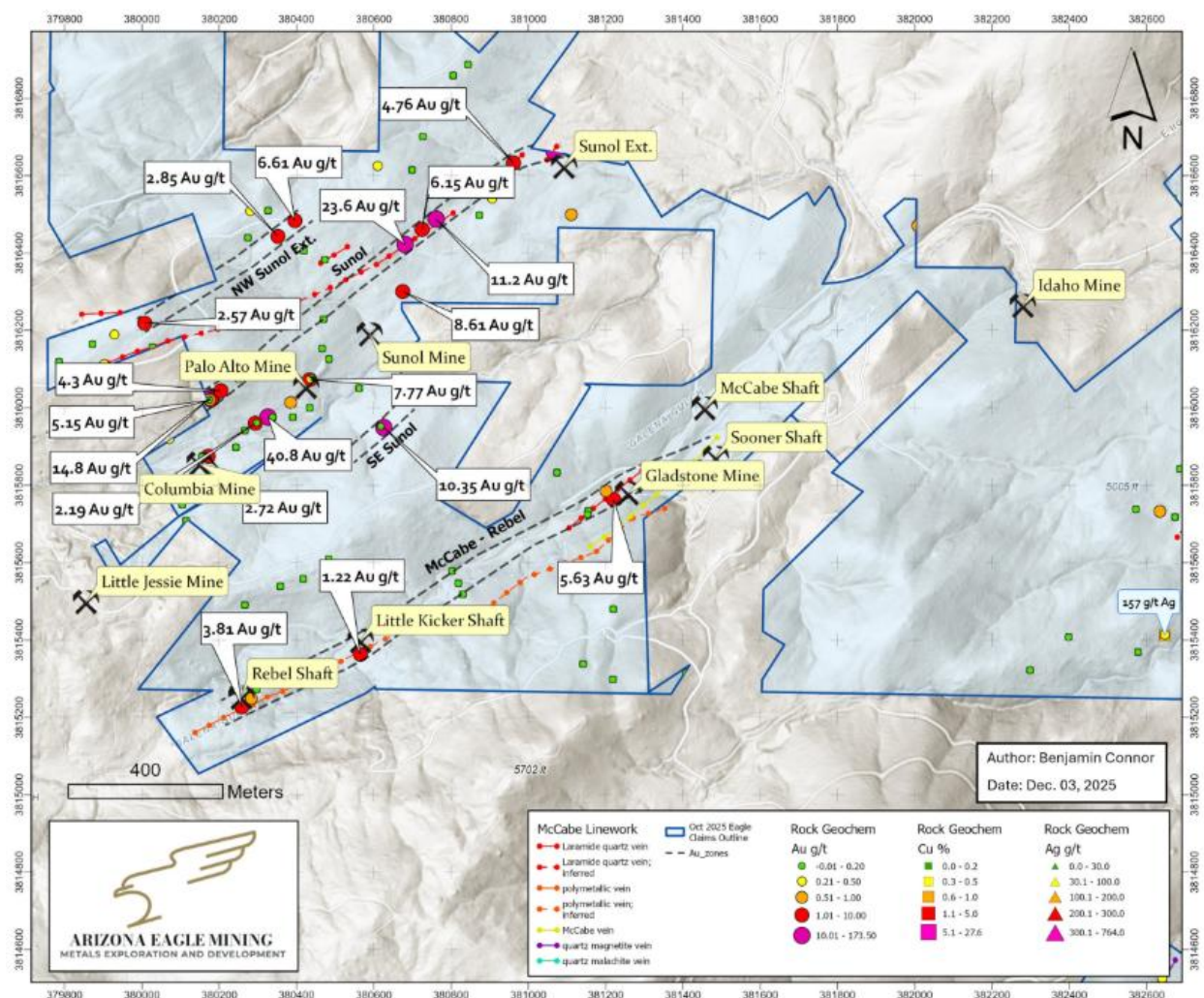


Figure 5: Eagle Project Gold Zones: NW Sunol Ext., Sunol Ext., Sunol, SE Sunol, McCabe-Rebel zones with anomalous bedrock assays >1.0 g/t Au. Claim outline on this figure represents tenure prior to recent acquisitions.

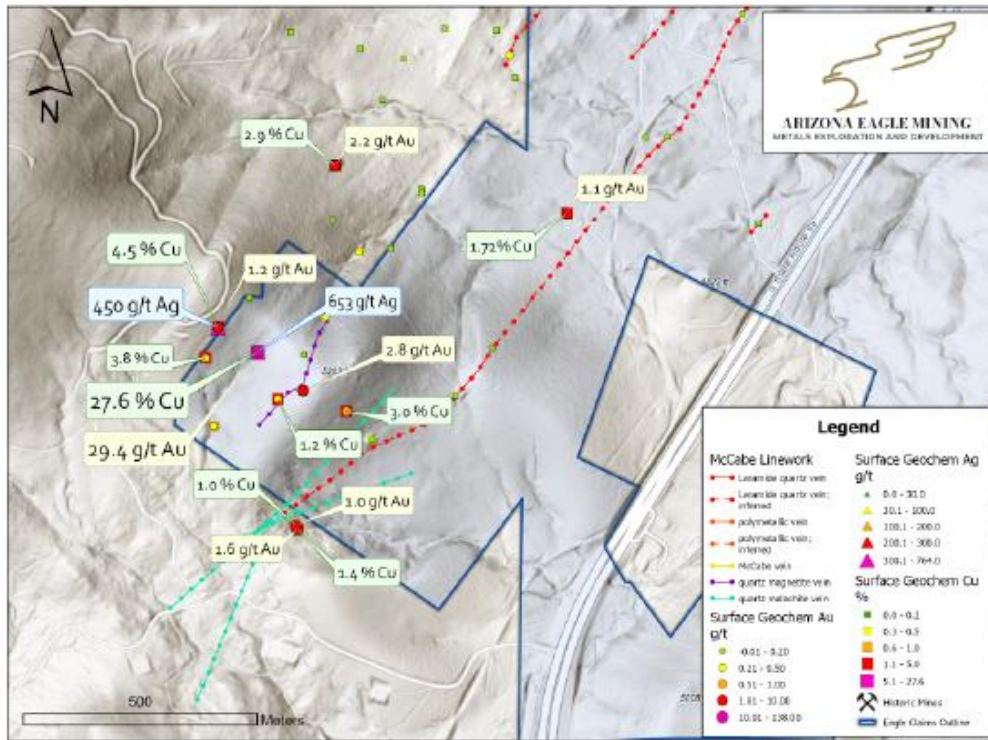


Figure 6: Eagle Project Copper Zone with anomalous bedrock assays > 0.5% Cu, > 1.0 g/t Au, > 50 g/t Ag.

McCabe Au-Ag vein type

Magma Gold Ltd. reports include descriptions of up to seven parallel NE-striking, steeply SE-dipping, individual veins within a zone mined from the McCabe, Sooner, and Gladstone shafts. The veins are quartz-sulfide fissures with well-defined straight walls and high-grade pay streaks of centimeters to 0.75 m wide within veins that averaged 1.0-1.6 m wide. Vein sulfides are pyrite, marcasite, arsenopyrite, sphalerite, galena, chalcocopyrite, tetrahedrite, and ruby silver with drusy, comb-textured, vuggy quartz, ankerite, sericite, kaolinite and adjacent barite stringer zones surrounded by narrow, 15 cm-1.0 m wide, alteration envelopes of sericite, quartz-sericite, or chlorite breccia. Five mineralogical varieties apparently related to different host lithologies have been distinguished, two of which are high in chalcocopyrite, sphalerite, arsenopyrite, pyrite, and marcasite. Strike and dip changes such as pinching and swelling, and sigmoid structures commonly control ore shoots. Post-ore fault offsets are reported as between 10' (3 m) and 200' (60 m). Figure 7 is a longitudinal section showing historic McCabe Mine underground workings, gold assays, and possible extensions of the McCabe vein system.

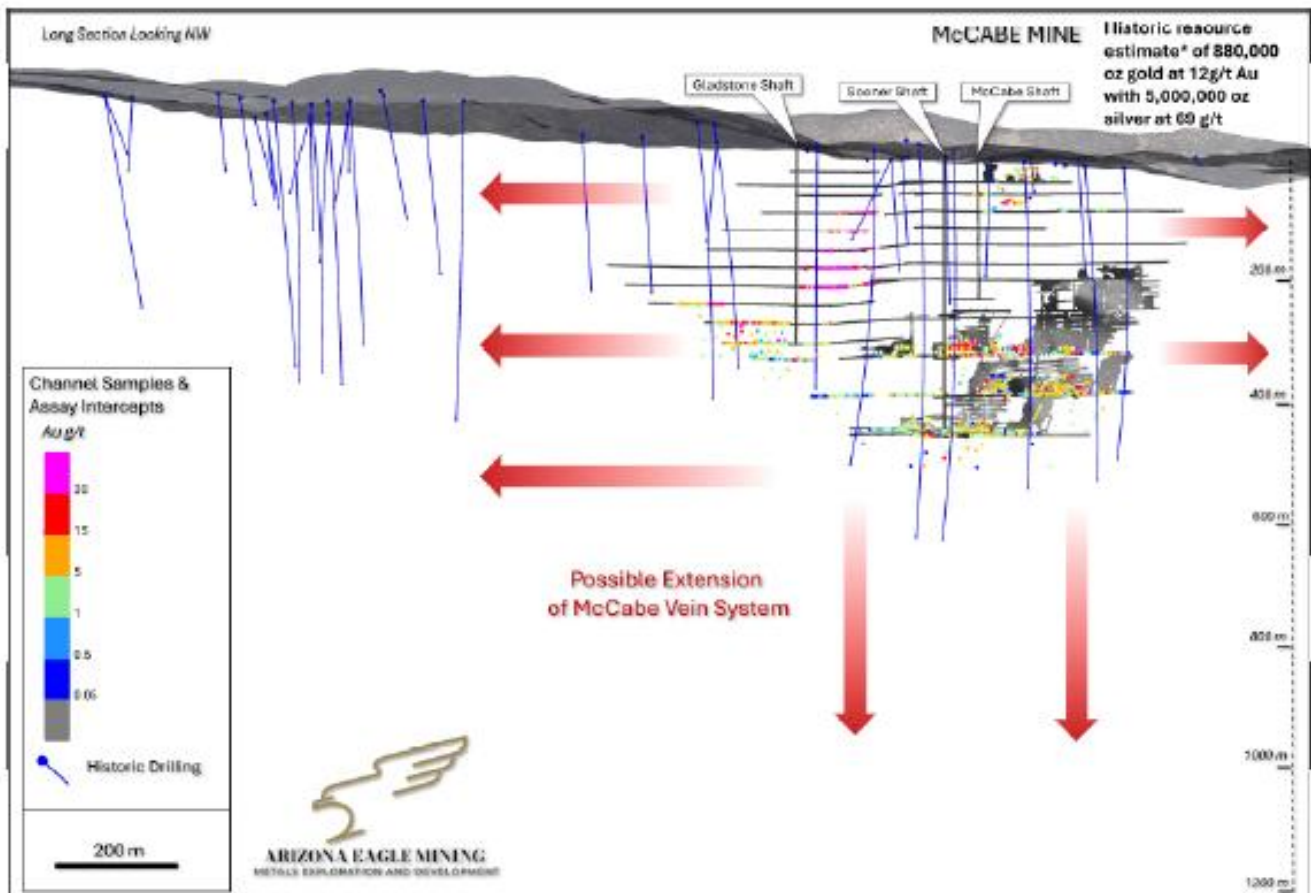


Figure 7: Longitudinal section showing historic McCabe Mine underground workings, gold assays, possible extensions McCabe vein system.

Outcrops in the historical shafts area are restricted to the area of an open cut and exposures to the east within which NE-striking mineralization is confined to narrow quartz stringers, Fe oxide shears, and strong argillic and quartz-sericite alteration in foliated and sheared volcanic host rocks. In contrast to the NE-striking mineralization, northerly-striking, steeply-dipping zones of shearing and Fe-oxide mega-stockworks in the open cut may reflect the Henrietta zone intersecting the NE-striking McCabe veins. At the Rebel (California) shaft, a 50°-striking, 65°-SE-dipping, 2-3 m wide quartz-rich breccia cutting Cretaceous (Laramide) tonalite is exposed in a vertical open cut; a large dump includes abundant pyrite with galena and chalcopyrite.

In addition to the veins mined in the McCabe-Rebel zone, McCabe Au-Ag vein type mineralization occurs in the following four parallel, NE-striking zones in the Gold Zones to the north of the McCabe-Rebel zone: NW Sunol Ext., Sunol Ext., Sunol, and SE Sunol. Massive, milky, sucrosic quartz veins with Fe oxide fractures, minor Fe carbonate, and calcite, crop out in these zones that range from 30 cm to 2.0 m wide with several meter wide alteration haloes in granitic or foliated metamorphic host rocks. Although local chalcedonic banding and leached and vuggy quartz textures suggests epithermal temperatures, local sheared vein selvages and associated argillic-sericitic alteration indicate mesothermal deposition, in keeping with the 342° C fluid inclusion temperature noted above.

McCabe Au-Ag veins have been distinguished as Laramide in age and appear to be genetically related to the Ticonderoga (Walker) and other Cretaceous stocks in the project area. Veins cross-cut Cretaceous stocks indicating that they post-date stock emplacement. In a 1994 study of 151 mines and prospects in the property region, gold, silver, and base metal zones related to Laramide stocks were identified. The strongest gold and base metal zones (sixth polynomial trends) in the region are centered over the Ticonderoga (Walker) stock. Reported average ore grades and production from the Ticonderoga/Walker districts are shown in Table 3 and Table 4 (below).

Iron King Au-Ag-Cu-Pb-Zn VMS type

The historical Iron King Mine is located 5 km to the northeast of the McCabe shaft along a trend that includes other historic mines (Figure 4). Twelve massive sulfide lenses strike north-northeast, dip steeply northwest, plunge 55-60° northward, and are arranged en echelon with each succeeding lens on the west extending farther to the north than its next easterly neighbor. The lenses lie within a surface area of approximately 75 m wide by 750 m long and were mined to a depth of 350 m. A wide envelope of sericite dominant hydrothermal alteration, with pyrite, quartz, and ankerite, surrounds ore lenses in a zone 30-75 m wide over a length of 1,200m. Ore lenses have abrupt, sheared, or mylonitic, angular discordant contacts with sheared, foliated meta-andesite tuff host rocks.

Fine-grained, consistently banded, ore lenses of 0.3-4.2 m wide, include pyrite, arsenopyrite, sphalerite, galena, tennantite, and chalcopyrite in a gangue of quartz, ankerite, pyrite, sericite, and minor residual chlorite. Individual ore lenses show constant widths, structures, textures, mineralogy, and ore grades over 30-150 m in length. Ore minerals are fractured, sheared, and brecciated.

Although described as veins by Creasey (1951), the Iron King mineralization is characteristic of VMS mineralization. Lenses with consistent widths and lengths, are made up of fine-grained, banded textured, massive sulfides associated with precious and base metals with relatively constant grades. Fractured, sheared, brecciated mineralization in lenses arranged en echelon with abrupt, angular discordant contacts within sheared, foliated meta-andesite tuff host rocks, indicates that the lenses represent sections of an original stratiform body that was deformed and dismembered by left lateral strike-slip faulting, with each lens transported to the southwest of its next nearest neighbor lens. Figure 7.7 is an east-southeast facing longitudinal section showing Iron King underground workings in multiple lenses. This deformation is consistent with the Proterozoic convergence at 1700–1650 Ma that produced orogenic suturing and accretion of all elements of the subduction complex in a plate tectonic style characterized by vertical tectonics. Therefore, Iron King is interpreted as a Proterozoic VMS deposit that originated in a volcanic seafloor environment and was subsequently deformed and dismembered by convergent tectonics.

The Technical Report distinguished mineralization in outcrop in the project area that appears to represent Iron King type massive sulfide mineralization. In the Copper Zone in the southern portion of the project, workings surrounded by strong alteration have dump piles with malachite stain, disseminated, sulfide stringer, and massive pyrite and chalcopyrite associated with quartz veins hosted in carbonaceous, laminated argillite. A layered silica-magnetite rock is interpreted as an exhalite related to VMS mineralization.

Outside of the Copper Zone, polymetallic gossan mineralization, some with copper oxides, appears to reflect massive sulfide mineralization, is associated with iron-oxide stockworks, and is exposed in numerous workings along a lengthy, nearly continuous, NE trend in the northwest and central portions of the Eagle Project. Drag structures that shear adjacent quartz veins and reflect strike slip offsets, are present along the trend of the gossan exposures, forming lenses, a possible analog to Iron King type mineralization.

Trace element associations: The two mineralization styles on the Eagle Project exhibit distinct trace element signatures consistent with their interpreted origins. McCabe-type mesothermal veins characteristically show strong Au-Te associations, reflecting moderate- to high-temperature hydrothermal fluids typical of Laramide intrusion-related systems in the southwestern United States. Tellurium enrichment in epithermal to mesothermal Au-Ag mineralization is well documented in alkalic intrusion-related settings.

In contrast, Iron King-type VMS mineralization exhibits base metal-enriched signatures with elevated Pb, Zn, As, Cd, and Sb, accompanied by anomalous Cu, Ag, and Bi. This polymetallic signature is characteristic of bimodal-mafic VMS systems formed in submarine volcanic environments. The presence of rare earth elements (Ce, La) in copper-rich zones supports a mafic-hosted VMS interpretation. These contrasting geochemical fingerprints are consistent with the two-stage metallogenic history of the district: Proterozoic seafloor hydrothermal activity producing stratiform massive sulfides, followed by Laramide magmatic-hydrothermal activity generating crosscutting vein systems.

History

The earliest recorded history of mining activity in the Eagle Project area was in 1863 at the Big Bug Mine, later named the Henrietta. Prospecting to the north of the Big Bug by Messrs. Hatfield and Slaughter resulted in them acquiring a property in the McCabe/Gladstone area. Discoveries of high-grade lead and silver to the northeast and high-grade gold

to the southwest of McCabe/Gladstone area expanded the district in 1870. Frank McCabe purchased the McCabe/Gladstone property in 1879. The Henrietta became a major gold-silver-copper producer in 1884 and the McCabe Mine was a major gold-silver producer between 1890 and 1900 with the incorporation in Prescott, Arizona of the McCabe Mining Company and the issue of stock worth \$100,000. The historic Rebel Mine located approximately 1.5 km to the southwest of the McCabe Mine had reported production around 1900 from four shafts, one over 800 feet (240 m) deep, with 2,000 feet (600 m) of drifts. The Rebel vein was reported to be 5-7 feet (1.5-2.1 m) wide with a high-grade streak of 2-4 feet (0.6-1.2 m) wide.

In 1901 the Model Gold Mining Co. of Chicago purchased the McCabe Mine, and the Ideal Mining Co. purchased the Gladstone property. Between 1893 and 1901 the McCabe Mine produced ore valued at over \$1,250,000. In 1905, the Ideal Mining Co. acquired McCabe and joined it with Gladstone at the 600-foot (200 m) level. Between 1906 and 1909, McCabe produced over 37,000 tons of ore valued at over \$1,000,000. Operations ceased at McCabe/Gladstone in 1909 with the McCabe shaft at a depth of 900 feet (300 m), the Gladstone shaft at 1,100 feet (330 m), and with 27,000 feet (8,100 m) of underground workings in the mines. The Henrietta Mine produced \$1,250,000 of ore prior to closing in 1910. Mining by various lease holders continued in the district until production ceased in 1934; final production that year included milling of 60,000 tons of selected ore and concentrates with an average grade of 1.5 opt Au, 10 opt Ag, 2.0% Cu, 2.1% Pb, 4.7% Zn.

The modern history of mining on the McCabe/Gladstone property started in 1980 with acquisition of 72 contiguous claims covering 3,500 acres by Stan West Mining Co. ("Stan West") The company conducted geochemical and EM geophysical surveys, 92,000 feet (27,600 m) of surface diamond drilling, sunk the Sooner Shaft to 1,050 feet (315 m), drilled underground from the 850' (255 m) Level, and commissioned an ore reserve study by Derry, Michener, Booth, & Wahl ("DMB&W"). Table 1 shows McCabe ore reserves totaling 877,617 ounces gold grading 0.34 opt Au calculated by DMB&W in 1983 (Knight, 1984), with the bulk of the reserves located in veins lying below and as extensions to underground workings. The DMB&W reserve was calculated at a gold price of \$360 per ounce, at a time when the gold piece was approximately \$450 per ounce.

		Ounces/Ton		Total Ounces		Au cut-off	Ag cutoff
	Tonnage	Gold	Silver	Gold	Silver	Unknown	Unknown
Proven	158,765	0.35	2.2	56,315	352,595	Unknown	Unknown
Probable - Drifting	72,047	0.36	2.3	26,068	162,299	Unknown	Unknown
Probable - Drilling	277,270	0.26	1.6	72,374	449,395	Unknown	Unknown
Possible	85,600	0.27	1.8	22,860	154,880	Unknown	Unknown
Geologically Inferred	2,000,000	0.35	2.0	700,000	4,000,000	Unknown	Unknown
Total Reserves	2,593,682	0.34	2.0	877,617	5,119,169	Unknown	Unknown

Table 1: McCabe Mine historical ore Reserves calculated by Derry, Michener, Booth & Wahl, 1983.

(The historical mineral resource and reserve estimates presented in Tables 1 and 2 are reported as stated in the original source documents. These estimates are considered historical in nature and are not compliant with current CIM Definition Standards or NI 43-101 requirements. The Qualified Person has not completed sufficient work to classify these estimates as current mineral resources or reserves, and the issuer is not treating these historical estimates as current.)

Subsequent to the release of the DMB&W reserves, Stan West retained G. Warnock, an experienced underground mining consultant who reviewed the DMB&W calculations and concluded that DMB&W did not properly account for dilution. Warnock stated that a lower average grade of 0.25 opt Au should have been used.

Stan West initiated production, rated at 525 tons per day of 0.30 opt Au with 90% recovery, on three principal veins at McCabe in October 1988. However, with a low average produced grade of 0.135 opt Au, lower than expected mill recovery, falling gold prices to approximately \$320 per ounce, and an estimated expenditure of \$35 million into the project, Stan West terminated production in February 1989. Assuming production of 525 tons per day for 345 days and 90% recovery, production over less than five months yielded only approximately 20,000 ounces of gold. At that

time, the company was in default on a loan of \$8.5 million from Elders Resource Finance Inc. of Australia. Elders then took over 100% ownership of the project.

In a 1989 report to G. Warnock (Warnock, 1990) from geologist R. Pape, previously with Stan West, Pape concluded that “in place” reserves on the Red, Purple, Blue, Gold, Green, Orange, and Flesh veins totaled 348,900 tons grading 0.304 opt Au; Pape assumed a 30% loss for waste and pillars and a 15% dilution factor, for a total reserve of 280,000 tons grading 0.315 opt Au (Pape, 1989). This 1989 estimate focused on more proven, in-place reserves in specific veins and excluded the broader, more inferred portions from the DMB&W 1983 total estimate of 877,617 ounces, thereby representing only about 10% of the total DMB&W figure. These historical “in place” reserve estimates by Pape (1993) are reported as stated in the original source documents, are considered historical in nature, and are not compliant with current CIM Definition Standards or NI 43-101 requirements. The Qualified Person has not completed sufficient work to classify these estimates as current mineral resources or reserves, and the issuer is not treating these historical estimates as current.

The McCabe Mine was subsequently purchased by Magma Gold Ltd. that initiated production in April 1991 at a planned 300 tons per day and produced approximately 40,000 ounces of gold (see table 2 below). In February 1993, Magma ceased production and capped, plugged, and back-filled shafts. Magma’s final reserve and resource figures graded 0.39 opt Au containing 40, 531 ounces of gold. This 1993 estimate included only gold immediately available for production near current workings and similarly excluded the inferred ounces from the DMB&W 1983 estimate.

Au cut-off	Reserves Tons	Reserves Au	Resources Tons	Total Tons	Total Au	Total Au (oz)
0.2 opt (6.9 g/t)	56,054	0.33 opt (11.2 g/t)	74,715	130,769	0.33 opt (11.2 g/t)	43,153
0.248 opt (8.5 g/t)	46,576	0.35 opt (12.0 g/t)	74,715	121,291	0.35 opt (12.0 g/t)	42,451
0.3 opt (10.3 g/t)	31,947	0.39 opt (13.4 g/t)	74,715	106,662	0.39 opt (13.4 g/t)	40,531

Table 2. Magma Gold Mines Ltd. historical resource and reserve calculations at the time of closing.

Overall, Stan West and Magma removed approximately 60,000 ounces of gold from the DMB&W 1983 estimated resource of 877,617 ounces implying that approximately 817,617 ounces of gold could currently remain in the deposit.

Following mine closure, Magma Gold provided reports and a set of 23 longitudinal sections to the Arizona Department of Mines and Mineral Resources Mining Collection at the Arizona Geological Survey. Company reports describe the McCabe vein system as a complex zone of several northeast striking shear zones and the north–south trending Henrietta vein. Principal veins are narrow, average approximately 3.5’ wide (1.05 m), strike 36° and 54°, and dip steeply to the southeast. Veins include pyrite, marcasite, chalcopyrite, arsenopyrite, sphalerite, and galena with quartz, calcite, dolomite, and ankerite gangue surrounded by alteration envelopes of sericite, quartz-sericite, or chlorite breccia. A fluid inclusion temperature determined on vein quartz is reported at a minimum 342 °C, indicating a mesothermal temperature of deposition. Post-ore fault offsets are reported as between 10’ (3 m) and 200’ (60 m). Magma Gold mined veins with average mining widths of 3–4’ (0.9–1.2 m) by shrinkage, open, or sublevel stoping.

Figure 8 is a Stan West Mining Corp. generalized SW–NE longitudinal section of the McCabe vein zone showing underground workings below the McCabe, Gladstone and Sooner shafts, with the Sooner Shaft, sunk by Stan West, bottomed at the 1,450’ Level (440 m). This section shows workings extending 2,100’ (640 m) to the southwest and 1,200’ (365 m) to the northeast of the Sooner Shaft, over a total length of 3,300’ (1,005 m). Also shown is the Stan West interpreted potential tonnage below the 900’–1,000’ levels (275–305 m); it is not known what portion of this potential tonnage was mined by Stan West between October 1988 and February 1989. Figure 9 is a Stan West generalized plan view of the SW–NE-striking McCabe vein zone showing segments labeled McCabe, Gladstone, Rebel–Little Kicker, Adventure, and Henrietta systems. The underground workings extend 3,300’ (1,005 m) along strike, and the zone may be projected 2,500’ (760 m) to the Rebel (California) shaft to the SW.

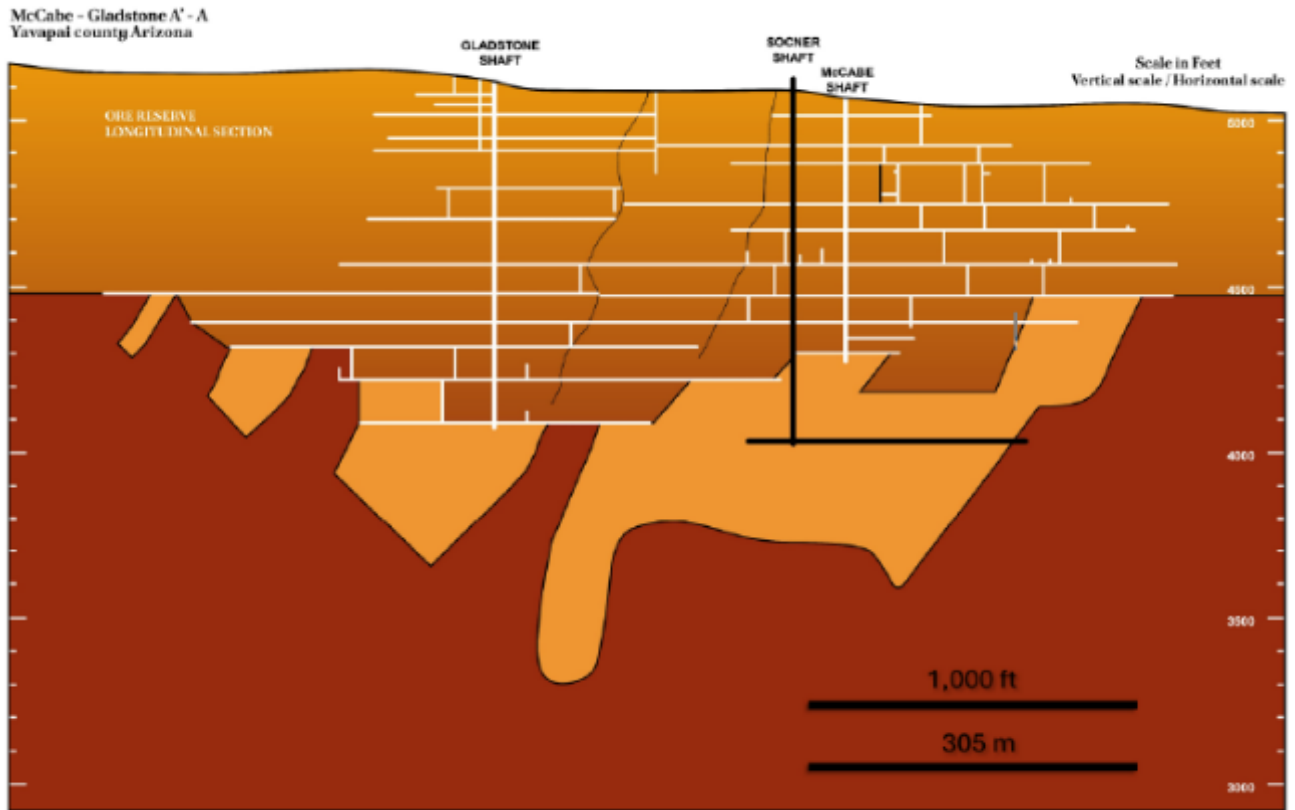


Figure 8: Stan West Mining Corp. generalized SW-NE longitudinal section (viewing NW) of the McCabe vein zone.

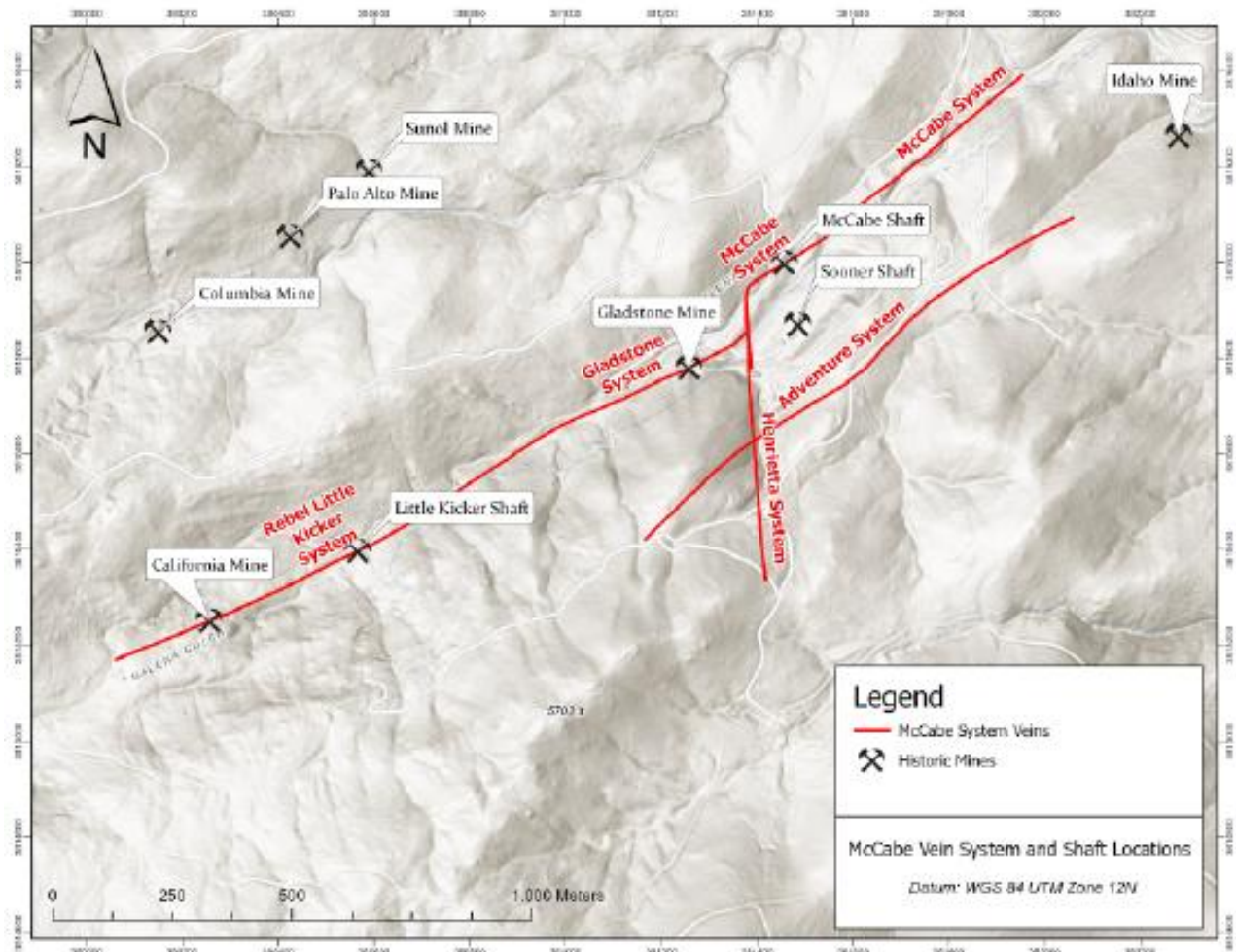


Figure 9: Stan West Mining Corp. generalized plan view of the McCabe vein zone

Although not clearly labeled, the 23 Magma Gold Ltd. SW-NE longitudinal sections show assay, reserve, and resource data and blocks for portions of veins plotted presumably in the planes of veins. In the Gladstone Shaft portion of the sections, data is shown between elevations 4,700' (1,410 m) and 4,200' (1,260 m) over a vertical distance of 500' (150 m). In the Sooner and McCabe shafts portion, data is shown between elevations 4,300' (1,290 m) and 3,400' (1,020 m) over a vertical distance of 900' (270 m). The sections show five principal mine levels spaced approximately 200' (60 m) apart between the 833 Level (275 m), and the 1,650 Level (1,027 m).

Although not clearly labeled, the 23 Magma Gold Ltd. SW-NE longitudinal sections show assay, reserve, and resource data and blocks for portions of veins plotted presumably in the planes of veins. In the Gladstone Shaft portion of the sections, data is shown between elevations 4,700' (1,435 m) and 4,200' (1,280 m) over a vertical distance of 500' (150 m). In the Sooner and McCabe shafts portion, data is shown between elevations 4,300' (1,310 m) and 3,400' (1,040 m) over a vertical distance of 900' (275 m). The sections show five principal mine levels spaced approximately 200' (60 m) apart between the 833 Level (255 m), and the 1,650 Level (505 m).

Tables 3 and 4 show ore grades and estimated production totals mined in the historic McCabe and Iron King districts.

Average reported ore grades	Au	Ag	Cu (%)	Pb (%)	Zn (%)
	0.31-0.56 opt	4.08-4.70 opt	0.38-0.90	0.48-1.1	0.04-0.12

Table 3. Estimated Au, Ag, Cu, Pb, Zn grades mined in the historic McCabe (Ticonderoga/Walker) district.

	Au (oz.)	Ag (oz.)	Cu (lbs.)	Pb (lbs.)	Zn (lbs.)
McCabe (Ticonderoga/Walker districts)	254,000	2,446,000	6,533	7,692,000	553,000
Iron King (1906-1968)	693,454	20,626,053	22,655,688	287,433,461	838,370,430

Table 4. Estimated historic production in McCabe and Iron King districts

Drilling

As of the Technical Report Effective Date, the Company had commenced a diamond drilling program on January 21, 2026. Drilling was ongoing at the time of writing, and no analytical results were available. Accordingly, the results of this program have not been incorporated into the Technical Report.

Sampling, Analysis and Security of Samples

A total of 312 rock samples were collected by Ethos Geological personnel during September and October 2024 and March 2025 on behalf of ACG. Samples consisted of grab and channel samples from mineralized outcrops, float, and historical mine dumps. Sample locations were recorded using handheld GPS units.

Samples weighing 2 to 5 kilograms (kg) were collected and placed in pre-numbered cloth sample bags with sequential labeling. Quality control samples were inserted into the sample stream at regular intervals, including certified reference materials (standards) and blank samples at a frequency of approximately 5% (one quality control sample per twenty field samples). Standards were selected to represent expected grade ranges for gold and base metals. Blank samples consisted of unmineralized material. Field duplicates were not collected, and lab duplicates were not processed during this program. This reflects the early-stage reconnaissance scope of work, where the objective was preliminary geochemical screening rather than assessing grade precision.

After collection, samples were transported directly to ALS USA Inc. laboratory in Tucson, Arizona by Ethos Geological personnel. Sample bags were placed in sealed shipping boxes with detailed sample submission forms. Upon arrival at ALS, samples were checked against submission forms and logged into the laboratory's tracking system. Chain-of-custody documentation was maintained from collection through analysis. No sample losses or discrepancies were reported.

ALS USA Inc. is an independent commercial laboratory with ISO/IEC 17025 accreditation and no financial relationship to ACG. Sample preparation followed method Prep-31Y: samples were dried, crushed to 70% passing 2 millimeters, split to 250 grams, and pulverized to 85% passing 75 microns.

Two analytical methods were applied:

- Gold Analysis (Au-AA23): 30-gram fire assay with atomic absorption finish, providing detection limits of 0.005 g/t Au. Samples exceeding 10 g/t Au were re-analyzed using gravimetric finish.
- Multi-Element Analysis (ME-MS61): Four-acid digestion with ICP-MS analysis for 48 elements including Ag, Cu, Pb, Zn, and As. Samples with base metal concentrations exceeding upper detection limits were analyzed using ore-grade methods (ME-OG62).

Nine certified reference material (CRM) samples and eight blank samples were submitted with the 312 field samples. A single CRM was used (CDN-ME-2312), comprising material containing 1.58 g/t Au, 45 ppm Ag, 0.271% Cu, 0.590% Pb, and 1.38% Zn, with respective certified uncertainties of ± 0.16 g/t, ± 5 ppm, $\pm 0.013\%$, $\pm 0.027\%$, and $\pm 0.07\%$. All standard results fell within acceptable limits (± 2 standard deviations for gold, $\pm 10\%$ for base metals), indicating good analytical accuracy. All blank samples returned results below detection limits for gold, silver, copper, lead and zinc.

Review of ALS internal quality control certificates confirmed that all analytical batches met laboratory quality control standards. No batches required re-analysis. Assay certificates are available for all samples submitted.

Based on review of sample collection procedures, security protocols, analytical methods, and quality control results, it is the Qualified Person's opinion that sample preparation, security, and analytical procedures employed during the 2024–2025 exploration program are adequate and suitable for use in the Eagle Project Technical Report. The analytical data are considered reliable for evaluating mineralization on the Eagle Project and guiding future exploration.

Mineral Resources and Mineral Reserves

This is not applicable at this stage of the Eagle Project as of the Technical Report Effective Date. For a discussion of the historical resource on the McCabe Mine, see above under the heading “History”.

Mining Operations

This is not applicable at this stage of the Eagle Project as of the Technical Report Effective Date.

Exploration and Development

Ethos Geological Inc., under contract to ACG, completed geological mapping and sampling programs on the Eagle Project between September 2024 and March 2025. Mapping was conducted at approximately 1:10,000 scale and focused on delineating structural corridors, lithologic contacts, and alteration zones across accessible portions of the Property.

A total of 312 grab and channel samples were collected from mineralized outcrops, float, and selected historical mine dumps as part of a prospecting/reconnaissance sampling program. Sampling consisted of selective grab samples from visible mineralized exposures and short channel samples across veined or altered intervals. The sample population is weighted toward grab samples, which are inherently selective and appropriate for reconnaissance-stage exploration targeting mineralized zone identification, but are unlikely to represent average grades on the property. Quality-control procedures included the insertion of certified reference materials and blanks at a rate of approximately 5% (one QC sample per 20 field samples). All samples were submitted to ALS USA Inc., an ISO/IEC 17025-accredited laboratory, for multi-element geochemical analysis. ACG personnel participated in sample collection and field verification during selected phases of the program.

Multi-element geochemical analysis of the 312 rock samples identified distinct element associations that support the interpretation of two primary mineralization styles on the Eagle Project. Correlation coefficient analysis indicates that mineralized samples can be separated into three distinct geochemical populations:

- **Au-Ag-Te:** The strongest correlation in the dataset is between Au and Te (0.7). This element association characterizes the McCabe Au-Ag vein-type mineralization and supports a mesothermal, intrusion-related origin for the vein systems.
- **Cu-Ag-Bi-Ce-La:** This element suite is interpreted as the dominant base metal VMS signature and is characteristic of anomalous Cu-Ag-Au assays associated with VMS-style mineralization. The presence of Bi, Ce, and La suggests affinities to mafic-hosted VMS systems.
- **Pb-Zn-Ag-As-Cd-Sb-Au:** This base metal-enriched population is difficult to distinguish from the Cu-Ag-Bi-Ce-La suite and may indicate that multiple hydrothermal events contributed to mineralization at Iron

King and on the ACG properties. The overlapping signatures suggest potential remobilization or overprinting of earlier VMS mineralization.

The ability to distinguish these mineralization styles geochemically provides a systematic framework for exploration and target evaluation. Property-wide sampling reveals that the Au-Ag vein type and VMS signatures define spatially distinct zones, while the Pb-Zn-Ag-As-Cd-Sb-Au signature indicates areas of potential multiple mineralization events or remobilization.

Five individual, parallel, NE-striking zones of gold mineralization displaying the Au-Ag-Te signature were identified across a 3.5 km trend in the northern and central portions of the Project (Figure 5). From northwest to southeast, these Gold Zones returned the following significant gold assays:

- NW Sunol Ext. with three anomalous gold assays: 2.6, 2.9, 6.6 g/t Au.
- Sunol Ext. with 16 anomalous gold assays: 1.1, 1.8, 2.1, 4.1, 4.3, 4.8, 5.2, 6.2, 7.0, 7.7, 11.2, 14.8, 16.6, 21.8, 23.6, 92.0 g/t Au.
- Sunol with five anomalous gold assays: 2.3, 2.7, 7.8, 8.6, 40.8 g/t Au.
- SE Sunol with a single anomalous gold assay: 10.3 g/t Au.
- McCabe-Rebel with two anomalous gold assays: 3.8, 5.6 g/t Au. Only a few samples were collected in this zone in which outcrops are rare and grades are best indicated by historic mining.

On strike to the northeast of these zones, eight anomalous silver assays (124, 142, 150, 200, 234, 250, 255, 764 g/t Ag) in NE-striking zones indicate that gold zones may transition into silver-enriched zones over a length of up to 3.5 km. The McCabe Au-Ag vein zone mineralization is described in detail above. Mineralization in the Gold Zone includes numerous outcrops, pits, trenches, and dumps that expose opaque, milky white, iron-oxide stained, quartz veins. These veins commonly contain pyrite, Fe-carbonate, and calcite, crosscut all rock units, including the Cretaceous tonalite of the Ticonderoga stock, and are interpreted as Laramide in age.

A distinct NE-striking zone of high-grade copper mineralization displaying the Cu-Ag-Bi-Ce-La VMS signature was identified in the southern portion of the Project area (Figure 6), with the following significant assays:

- Nine anomalous copper assays: 1.0, 1.2, 1.4, 1.7, 2.9, 3.0, 3.8, 4.5, 27.6% Cu.
- Seven anomalous gold assays: 1.0, 1.1, 1.2, 1.6, 2.2, 2.8, 29.4 g/t Au.
- Two anomalous silver assays: 450, 653 g/t Ag.

Mineralization in the Copper Zone includes black, copper oxide stained, layered, quartz-magnetite-pyrite-specular hematite rock interpreted as an exhalite. Exhalites of this type commonly occur as distal or peripheral facies to VMS systems. The strongly anomalous copper, gold, and silver results on samples of this material indicate significant potential for VMS mineralization within the area sampled and surrounding. Based on strong similarities with Iron King VMS mineralization, the Copper Zone represents a target that requires detailed exploration.

Several samples were collected from massive iron-oxide gossans and iron-oxide stockworks in an area approximately 1.0 km southwest of the Iron King Mine. This mineralization occurs as zones 1–4 m wide, with parallel zones up to 3 m apart. Drag structures at these sites indicate left-lateral strike-slip displacement. The anomalous silver values and distinctive geologic character at these localities show strong similarities to VMS mineralization and structures at the historical Iron King Mine, suggesting that this mineralization may represent fault-offset continuations of Iron King-type sulfide lenses along the regional structural trend. Total geological and analytical exploration expenditures amounted to C\$290,000.

An airborne geophysical survey carried out by Geotech Ltd. in April 2025 collected VTEM, magnetic, and radiometric data on 50-meter spaced stations on 699-line-kilometers over the Eagle Project. Figure 10 shows the survey area with

individual 150°–330° azimuth survey lines and cross lines, as well as two prominent northerly-trending EM conductors reflecting 60 Hz power lines. Data have been interpreted by the company's geophysical consultant. Geophysical anomalies are interpreted based on correlation with surface mineralization but can only be confirmed through drilling. These limitations are typical for projects at this exploration stage and do not affect the conclusion that identified targets warrant drill testing.

A gamma ray radiometric map that shows two NE-trending anomalous features was prepared. The broad anomaly located within and to the NW of the Gold Zones is interpreted as resulting from introduction of radioactive elements into bedrock by hydrothermal fluids related to mineralization. The northwestern and northern extent of this broad anomaly indicates that additional, as yet unidentified, vein zones may occur within this area. As with magnetic anomalies, individual detailed total count anomalies in this area should be correlated with and interpreted along with outcropping individual mineralized veins and IP/resistivity anomalies in selection of drillholes. The linear NE-trending anomaly in the Copper Zone trends directly toward the Iron King Mine. As described above, the Iron King VMS deposit occurs with a broad sericite dominant alteration envelope. Sericite is a radioactive K-bearing mineral. The apparent radiometric structural connection between the Copper Zone and Iron King emphasizes the significance of the Copper Zone as an important VMS target for advanced evaluation and probable drilling.

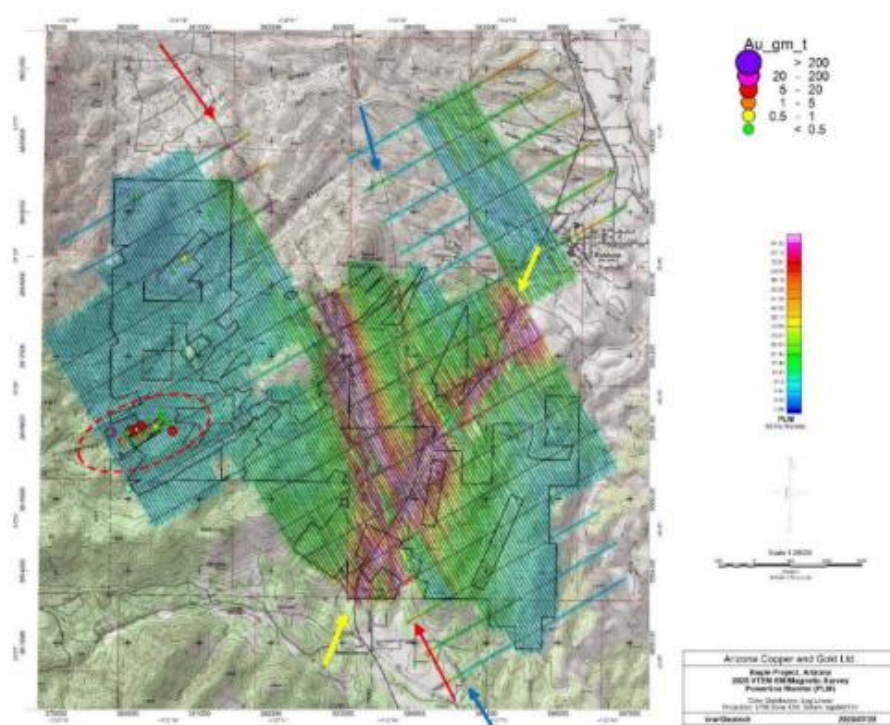


Figure 10: Airborne geophysical survey area with two prominent northerly-trending EM conductors reflecting 60 Hz power lines.

Proposed Work Program

To further advance the Eagle Project, a diamond core drilling program is recommended to expand the known mineralized zones and test new exploration targets. The proposed program includes drilling the McCabe–Rebel zone across 21 holes to a depth of approximately 300 m, totaling 6,300 m. These holes may be arranged along three NE–SW-trending segments totaling 2,000 m in length, comprising 990 m within the central historical McCabe–Gladstone–Sooner mine area, 750 m between the McCabe and Rebel areas to the southwest, and 260 m northeast of the McCabe area (Figure 9). The program is designed to test and confirm mineralization reported in historical records, as well as assess broader exploration potential. The drilling program will be supported by geological mapping, geophysical surveys, and geochemical surveys to enhance the overall understanding of the mineralization and guide future exploration. The work is expected to be completed within 8–10 months, pending permitting and contractor availability.

As of the Technical Report Effective Date, ACG had commenced a diamond drilling program on January 21, 2026 based on these recommendations.

Based on the interpretation of preliminary geologic mapping and sampling, and preliminary airborne survey results, ACG has commissioned an induced polarization (IP) and resistivity survey to be conducted by Zonge International, which is currently underway at the time of the Eagle Project Technical Report. The initial block recommended for the survey is a 1.5 km by 1.7 km area, including 18 lines with initial electrode spacing of 50 m on an azimuth of 150°–330° that covers the five NE-striking, gold mineralized structures of the Gold Zones (Figure 11). The estimated cost of the Zonge survey is C\$220,000.

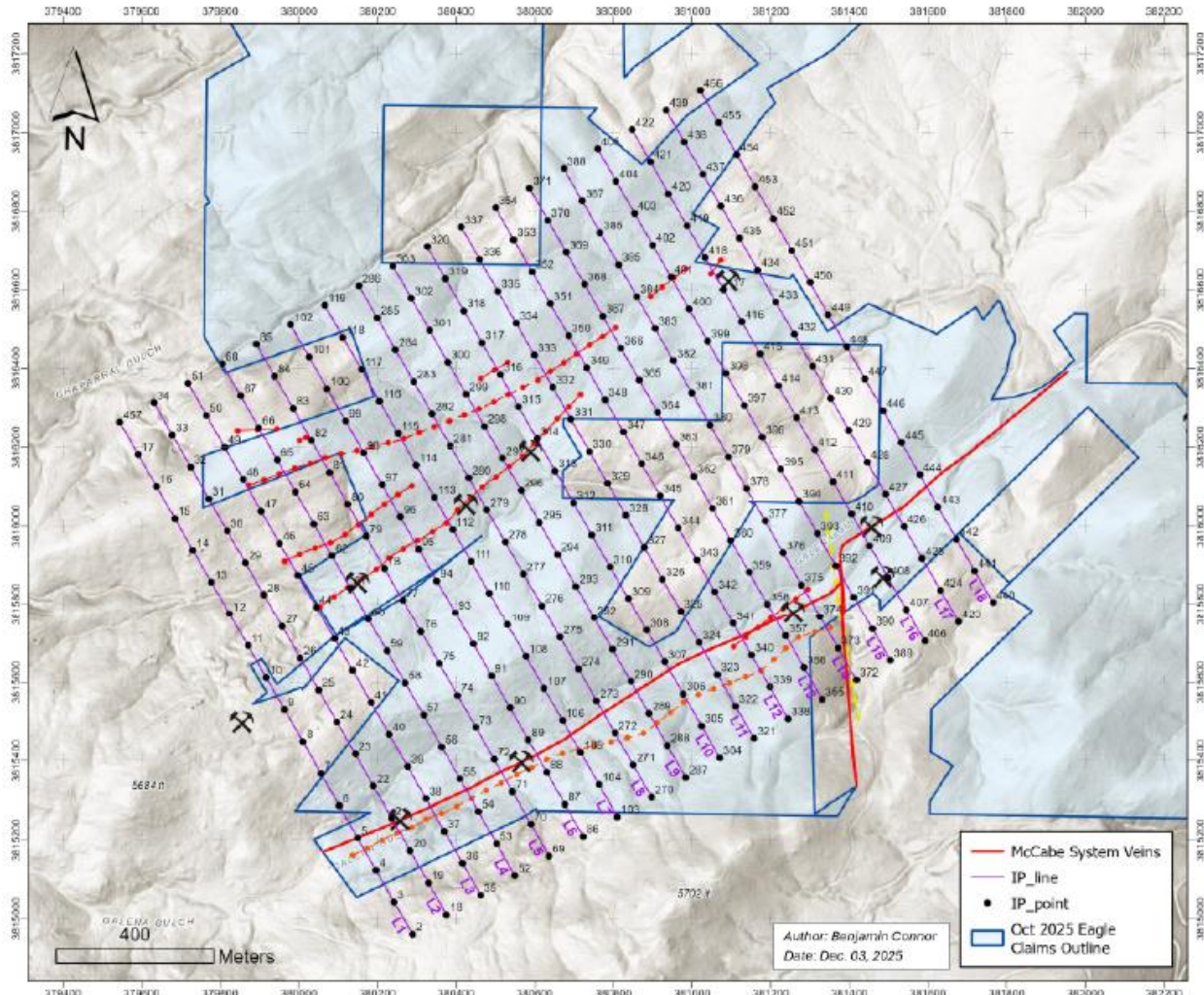


Figure 11: IP/resistivity grid proposed for survey by Zonge International.

Budget Estimate

See below under the heading “Narrative Description of the Business - Milestones, Exploration and Development”

INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

Name and Incorporation

The name of the Resulting Issuer is expected to be changed to “Arizona Eagle Mining Corp.” and the Resulting Issuer will be continued under the OBCA. The head office of the Resulting Issuer will be located at 4100 - 66 Wellington Street West, Toronto, Ontario. M5K 1B7, Canada.

In conjunction with the Transaction, Core Nickel will amend its articles to implement the Name Change and the Consolidation. Immediately following Closing, and assuming that the Continuance has been approved by the Core Nickel Shareholders at the Meeting, the Resulting Issuer will file Articles of Continuance and any other required documents in the Province of Ontario in order to effect the Continuance out of the BCBCA and into the OBCA.

Intercorporate Relationships

Upon completion of the Transaction, all outstanding shares of ACG will be exchanged for shares of Core Nickel, which will be the Resulting Issuer. As a result of the Transaction, the Core Nickel Shareholders will become shareholders of the Resulting Issuer.

Immediately upon completion of the Transaction, the corporate organization chart of the Resulting Issuer will be as follows:



Narrative Description of the Business

Stated Business Objectives

The Resulting Issuer will continue the business of ACG and the principal property will be the Eagle Project. It will pursue the business objectives of ACG, namely the exploration and development of the Eagle Project. The Resulting Issuer does not intend to undertake any exploration activity or incur any material expenditures, other than property maintenance expenses, on the Core Nickel Properties in the 12 months following completion of the Transaction. For more information see “*Information Concerning the Eagle Project*”.

There is no assurance that the Resulting Issuer will be successful in meeting the objectives described above. See “*Risk Factors*” for information relating to the risks associated with the business of the Resulting Issuer.

Milestones, Exploration and Development

The following summary sets out the Resulting Issuer’s exploration objectives for the short to medium term, as more particularly set out in the Eagle Project Technical Report.

The occurrence of both McCabe Au–Ag vein–type and Iron King Au–Ag–Zn–Pb–Cu VMS–type mineralization on the Eagle Project warrants a comprehensive geophysical program, detailed follow-up geological and sampling work, and possible trenching evaluation prior to conducting a drill program.

To further advance the Eagle Project, a diamond core drilling program is recommended to expand the known mineralized zones and test new exploration targets. The proposed program includes drilling 6,300 meters across 21 drill holes within the central historical McCabe–Gladstone–Sooner mine area. The program is designed to test and confirm mineralization reported in historical records, as well as assess broader exploration potential. The drilling program will be supported by geological mapping, geophysical surveys, and geochemical surveys to enhance the overall understanding of the mineralization and guide future exploration. The work is expected to be completed within 8–10 months, pending permitting and contractor availability. ACG commenced a diamond drilling program on January 21, 2026 based on these recommendations.

Based on the interpretation of preliminary geologic mapping and sampling, and preliminary airborne survey results, ACG has commissioned an induced polarization (IP) and resistivity survey to be conducted by Zonge International, which is currently underway. The initial block recommended for the survey is a 1.5 km by 1.7 km area, including 18 lines with initial electrode spacing of 50 m on an azimuth of 150°–330° that covers the five NE-striking, gold mineralized structures of the Gold Zones.

See “*Information Concerning the Eagle Project – Proposed Work Program*”

The estimated budget for the proposed work program is detailed below. Costs are based on industry-standard rates for the region and include a 15% contingency to account for unforeseen expenses. All costs are presented in Canadian dollars.

Item	Description	Quantity	Unit Cost	Total(C\$)
IP Survey	18 lines with spacing of 50m on an azimuth of 150-330 degrees	1 lump sum	-	220,000
Drilling (HQ Core)	21 holes x 300m each. US\$38/ft, doubled for inputs, +15% contingency, x 1.4 FX (CAD/USD) = C\$400/m	6,300m	C\$400/m	2,520,000 ⁽¹⁾
Assays and Laboratory	70m sampled per 300m hole(0.233 sampled m/m drilled); US\$45/sample x 1.4 FC = C\$63/sample for 1,468 samples	1,468 samples	C\$63/sample	92,000
Mobilization/Demobilization	Transport and setup of drill support gear	1 lump sum	-	45,000
Road Building and Pad Construction	Road and drill pad construction	1 lump sum	-	90,000
Logistics and Supplies	Fuel, camp, consumables	1 lump sum	-	75,000
Permitting and Environmental	Permitting fees and monitoring	1 lump sum	-	30,000
Personnel	Field and technical staff (6 months estimate)	-	-	100,000
Contingency (non-drilling)	15% on non-drilling items (drilling contingency included in rate)	-	-	50,000
Total Estimated Cost				3,220,000⁽²⁾

Notes:

- (1) As of January 31, 2026, ACG paid a \$155,000 deposit toward the Eagle Property drill program as well as \$144,000 on associated geophysical examinations.
- (2) Accounting for the costs already incurred by ACG as of January 31, 2026 as noted in note (1), the total estimated cost of the exploration program remaining for the Resulting Issuer is \$2,921,000.

Description of Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Shares. Immediately prior to giving effect to the Transaction (including completion of the Consolidation and conversion of the Subscription Receipts into ACG Shares and Core Nickel Shares), Core Nickel will have 7,840,811 Consolidated

Core Nickel Shares issued and outstanding and ACG will have 41,166,118 ACG Shares issued and outstanding. Upon the completion of the Transaction and the Concurrent Financings, it is anticipated that the Resulting Issuer will have approximately 49,006,929 Resulting Issuer Shares issued and outstanding.

The material attributes and features of the Resulting Issuer Shares will be the same as the material attributes and features associated with the Core Nickel Shares. See “*Information Concerning Core Nickel – Description of Securities*”.

Pro Forma Consolidated Capitalization

The following table sets forth the *pro forma* consolidated share capitalization of the Resulting Issuer after giving effect to the Transaction, assuming completion of the Consolidation and Concurrent Financings. This table should be read in conjunction with the *pro forma* consolidated financial statements and notes thereto attached hereto as Schedule F“1”.

Designation of security	Amount authorized or to be authorized	Outstanding after giving effect to the Transaction, Consolidation and the Concurrent Financings
Resulting Issuer Shares	Unlimited	49,006,929
Resulting Issuer Warrants	4,873,106	4,698,079
Resulting Issuer Options	2,910,588	2,637,647

Fully Diluted Share Capital

The following tables sets out the fully-diluted share capital of the Resulting Issuer after giving effect to the Transaction, Consolidation, and the Concurrent Financings:

Designation of Security	Number Outstanding (#)	Approximate Percentage Outstanding
Resulting Issuer Shares		
Issued	49,006,929 ⁽¹⁾	87.0%
Reserved for issuance upon exercise of Resulting Issuer Options	2,637,647 ⁽²⁾	4.7%
Reserved for issuance upon exercise of Resulting Issuer Warrants	4,698,079 ⁽³⁾	8.3%
Total number of Resulting Issuer Shares (fully-diluted)	56,342,655	100%

Notes:

- ⁽¹⁾ Consisting of: (i) 6,478,437 post-Consolidation Core Nickel Shares, (ii) 39,868,950 shares to be issued in exchange for ACG Shares currently issued and outstanding, (iii) 1,362,374 shares to be issued in exchange for the Subscription Receipts issued pursuant to the Core Nickel SR Financing, and (iv) 1,297,168 shares to be issued in exchange for ACG Shares to be issued upon the conversion of the Subscription Receipts issued pursuant to the ACG SR Financing.
- ⁽²⁾ Consisting of shares reserved for issuance pending the exercise of: (i) 137,647 post-Consolidation Core Nickel Options, and (ii) Resulting Issuer Options issued in exchange for the 2,500,000 ACG Options.
- ⁽³⁾ Consisting of shares reserved for issuance pending the exercise of: (i) 1,912,185 post-Consolidation Core Nickel Warrants, (ii) 1,362,374 Resulting Issuer Warrants to be issued in exchange for the Subscription Receipts issued pursuant to the Core Nickel SR Financing, (iii) 1,297,168 Resulting Issuer Warrants shares to be issued in exchange for ACG Warrants to be issued upon the conversion of the Subscription Receipts issued pursuant to the ACG SR Financing, and (iv) 126,352 Broker Warrants.

Available Funds and Principal Purposes

Funds Available

The net proceeds from the sale of the ACG SR Financing and the Core Nickel SR Financing is \$3,191,450.40, which funds will be released from escrow immediately prior to completion of the Transaction, in accordance with the terms and conditions of the Subscription Receipt Agreement.

The following table sets forth the Resulting Issuer's expected sources of funds following completion of the Transaction. The amounts shown in the table are estimates only, and are based on information available to ACG and Core Nickel as at the date of this Circular:

Source of Funds	Amount
Estimated ACG working capital	\$2,069,975 ⁽¹⁾
Estimated Core Nickel working capital	\$461,846
Gross proceeds of the Financings	\$3,191,450
TOTAL	\$5,723,271

Note:

- (2) Current working capital of ACG does not include deduction of payment for three remaining property acquisitions currently in escrow and expected to close on or before March 3, 2026, with the aggregate payments estimated at C\$820,000 (US\$596,000). With these liabilities deducted, current ACG working capital as at January 31, 2026 would be \$1,249,975. These liabilities are included in the table setting out the Principal Use of Funds of the Resulting Issuer, below.

Principal Purposes of Funds

The following table sets out information regarding the Resulting Issuer's intended principal uses of funds following the Closing. The intended uses of funds may vary based upon a number of factors, and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to ACG and Core Nickel as of the date of this Circular:

The net funds available to the Resulting Issuer are expected to be used, principally, as follows:

Principal Use of Funds	Amount
General, administrative expenses and working capital ⁽¹⁾	\$571,000
Closing costs	\$240,000
Agent's fees ⁽²⁾	\$151,623
Exchange and listing fees	\$225,000
Recommended exploration program for the Eagle Project	\$2,921,000 ⁽³⁾
Property acquisition costs	\$820,000 ⁽⁴⁾
Unallocated working capital	\$794,648
TOTAL	\$5,723,271

Notes:

- (1) Includes fees paid for marketing, geological and GIS consultants, legal services, audit services, CFO expenses and office expenses.
(2) Cash commission paid and payable to the Agents pursuant to the Concurrent Financings. As additional compensation under the Concurrent Financings, the Resulting Issuer will issue the to the Agents an aggregate of 126,352 Broker Warrants.
(3) Based on the Phase 1 exploration program recommended in the Eagle Project Technical Report with a budget of \$3,220,000, less Phase 1 exploration expenses incurred by ACG since the date of the Eagle Project Technical Report but prior to January 31, 2026. See "Information Concerning the Resulting Issuer – Milestones, Exploration and Development" for further information.
(4) Based on aggregate remaining purchase prices of US\$596,000 at an estimated exchange rate of 1.3758 CAD/USD.

The Resulting Issuer intends to spend the funds available to it as stated above. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary.

Until required for the Resulting Issuer's purposes, the Resulting Issuer intends to hold excess cash and working capital in a cash account at a Canadian financial institution or invest it to the extent practicable in short-term investment-grade, interest-bearing investments and other marketable securities. Management of the Resulting Issuer will be responsible for the supervision of, and the investment policy with respect to, any unallocated funds. See "Information Concerning the Resulting Issuer – Narrative Description of the Business".

Dividends

There will be no restrictions in the Resulting Issuer's articles or elsewhere which would prevent the Resulting Issuer from paying dividends subsequent to the completion of the Transaction. It is not contemplated that any dividends will

be paid on the Resulting Issuer Shares in the immediate future following the completion of the Transaction, as it is anticipated that all available funds will be invested to finance the growth of the Resulting Issuer's business. The Resulting Issuer Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the Resulting Issuer Shares are entitled to an equal share in any dividends declared and paid.

Principal Securityholders

To the knowledge of ACG and Core Nickel, upon completion of the Transaction, no person will beneficially own, directly or indirectly, or exercise control or direction over, Resulting Issuer Shares carrying more than 10% of the voting rights attached to the Resulting Issuer Shares, other than the following:

Shareholder	Number of Resulting Issuer Shares on an undiluted basis	Approximate Percentage of Resulting Issuer Shares (After Giving Effect to the Transaction, Consolidation, and Concurrent Financings)
Marc Pais (Toronto, Ontario)	8,859,571	18.08%
Paul Reid (Toronto, Ontario)	9,211,865	18.80%
Kevin Reid (North York, Ontario)	7,262,567	14.82%

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

Following completion of the Transaction, the Resulting Issuer Board will consist of five directors, three of whom will be independent. The independent directors of the Resulting Issuer will be Mike Pilmer, Rickard Vernon and Dawn Meidinger.

The following are the names and municipalities of residence of each proposed director and officer of the Resulting Issuer, the positions and offices to be held with the Resulting Issuer, each of their respective principal occupations within the five preceding years and the number and percentage of Resulting Issuer Shares which will be beneficially owned, directly or indirectly, or over which control or direction is to be exercised by each of them on completion of the Concurrent Financings. Each director will hold office until the next annual meeting of the Resulting Issuer unless his or her office is earlier vacated in accordance with the OBCA.

Name and municipality of residence	Position to be Held with the Resulting Issuer	Director or Officer of ACG or Core Nickel Since	Principal occupation during the five preceding years	Expiry of Term of Office with Resulting Issuer	Resulting Issuer Shares, Directly or Indirectly, Beneficially Owned	Percentage of outstanding Resulting Issuer shares, Directly or indirectly, Beneficially Owned⁽¹⁾
Marc Pais (Toronto, Ontario)	Executive Chairman and Director	Director of Core Nickel since October 2024 Director and Chairman of ACG since September 2021	Director and CEO of Arizona Metals Corp. (August 2019 – May 2024); Director of Core Nickel (October 2024 - Present); Director of ACG (September 2021 – Present)	The date of the first annual meeting of the Resulting Issuer	8,859,571	18.08%
Kevin Reid ⁽²⁾ (North York, Ontario)	Chief Executive Officer and Director	Officer of ACG since March 26, 2025	Managing Partner of Maxit Capital LP (2017 – March 2025); CEO of ACG (March 2025 – Present)	The date of the first annual meeting of the Resulting Issuer	7,262,567	14.82%
Sung Min (Eric) Myung (Toronto, Ontario) ⁽³⁾	Chief Financial Officer	Chief Financial Officer of ACG since April 25, 2025	Public company CFO (various)	n/a	Nil	Nil
Clyde Smith (Delta, British Columbia)	Vice President Exploration	Vice-President, Exploration of ACG since 2024	Principal, Highland Geoscience (2011 – Present)	n/a	Nil	Nil
Rickard Vernon ⁽²⁾ (Toronto, Ontario)	Lead Independent Director	Director of ACG since March 2025	Director of Arizona Metals Corp. (March 2019 – May 2025); Director of ACG (March 2025 – Present)	The date of the first annual general meeting of the Resulting Issuer	1,477,647	3.02%
Mike Pilmer ⁽²⁾ (Toronto, Ontario)	Director	Director of Core Nickel since September 2025	Director of Arizona Metals Corp. (June 2023 – September 2025); Director of Core Nickel (September 2025 - Present)	The date of the first annual meeting of the Resulting Issuer	335,294	0.68%
Conor Dooley (Toronto, Ontario)	Corporate Secretary	n/a	Partner, WeirFoulds LLP (January 2019 - Present)	n/a	110,000	0.22%
Dawn Meidinger (Phoenix ,AZ, USA)	Director	n/a	Partner (Lawyer) of Dorsey & Whitney LLP (September 2025 - Present)	The date of the first annual meeting of the Resulting Issuer	Nil	Nil

Notes:

- (1) On a non-diluted basis.
- (2) Denotes a proposed member of the Audit committee of the Resulting Issuer.
- (3) Mr. Myung is CFO of Therma Bright Inc. (September 2023 – Present); CFO of Critical One Energy Inc. (April 2020 – September 2025); CFO of FinCanna Capital Corp. (November 2022 – Present); CFO of Arizona Metals Corp. (August 2019 – Present); CFO of Melkior Resource Inc. (August 2018 - Present); CFO of Labrador Gold Corp. (February 2020 - Present); CFO of Pirate Gold Corp. (September 2018 – Present); CFO of Mogotes Metals Inc. (November 2022 – Present)

The directors and officers of the Resulting Issuer will, as a group, beneficially own, directly or indirectly, or exercise control or direction over, approximately 17,599,885 Resulting Issuer Shares, representing, on a non-diluted basis, approximately 35.91% of the issued and outstanding Resulting Issuer Shares.

Committees of the Board of Directors

It is intended that the Resulting Issuer Board will form one committee, an audit committee (the “**Resulting Issuer Audit Committee**”).

Resulting Issuer Audit Committee

The Resulting Issuer Audit Committee will initially be comprised of three (3) directors as follows: Mike Pilmer (Chair of the Resulting Issuer Audit Committee), Rickard Vernon and Kevin Reid, of whom Mike Pilmer and Rick Vernon will be “independent” within the meaning of NI 52-110. In addition, each Resulting Issuer Audit Committee member is “financially literate”, within the meaning of NI 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as Resulting Issuer Audit Committee members.

The Resulting Issuer Audit Committee will oversee the accounting and financial reporting practices and procedures of the Resulting Issuer and the audits of the Resulting Issuer’s consolidated financial statements. The principal responsibilities of the Resulting Issuer Audit Committee are expected to include: (i) overseeing the quality and integrity of the internal controls and accounting procedures of the Resulting Issuer, including reviewing the Resulting Issuer’s procedures for internal control with the Resulting Issuer’s auditor and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Resulting Issuer’s annual and quarterly financial statements and related management discussion and analysis, as well as all other material continuous disclosure documents, such as the Resulting Issuer’s annual information form; (iii) monitoring compliance with legal and regulatory requirements related to financial reporting; (iv) reviewing and approving the engagement of the auditor of the Resulting Issuer and independent audit fees; (v) reviewing the qualifications, performance and independence of the auditor of the Resulting Issuer, considering the auditor’s recommendations and managing the relationship with the auditor, including meeting with the auditor as required in connection with the audit services provided to the Resulting Issuer; (vi) assessing the Resulting Issuer’s financial and accounting personnel; (vii) reviewing the Resulting Issuer’s risk management procedures; (viii) reviewing any significant transactions outside the Resulting Issuer’s ordinary course of business and any pending litigation involving the Resulting Issuer; and (ix) examining improprieties or suspected improprieties with respect to accounting and other matters that affect financial reporting.

Biographies of Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of the Resulting Issuer. It is anticipated that the directors of the Resulting Issuer who are not also officers will attend approximately six to eight meetings of the Resulting Issuer Board per year. Other than described below, each officer of the Resulting Issuer will be an employee of the Resulting Issuer. None of the below will be entering into a non-disclosure agreement or non-competition agreement with the Resulting Issuer.

Marc Pais, director

Mr. Pais, 44, is a co-founder, and was a Director and the CEO of Arizona Metals Corp. from August 2019 to May 2024. Mr. Pais is also a current director of both Core Nickel and ACG. He has a BSc in Geological Engineering (Mineral Exploration) from Queen’s University. He was the founder and former President of Telegraph Gold (listed as Castle Mountain Mining, later acquired by Equinox Gold). Mr. Pais has seven years’ experience as a Mining Analyst, with a focus on precious metals development companies. Mr. Pais is proposed to be the executive chairman of the Resulting Issuer. In his capacity as executive chairman, Mr. Pais will be a full-time employee of the Resulting

Issuer and is expected to devote 100% of his time to perform the work required in connection with acting as a director and Executive Chairman.

Kevin Reid, Proposed Director and Chief Executive Officer

Mr. Kevin Reid, 54, has a BSc. Honours in Geological Sciences from Queen's University, and an MBA in Finance from the Schulich School of Business. He has over 20 years of capital markets experience, beginning in the Equity Research department at CIBC World Markets in 2002, and then at both GMP Securities and Maxit Capital as a Managing Partner in the Investment Banking departments. He has acted as the lead advisor on numerous equity, debt and merger and acquisition transactions. Mr. Reid is proposed to be the CEO of the Resulting Issuer as well as a director on its board. In the five years prior to the date of this Circular, Mr. Reid was the CEO of ACG since March 26, 2025.

In his capacity as CEO, Mr. Reid will be a full-time employee of the Resulting Issuer and is expected to devote 100% of his time to perform the work required in connection with acting as a director and Chief Executive Officer of the Resulting Issuer.

Sung Min (Eric) Myung, Proposed Chief Financial Officer

Mr. Myung, 40, was a senior financial analyst at Marrelli Support Services Inc. He previously worked at public accounting firms for 7 years. Mr. Myung possesses a Canadian Professional Accountant designation and a Master of Accounting degree from University of Waterloo. Mr. Myung is proposed to be the CFO of the Resulting Issuer. In the five years preceding this Circular, Mr. Myung has served/still serves as CFO for the following companies: Therma Bright Inc., FinCanna Capital Corp., Arizona Metals Corp. (CFO), Melkior Resource Inc., Labrador Gold Corp., Sokoman Minerals Corp., Mogotes Metals Inc. and Abitibi Metals Corp.

In his capacity as CFO, Mr. Myung will be a part-time employee of the Resulting Issuer and it is expected that Mr. Myung will devote 20% of his time to perform the work required in connection with acting as the CFO of the Resulting Issuer.

Clyde Smith, Proposed Vice President of Exploration

Mr. Smith, 88, is a veteran exploration geologist with 40+ years of experience and four deposit discoveries. He founded the Ogilvie Joint Venture in 1974, discovering the Jason lead-zinc-silver deposit in Yukon (later sold to HudBay Minerals). As co-founder of Ventures West Minerals and VP Exploration at Westley Mines, he discovered the Santa Fe gold deposit in Nevada—the first significant Carlin-type gold find in the region—containing 400,000+ oz and later sold to Corona Corporation, which began production in 1988. Mr. Smith is currently a principal of Highland Geoscience. Mr. Smith is the proposed VP Exploration of the Resulting Issuer. In his capacity as VP Exploration, Mr. Smith will be a full-time employee of the Resulting Issuer and is expected to devote 90% of his time to perform the work required in connection with acting as the VP Exploration.

Rickard Vernon, Proposed Director, 65

Mr. Vernon, 65, has 30 years of experience as a mining finance professional. He was previously Managing Director and Head of Investment Banking at PI Financial Corp. He was also previously a member of the board of directors of Arizona Metals Corp. from March 2019 to June 2025. He holds a BSc in Geological Sciences from Queen's University, as well as an MBA from the University of Southern California. Mr. Vernon is the proposed lead independent director of the Resulting Issuer. In the five years preceding this Circular, Mr. Vernon served as a director of Arizona Metals Corp and is currently a director of ACG. It is expected that Mr. Vernon will devote 5% of his time to perform the work required in connection with acting as a director of the Resulting Issuer.

Mike Pilmer, Proposed Director

Mr. Pilmer, 63, has more than 30 years of experience in banking, media and digital content solutions. He joined the Corporate and Investment Banking Group of TD Bank after earning his MBA from Western University in Ontario, Canada. Mr. Pilmer has held senior positions at Southam Inc., Hollinger Inc., Postmedia Network Canada Corp., The

Stronach Group and was President and CEO of LexisNexis Canada. Mr. Pilmer was the Chair of the Audit Committee of Arizona Metals Corp. from June 2023 to September 2025.

Mr. Pilmer is currently on the Board of Core Nickel and is a proposed director of the Resulting Issuer. Mr. Pilmer would be an independent director of the Resulting Issuer. It is expected that Mr. Pilmer will devote 5% of his time to perform the work required in connection with acting as a director of the Resulting Issuer.

Dawn Meidinger, Proposed Director

Dawn Meidinger, 58, joined the law firm of Dorsey & Whitney LLP as a Regulatory Affairs partner in 2024. She has multidisciplinary experience permitting mining, linear and renewable energy projects and managing all aspects of necessary federal approvals (including NEPA, NHPA, and ESA processes) while working with various federal and state agencies, including the Bureau of Land Management, U.S. Forest Service and Arizona State Land Department. Ms. Meidinger also has significant experience in project development on public lands. She has acted as lead counsel on significant BLM land exchanges and state land purchases and the permitting of numerous exploration and mine plans of operation and solar projects in Arizona and New Mexico. She also has experience in land development, entitling master planned communities and industrial projects and negotiating related development agreements.

She has been recognized by Best Lawyers in America® for expertise in Energy Law, Environmental Law, Natural Resources Law and Mining Law (2016-2024) and has been ranked by Chambers USA for the past seven years as a leading environmental lawyer. In 2017 she was included on the list of Most Influential Women in Arizona, by AZ Business and AZRE magazines. She is a member of the Arizona Mining Association, where she also served as a board member from 2016-2018. She currently serves on the board of trustees for the Phoenix Zoo (Arizona Center for Nature Conservation) and has twice served as a trustee for the Rocky Mountain Mineral Law Foundation (now known as the Foundation for Energy and Natural Resources Law or FENRL).

Prior to joining Dorsey & Whitney LLP, Ms. Meidinger was a partner at Fennemore for nearly 20 years and prior to that was in-house counsel at Phelps Dodge Corporation from 1996-2002. She received her J.D. from Arizona State University, Sandra Day O'Connor College of Law, and her B.S. from Arizona State University. Dawn also received a full athletic scholarship to attend Arizona State University to play volleyball.

Ms. Meidinger is a proposed director of the Resulting Issuer and it is expected that she will devote 5% of her time to perform the work required in connection with acting as a director of the Resulting Issuer. Ms. Meidinger would be an independent director of the Resulting Issuer

Conor Dooley, Proposed Corporate Secretary, 46

Mr. Dooley is a partner with the law firm of WeirFoulds LLP. Mr. Dooley is a corporate and securities lawyer who advises clients on a variety of securities regulatory matters and capital markets transactions, including public offerings, private placements, mergers and acquisitions, corporate re-organizations and other corporate transactions. He has acted as counsel to underwriters and issuers on transactions involving a wide range of industry sectors, including mining, technology, alternative energy and financial services. Mr. Dooley also provides advice and assistance to issuers with respect to their ongoing corporate governance, continuous disclosure and other securities and corporate law obligations. Mr. Dooley holds a Bachelor of Science and a Bachelor of Laws from Dalhousie University.

Promoter Consideration

Paul Reid and Marc Pais, both residing in Toronto, Ontario, may be considered to be current and former Promoters of ACG in that they took the initiative in founding and organizing ACG. At the completion of the Consolidation, the Concurrent Financings, and the Transaction, Mr. Reid will hold 9,211,865 Resulting Issuer Shares, representing approximately 18.8% of the issued and outstanding Resulting Issuer Shares. Mr. Reid will also hold 555,882 Resulting Issuer Options and 485,294 Resulting Issuer Warrants. Except as disclosed in this Circular, Mr. Reid will not receive from or provide to ACG, Core Nickel, or the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind directly or indirectly.

At the completion of the Consolidation, the Concurrent Financings, and the Transaction, Mr. Pais will hold 8,859,571 Resulting Issuer Shares, representing approximately 18.08% of the issued and outstanding Resulting Issuer Shares,

555,882 Resulting Issuer Options and 485,294 Resulting Issuer Warrants. Except as disclosed in this Circular, Mr. Pais will not receive from or provide to ACG, Core Nickel, or the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind directly or indirectly.

Mr. Reid and Mr. Pais are also considered to be current Promoters of Core Nickel and will become Promoters of the Resulting Issuer following the Completion of the Transaction.

Except as otherwise disclosed in this Circular, Mr. Pais will not receive from or provide to ACG, Core Nickel, or the Resulting Issuer anything of value, including money, property, contracts, options or rights of any kind directly or indirectly.

Cease Trade Orders or Bankruptcies

Except as set forth below, no proposed director, officer or promoter of the Resulting Issuer, or a securityholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer is, or has been, within 10 years before the date of this Circular a director, officer or Promoter of any other person or company that, while that Person was acting in that capacity:

- (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the Person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under applicable securities laws that was in effect for a period of more than 30 consecutive days; or
- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Sung Min (Eric) Myung is a senior officer of FinCanna Capital Corp. (“**FinCanna**”), a corporation subject to a cease trade order issued by the British Columbia Securities Commission on September 4, 2025 (the “**FinCanna Cease Trade Order**”) for failure to file annual audited financial statements for the financial year-ended April 30, 2025, management discussion and analysis for the same period and the required certification of annual filings.

Personal Bankruptcies

As at the date of this Circular, no proposed director, officer or Promoter of the Resulting Issuer, or a securityholder anticipated to hold sufficient securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such persons has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such persons.

Penalties or Sanctions

No proposed director, officer or Promoter of the Resulting Issuer or shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer or a personal holding corporation of such Persons is or has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions proposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Conflicts of Interest

Directors and officers of the Resulting Issuer may also serve as directors and/or officers of other companies engaged in the same line of business as the Resulting Issuer from time to time, or may have significant shareholdings in other mineral exploration and development companies. Accordingly, certain directors and officers of the Resulting Issuer

may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's-length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. It is expected that all conflicts of interest will be resolved in accordance with the applicable corporate laws. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those Persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to shareholders for their approval.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and Promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or Promoters of reporting issuers other than Core Nickel:

Name	Reporting Issuer and Principal Jurisdiction	Trading Market	Position	From	To
<i>Sung Min (Eric) Myung</i>	Therma Bright Inc. (Ontario)	Exchange	Senior officer	September 30, 2023	Present
	Critical One Energy Inc. (Ontario)	CSE	Senior officer	April 4, 2020	September 15, 2025
	FinCanna Capital Corp. (British Columbia)	CSE	Senior officer	November 9, 2022	Present
	Arizona Metals Corp. (Ontario)	TSX	Senior officer	August 1, 2019	Present
	Melkior Resource Inc. (British Columbia)	Exchange	Senior officer	August 1, 2018	Present
	Labrador Gold Corp. (British Columbia)	Exchange	Senior officer	February 10, 2020	Present
	Pirate Gold Corp. (British Columbia)	Exchange	Senior officer	September 11, 2018	Present
	Mogotes Metals Inc. (Ontario)	Exchange	Senior officer	November 14, 2022	Present
	City View Green Holdings Inc. (Ontario)	CSE	Senior officer	October 4, 2019	Present
	Abitibi Metals Corp. (Ontario)	CSE	Senior officer	November 1, 2020	Present
<i>Marc Pais</i>	Arizona Metals Corp. (Ontario)	TSX	Director, senior officer	August 1, 2019	May 16, 2024
<i>Rickard Vernon</i>	Arizona Metals Corp. (Ontario)	TSX	Director	August 1, 2019	May 14, 2025
<i>Paul Reid</i>	Arizona Metals Corp. (Ontario)	TSX	Director	August 1, 2019	May 15, 2024
<i>Mike Pilmer</i>	Arizona Metals Corp. (Ontario)	TSX	Director	June 27, 2023	September 17, 2025
<i>Conor Dooley</i>	Arizona Metals Corp. (Ontario)	TSX	Director	November 30, 2017	May 16, 2025

Proposed Executive Compensation

Compensation Discussion and Analysis

The Resulting Issuer expects to provide a market-based blend of base salaries, bonuses and equity incentive components in the form of Resulting Issuer Options to further align the interests of management with the interests of the Resulting Issuer's shareholders.

The Resulting Issuer expects to pay compensation to officers, directors, employees and consultants of the Resulting Issuer for their services. The compensation of executives of the Resulting Issuer will be determined following closing.

Compensation of Directors

The compensation of directors will be determined following Closing. It is anticipated that non-management directors will be reimbursed for transportation and other out-of-pocket expenses incurred for attendance at board of directors meetings and in connection with discharging their director functions.

Indebtedness of Directors and Officers

To the knowledge of ACG and Core Nickel, no proposed director or officer of the Resulting Issuer is indebted to ACG or Core Nickel nor is any of their indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by ACG or Core Nickel.

Investor Relations Arrangements

There is no written or oral agreement or understanding that has been reached with any Person to provide any promotional or investor relations services for the Resulting Issuer and no such arrangements are contemplated for the Resulting Issuer.

Options to Purchase Securities

It is expected that the Resulting Issuer will grant 2,611,764 Resulting Issuer Options to the directors and officers set forth in the table below upon completion of the Transaction in exchange for (i) existing stock options of ACG, and (ii) existing stock options of Core Nickel issued pursuant to the Current Stock Option Plan. The following table provides information regarding holders of Resulting Issuer Options that will be outstanding upon completion of the Transaction, after giving effect to such grants.

Optionee⁽¹⁾⁽²⁾	Number of Resulting Issuer Options⁽³⁾	Exercise Price (\$)	Expiry Date
Marc Pais	55,882 ⁽⁴⁾ 500,000 ⁽⁵⁾	\$0.175 \$0.50	January 30, 2028 June 16, 2030
Paul Reid	55,882 ⁽⁴⁾ 500,000 ⁽⁵⁾	\$0.175 \$0.50	January 30, 2028 June 16, 2030
Kevin Reid	1,000,000 ⁽⁵⁾	\$0.50	June 16, 2030
Rickard Vernon	500,000 ⁽⁴⁾	\$0.50	June 16, 2030
Total	2,611,764⁽⁶⁾		

Notes:

- (1) An aggregate of three past or present directors (Marc Pais, Paul Reid and Mike Pilmer) and no past or present officers of Core Nickel are to receive Resulting Issuer Options.
- (2) An aggregate of two past or present directors and officers of ACG (Marc Pais and Paul Reid), one past or present director of ACG (Rickard Vernon) and one past or present officer of ACG (Kevin Reid) are to receive Resulting Issuer Options.
- (3) Each Resulting Issuer Option will be exercisable to purchase one Resulting Issuer Share.
- (4) Originally granted as Core Nickel Options pursuant to the Current Stock Option Plan.
- (5) Originally granted as ACG Options.
- (6) There will be a total of 2,637,647 Resulting Issuer Options outstanding upon completion of the Transaction. The directors and officers of the Resulting Issuer will hold 2,611,764 Resulting Issuer Options, and 200,000 Resulting Issuer Options will be held by former directors and officers of Core Nickel until they are exercised or expire in accordance with the terms and conditions of the Current Stock Options Plan.

Stock Option Plan of the Resulting Issuer

Following Closing, the Current Stock Option Plan will become the stock option plan of the Resulting Issuer. See “*Information Concerning Core Nickel – Stock Option Plan*”.

Escrowed Securities

Pursuant to Exchange Policy 5.4 upon listing of the Resulting Issuer Shares, all securities of the Resulting Issuer that are held by Principals, other than those securities of the Resulting Issuer issued pursuant to the Concurrent Financing, must be placed into escrow, unless an exemption is available. Such Resulting Issuer Shares will be subject to an escrow agreement to be entered into by the Resulting Issuer, Olympia Trust Company, as escrow agent, and each of the Principals, on the terms and conditions prescribed by Exchange policies (the “**Escrow Agreement**”). An aggregate of 445,294 Resulting Issue Shares and 45,294 Resulting Issuer Warrants which will be held by Principals are exempt from the Principal escrow requirements as they will be held by Principals who will each hold securities carrying less than 1% (on a partially-diluted basis) of the voting rights of the Resulting Issuer upon completion of the Transaction, and collectively they will hold less than 5% of the voting rights of the Resulting Issuer upon completion of the Transaction.

The following table sets out, as of the date of this Circular and to the knowledge of ACG and Core Nickel, the name and municipality of residence of each security holder whose securities will be held in escrow.

Name and Municipality of Residence of security holder	Designation of Class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽¹⁾	
		Number of Resulting Issuer securities to be held in escrow	Approximate percentage of class	Number of Resulting Issuer securities to be held in escrow	Approximate Percentage of class ⁽²⁾
Kevin Reid <i>North York, ON</i>	Resulting Issuer Shares	Nil	n/a	6,985,294 ⁽³⁾	14.25%
	Resulting Issuer Options	Nil	n/a	1,000,000 ⁽⁴⁾	37.91%
	Resulting Issuer Warrants	Nil	n/a	235,294 ⁽⁵⁾	5.01%
Marc Pais <i>Toronto, ON</i>	Resulting Issuer Shares	Nil	n/a	8,609,571 ⁽⁶⁾	17.57%
	Resulting Issuer Options	Nil	n/a	555,882 ⁽⁷⁾	21.07%
	Resulting Issuer Warrants	Nil	n/a	235,294 ⁽⁸⁾	5.01%
Rickard Vernon <i>Toronto, ON</i>	Resulting Issuer Shares	Nil	n/a	1,397,647 ⁽⁹⁾	3.02%
	Resulting Issuer Options	Nil	n/a	500,000 ⁽¹⁰⁾	18.96%
	Resulting Issuer Warrants	Nil	n/a	117,647 ⁽¹¹⁾	2.50%
Paul Reid <i>Toronto, ON</i>	Resulting Issuer Shares	Nil	n/a	8,961,865 ⁽¹²⁾	18.29%
	Resulting Issuer Options	Nil	n/a	555,882 ⁽¹³⁾	21.07%
	Resulting Issuer Warrants	Nil	n/a	352,941 ⁽¹⁴⁾	7.51%

Notes:

- (1) Includes the completion of the Consolidation and the conversion of the Subscription Receipts.
- (2) The common share percentages are presented on non-diluted basis, based on a total number of 49,006,929 Resulting Issuer Shares outstanding. The stock option percentages are based on a total number of 2,637,647 Resulting Issuer Options. The warrant percentages are based on a total number of 4,698,079 Resulting Issuer Warrants.
- (3) Of the 7,262,567 Resulting Issuer Shares which will be owned or controlled by Kevin Reid upon completion of the Transaction, 6,985,294 Resulting Issuer Shares will be held in escrow, with 235,294 being subject to Tier 1 escrow and 6,750,000 being subject to Tier 2 escrow.
- (4) Will be subject to Tier 2 escrow.
- (5) Will be subject to Tier 1 escrow.
- (6) Of the 8,859,571 Resulting Issuer Shares which will be owned or controlled by Marc Pais upon completion of the Transaction, 8,609,571 Resulting Issuer Shares will be held in escrow, with 609,471 being subject to Tier 1 escrow and 8,000,100 being subject to Tier 2 escrow.
- (7) Of the 555,882 Resulting Issuer Options to be held by Marc Pais upon completion of the Transaction, 55,882 will be subject to Tier 1 escrow and 500,000 will be subject to Tier 2 escrow.
- (8) Will be subject to Tier 1 escrow.
- (9) Of the 1,477,647 Resulting Issuer Shares which will be owned or controlled by Rickard Vernon upon completion of the Transaction, 1,397,647 Resulting Issuer Shares will be held in escrow, with 117,647 being subject to Tier 1 escrow and 1,280,000 being subject to Tier 2 escrow. 300,000 of the Resulting Issuer Shares which are subject to Tier 2 escrow are held by Mr. Vernon's spouse.
- (10) Will be subject to Tier 2 escrow.
- (11) Will be subject to Tier 1 escrow.
- (12) Of the 9,211,865 Resulting Issuer Shares which will be owned or controlled by Paul Reid upon completion of the Transaction, 8,961,865 Resulting Issuer Shares will be held in escrow, with 961,765 being subject to Tier 1 escrow and 8,000,100 being subject to Tier 2 escrow.
- (13) Of the 555,882 Resulting Issuer Options to be held by Paul Reid upon completion of the Transaction, 55,882 will be subject to Tier 1 escrow and 500,000 will be subject to Tier 2 escrow.
- (14) Will be subject to Tier 1 escrow.

Terms of Escrow

Upon completion of the Transaction, it is expected that the Resulting Issuer Shares will be listed as a Tier 2 issuer on the Exchange in the mining industry segment. Assuming that the Resulting Issuer Shares are listed as a Tier 2 issuer, upon issuance of the Final Exchange Bulletin, escrowed securities will be subject to either Tier 1 or Tier 2 escrow, and released from escrow as follows:

Tier 1 Escrow		Tier 2 Escrow	
%	Release Date	%	Release Date
25%	On the Bulletin Date	10%	On the Bulletin Date
25%	6 months following the Bulletin Date	15%	6 months following the Bulletin Date
25%	12 months following the Bulletin Date	15%	12 months following the Bulletin Date
25%	18 months following the Bulletin Date	15%	18 months following the Bulletin Date
		15%	24 months following the Bulletin Date
		15%	30 months following the Bulletin Date
		15%	36 months following the Bulletin Date

An aggregate of 1,924,176 Resulting Issuer Shares will be subject to Tier 1 escrow, and an aggregate of 24,030,200 Resulting Issuer Shares will be subject to Tier 2 escrow. An aggregate of 111,765 Resulting Issuer Options will be subject to Tier 1 escrow, and an aggregate of 2,500,000 Resulting Issuer Options will be held under Tier 2 escrow. An aggregate of 941,176 Resulting Issuer Warrants will be held under Tier 1 escrow, and no Resulting Issuer Warrants will be held under Tier 2 escrow.

The Escrow Agent is expected to be Olympia Trust Company. The Escrowed Securities may not be transferred without the approval of the Exchange for release or transfer, other than in specified circumstances set out in the Escrow Agreement.

Where the Escrowed Securities are held by a non-individual (a “holding company”), each holding company pursuant to the Escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any Control Person of the holding company not to transfer the share of that company.

Seed Share Resale Restrictions

Pursuant to Exchange Policy, certain non-Principal (as defined in the policies of the Exchange) ACG Shareholders, upon exchange of their ACG Shares into Resulting Issuer Shares, may be subject to seed share resale restrictions (“SSRRs”). Any Resulting Issuer Shares subject to SSRRs will be subject to a one-year hold, with 20% released every three months, with the first release being on the Bulletin Date.

An aggregate of 1,500,000 Resulting Issuer Shares would be subject to SSRRs, however each holder will hold that number of Resulting Issuer Shares which will carry less than 1% (on a partially-diluted basis) of the voting rights of the Resulting Issuer upon completion of the Transaction are not subject to SSRRs, and will not exceed 5% of the voting rights of the Resulting Issuer upon completion of the Transaction), and therefore no SSRRs will apply to any Resulting Issuer Shares, in accordance with Exchange Policy 5.4.

Lock-Up Agreements

In addition to the escrow described above, certain directors and officers of the Resulting Issuer, who will collectively hold an aggregate 27,146,944 Resulting Issuer Shares, 2,611,765 Resulting Issuer Options and 1,833,744 Resulting Issuer Warrants, have provided lock-up agreements with the SR Agents pursuant to which they have agreed not, directly or indirectly, issue, transfer, offer, sell, pledge or enter into any other agreement to transfer the economic

consequences of any Resulting Issuer Shares held by them (all securities issued pursuant to the Financing), for a period ending 90 days following the closing of the Transaction.

Auditor, Transfer Agent and Registrar

The auditor of the Resulting Issuer is expected to be McGovern Hurley LLP at their principal offices in Toronto, Ontario, located at 251 Consumers Rd Suite 800, North York, ON M2J 4R3, Canada.

Olympia Trust Company, at its Calgary office located at 4000 – 520 3rd Ave SW, Calgary, AB T2P 0R3, Canada will be appointed as the registrar and transfer agent of the Resulting Issuer Shares.

GENERAL MATTERS

Agents

ACG and Core Nickel entered into the Agency Agreement pursuant to which the SR Agents agreed to act as agents in connection with the Financings. Pursuant to the Agency Agreement the SR Agents acted on a “best-efforts” basis to effect the Concurrent Financings, and receive the SR Agents’ fees and the Broker Warrants for acting in such capacity. The Broker Warrants will be issued by the Resulting Issuer pursuant to the Transaction. See “*Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings*”.

Sponsorship

Pursuant to the Sponsorship Policy, sponsorship is required in conjunction with a Reverse Takeover. Core Nickel intends to rely upon an exemption from the sponsorship requirement contained in subsection 3.4(a)(i) of the Sponsorship Policy on the basis that: (i) it is not a Foreign Issuer (as such term is defined in the Sponsorship Policy); (ii) the proposed management of the Resulting Issuer meet a high standard as required by Section 3.4(a)(i)(B) of Policy 2.2, as further described herein; (iii) the Resulting Issuer will satisfy the Tier 2 “Initial Listing Requirements” as set forth in Policy 2.1 – *Initial Listing Requirements*; (iv) the Resulting Issuer will have a current Geological Report (as defined in Exchange Policy 1.1 – *Interpretation*) with respect to the Eagle Project; (v) the Resulting Issuer will have raised gross proceeds of \$3,191,450 pursuant to the Concurrent Financings from predominantly arm’s length investors prior to Closing; and (iv) due to this Circular being prepared in connection with the Transaction.

Relationships

In connection with the Financings, ACG and Core Nickel entered into the Agency Agreement with the SR Agents pursuant to which the SR Agents sold on a best-efforts agency basis 2,659,542 Subscription Receipts for aggregate gross proceeds of \$3,191,450.40. See “*Information Concerning the Transaction and the Concurrent Financings – The Concurrent Financings*”.

Experts

Interest of Experts

No Person, whose profession or business gives authority to a statement made by the Person and who is named as having prepared or certified a part of this Circular or as having prepared or certified a report or valuation described or included in this Circular, holds any beneficial interest, directly or indirectly, in any property of ACG, Core Nickel or the Resulting Issuer or of an Associate or Affiliate of ACG, Core Nickel or the Resulting Issuer.

McGovern Hurley LLP, Chartered Professional Accountants the current auditors of ACG, audited the annual financial statements of ACG for the financial years ended December 31, 2023 and December 31, 2024, and delivered the auditors’ report thereon, copies of which are attached as schedules to this Circular. McGovern Hurley LLP has confirmed that it is independent of ACG in accordance with the code of professional conduct of the Chartered Professional Accountants of British Columbia.

DMCL LLP audited the financial statements of Core Nickel for the financial year April 30, 2025, and delivered the auditors’ reports thereon, copies of which are attached as schedules to this Circular. DMCL LLP has confirmed that it is independent of Core Nickel in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Deloitte LLP audited the financial statements of Core Nickel for the financial year April 30, 2024, and delivered the auditors’ reports thereon, copies of which are attached as schedules to this Circular. Deloitte LLP has confirmed that it is independent of Core Nickel in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Expertised Reports

ACG engaged Benjamin Soms, CPG of Ethos Geological Inc., to prepare the Eagle Project Technical Report. Mr. Soms is a “Qualified Person” and is considered “Independent”, as such terms are defined in NI 43-101. All of the scientific and technical mining disclosure contained in this Circular regarding the Eagle Project has been reviewed and approved by Mr. Soms. The material under the heading “*Information Concerning the Eagle Project*” is extracted from the Eagle Project Technical Report.

Other Material Facts

There are no material facts about ACG, Core Nickel, the Resulting Issuer, or the Transaction that are not disclosed under the preceding items and are necessary in order for the Circular to contain full, true and plain disclosure of all material facts relating to ACG, Core Nickel, and the Resulting Issuer, assuming completion of the Transaction.

Board Approval

The Core Nickel Board has approved this Circular and the ACG Board has approved the disclosure regarding ACG, the Eagle Project and the Resulting Issue contained herein. Where information contained in this Circular rests particularly within the knowledge of a person other than ACG or Core Nickel, Core Nickel has relied upon information furnished by such person.

CERTIFICATE OF ARIZONA COPPER AND GOLD LTD.

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of Arizona Copper and Gold Ltd. assuming Completion of the Transaction.

“Kevin Reid”

“Paul Reid”

Kevin Reid

Paul Reid

Chief Executive Officer

President

“Marc Pais”

Marc Pais

Chairman

ON BEHALF OF THE BOARD OF DIRECTORS

“Marc Pais”

“Paul Reid”

Marc Pais

Paul Reid

“Rickard Vernon”

Rickard Vernon

CERTIFICATE OF CORE NICKEL CORP.

The foregoing as it relates to Core Nickel Corp. constitutes full, true and plain disclosure of all material facts relating to the securities of Core Nickel Corp.

“Christopher Tate”

“Carmelo Marrelli”

Christopher Tate

Carmelo Marrelli

Chief Executive Officer and President

Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

“David Smith”

“Paul Reid”

David Smith

Paul Reid

“Marc Pais”

“Marc Pais”

Marc Pais

Tim Dalton

“Mike Pilmer”

Mike Pilmer

ACKNOWLEDGEMENT – PERSONAL INFORMATION

Core Nickel Corp. hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- a) the disclosure of Personal Information by Core Nickel Corp. to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3D1; and
- b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

“Christopher Tate”

Christopher Tate, Chief Executive Officer

Schedule "A"

CORE NICKEL CORP.

AUDIT COMMITTEE CHARTER

PURPOSE

The overall purpose of the Audit Committee (the “**Committee**”) of Core Nickel Corp. (the “**Company**”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Company, and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Company’s Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company’s independent auditors.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board of Directors (the “**Board**”).
2. At least two (2) members of the Committee shall be independent and the Committee shall endeavor to appoint a majority of independent directors to the Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members’ independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.
3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
5. The quorum for meetings shall be a majority of the members of the Committee present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
7. Meetings of the Committee shall be conducted as follows:
 - a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - b) the external auditors shall have the right to attend all meetings of the Committee; and

- c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

1. The overall duties and responsibilities of the Committee shall be as follows:
 - a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly financial statements and related financial disclosure;
 - b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
 - c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
 - d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
 - b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - c) review the audit plan of the external auditors prior to the commencement of the audit;
 - d) to review with the external auditors, upon completion of their audit:
 - i) contents of their report;
 - ii) scope and quality of the audit work performed;
 - iii) adequacy of the Company's financial and auditing personnel;
 - iv) co-operation received from the Company's personnel during the audit;
 - v) internal resources used;
 - vi) significant transactions outside of the normal business of the Company;
 - vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - viii) the non-audit services provided by the external auditors;
 - e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and
 - f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
 - a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing,

insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4. The Committee is also charged with the responsibility to:

- a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- b) review and approve the financial sections of:
 - i) the annual report to Shareholders;
 - ii) the annual information form, if required;
 - iii) annual and interim MD&A;
 - iv) prospectuses;
 - v) news releases discussing financial results of the Company; and
 - vi) other public reports of a financial nature requiring;
- c) review regulatory filings and decisions as they relate to the Company's financial statements;
- d) review the appropriateness of the policies and procedures used in the preparation of the Company's financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- e) review and report on the integrity of the Company's financial statements;
- f) review the minutes of any audit committee meeting of subsidiary companies;
- g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the financial statements;
- h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

5. The Committee shall have the authority:

- a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- b) to set and pay the compensation for any advisors employed by the Committee; and
- c) to communicate directly with the internal and external auditors.

NOTICE OF CHANGE OF AUDITOR (National Instrument 51-102)

CORE NICKEL CORP. (the "Company")

To: British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Newfoundland & Labrador Securities Commission

And To: Deloitte LLP, Chartered Professional Accountants
Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants

Dear Sirs/Mesdames:

Pursuant to National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), the Company hereby gives notice that effective March 10, 2025, Deloitte LLP, Chartered Professional Accountants (the "**Former Auditor**") has, at the Company's request, resigned as the auditor of the Company, and that Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants (the "**Successor Auditor**") has been appointed as the Company's auditor in their place.

The resignation of the Former Auditor and the appointment of the Successor Auditor have been approved by the Company's Audit Committee and Board of Directors. The Company will ask the shareholders of the Company to ratify the appointment of Dale Matheson Carr-Hilton Labonte LLP at the next annual general meeting of the shareholders of the Company.

There have been no reservations in the Former Auditor's reports in connection with the audits of the Company's two most recently completed fiscal years.

There are no reportable events, including disagreements, consultations or unresolved issues, as such terms are defined in NI 51-102.

Dated at Saskatoon, Saskatchewan this 10th day of March, 2025.

**BY ORDER OF THE BOARD OF
CORE NICKEL CORP.**

"Misty Urbatsch"
Misty Urbatsch, President & CEO

March 12, 2025

To:

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Office of the Superintendent of Securities Service Newfoundland and Labrador

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of Section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Core Nickel Corp. ("the Company") dated March 10, 2025 (the "Notice") and, based on our knowledge of such information at this time, we agree with the statements contained within the Notice that at the request of the Company we, Deloitte LLP, resigned as the Company's auditor effective March 10, 2025, there have been no reservations in our reports in connection with the audits of the Company's two most recently completed financial years, and there are no reportable events, including disagreements, consultations or unresolved issues as defined by National Instrument 51-102. We have no basis to agree or disagree with the statement that our resignation and the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, have been approved by the Company's Audit Committee and Board of Directors.

Yours truly,

Deloitte LLP

Chartered Professional Accountants



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

March 11, 2025

ALBERTA SECURITIES COMMISSION	ONTARIO SECURITIES COMMISSION
Suite 600, 250-5 th Street S.W.	20 Queen Street West, 22 nd Floor
Calgary, Alberta T2P 0R4	Toronto, ON M5H 3S8

BRITISH COLUMBIA SECURITIES COMMISSION	NEWFOUNDLAND AND LABRADOR FINANCIAL SERVICES REGULATION DIVISION
P.O. Box 10142, Pacific Centre	P.O. Box 8700 - 2nd Floor, West Block
9 th Floor – 701 West Georgia Street	Prince Philip Drive
Vancouver, B.C. V7Y 1L2	St. John's NFLD A1B 4J6

Dear Sirs:

Re: Core Nickel Corp. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated March 10, 2025 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver

1500 – 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 – 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 – 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 – 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

Schedule "C"

Rights of Dissent Respecting the Continuance

BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

All defined terms used but otherwise not defined in this Schedule "C" shall have the meanings ascribed to such terms in the *Business Corporations Act* (British Columbia), as amended from time to time.

Division 2 — Dissent Proceedings Section

237 – Definitions and application

(247) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (c) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (d) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (e) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (f) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

- (g) This Division applies to any right of dissent exercisable by a shareholder except to the extent that
 - (a) the court orders otherwise, or
 - (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Section 238 – Right to dissent

- (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:
 - (a) under section 260, in respect of a resolution to alter the articles
 - (e) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,

- (f) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
 - (g) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
 - (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995(5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.
- (2) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Section 239 – Waiver of right to dissent

- (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
 - (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
 - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Section 240 – Notice of resolution

- (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of

every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Section 241 – Notice of court orders

If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Section 242 – Notice of dissent

- (1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(a), (b), (c), (d), © or (f) or (1.1) must,
- (c) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (d) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (e) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
 - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the Dissenting Core Shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Section 243 – Notice of intention to proceed

- (1) A company that receives a notice of dissent under section 242 from a dissenter must,
 - (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
 - (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Section 244 – Completion of dissent

- (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
 - (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242(4)© applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1)© must
 - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
 - (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Section 245 – Payment for notice shares

- (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
 - (a) promptly pay that amount to the dissenter, or

- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
 - (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
 - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
 - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
 - (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Section 246 – Loss of right to dissent

The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Section 247 – Shareholders entitled to return of shares and rights

If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

ARIZONA EAGLE MINING CORP.

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ARIZONA EAGLE MINING CORP.

(the “Corporation”)

BY-LAW NO. 1

A by-law relating generally to the transaction of the business and affairs of the Corporation.

ARTICLE 1 INTERPRETATION

1.1 Interpretation

In this by-law:

- (a) “**Act**” means the *Business Corporations Act* (Ontario), R.S.O. 1990, c. B.16, and the regulations made thereunder, each as amended or re-enacted from time to time;
- (b) “**board**” means the board of directors of the Corporation;
- (c) “**by-law**” means any by-law of the Corporation in effect from time to time;
- (d) “**meeting of shareholders**” means an annual or special meeting of shareholders of the Corporation;
- (e) “**STA**” means the *Securities Transfer Act*, 2006 (Ontario), S.O. 2006, c. 8, as amended or re-enacted from time to time;
- (f) Unless otherwise specified, all words and expressions contained in this by-law and that are defined in the Act have the meanings given to them in the Act;
- (g) any reference to gender includes all genders and words importing the singular number include the plural and vice versa; and
- (h) the inclusion of headings and a table of contents are provided for convenience only and do not affect the construction or interpretation of this by-law.

1.2 Unanimous Shareholder Agreement

If any provision in this by-law (or any other by-law) conflicts with any provision in a unanimous shareholder agreement, the provision in the unanimous shareholder agreement will govern to the extent permitted by the Act.

1.3 Conflicts with the Act

If any provision in this by-law (or any other by-law) contravenes any provision in the Act, the provision in the Act will govern.

ARTICLE 2 BUSINESS OF THE CORPORATION

2.1 Registered Office

The Corporation shall at all times have a registered office in Ontario. Unless changed in accordance with the Act, the registered office will be at the location specified in the articles.

2.2 Seal

The Corporation need not have a corporate seal, but any corporate seal adopted for the Corporation must be approved and may be changed by the board.

2.3 Financial Year

The financial year of the Corporation will be as determined by the board from time to time.

2.4 Banking Arrangements

Banking transactions will be made with the bank(s) or other financial institution(s) approved by the board from time to time, and banking transactions will be made on the Corporation's behalf by the director(s), officer(s) or other person(s) designated, directed or authorized by the board from time to time and to the extent so designated, directed or authorized.

2.5 Execution of Contracts, Documents and Instruments in Writing by the Corporation

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any two officers, any two directors, or any one officer and one director of the Corporation. If one person is the only director and officer of the Corporation, that person may sign contracts, documents or instruments in writing on behalf of the Corporation. In addition, the board may

from time to time authorize any officer or officers of the Corporation, any director or directors of the Corporation, or any other person or persons, either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing and the manner in which those contracts, documents or instruments in writing may or will be signed.

2.6 Execution of Documents in Counterparts or by Facsimile Signature

Except as otherwise required by law:

- (a) any articles, notice, resolution, requisition, statement or other document required or permitted to be executed by more than one person for the purposes of the Act may be executed in several documents of like form each of which is executed by one or more of those persons, and those documents, when duly executed by all persons required or permitted, as the case may be, to do so, will be deemed to constitute one document for the purposes of the Act;
- (b) the Corporation may accept delivery of any executed document, which is required or permitted to be executed by one or more persons for the purposes of the Act, by facsimile or by electronic transmission; and
- (c) any document required or permitted to be executed by one or more persons for the purposes of the Act may be executed by means of electronic signature, and the Corporation may accept delivery of any document so executed.

2.7 Divisions

The board may from time to time cause the business and operations of the Corporation or any part thereof to be divided into one or more divisions, further divide those divisions into sub-units, or consolidate the business and operations of divisions or sub-units.

2.8 Voting Rights in Other Bodies Corporate

Shares or other securities carrying voting rights of any body corporate or other entity held by the Corporation may be voted at any and all meetings of the holders of those shares or other securities in the manner and by the person(s) approved by the board from time to time. Persons authorized under paragraph 2.5 may also, for and on behalf of the Corporation and without the necessity of a resolution or other action by the board, execute and deliver proxies to vote any of those shares or other securities or arrange for the issue of security certificates or other evidence of the right to vote those shares or other securities.

ARTICLE 3 BORROWING

3.1 Borrowing

Without limiting the powers of the board as provided in the Act, unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;

- (c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

3.2 Delegation of Borrowing Powers

Unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may by resolution delegate any or all of the powers referred to in paragraph 3.1 to a director, a committee of the board or an officer of the Corporation.

ARTICLE 4 DIRECTORS

4.1 Powers and Duties of Directors

Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation. Every director of the Corporation in exercising his or her powers and discharging his or her duties to the Corporation shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director of the Corporation shall comply with the Act, the articles, the by-laws and any unanimous shareholder agreement.

4.2 Number of Directors

If the articles set out a fixed number of directors, the number of directors of the Corporation and the number of directors to be elected at an annual meeting of shareholders must be the number of directors set out in the articles. Where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation and the number of directors to be elected at an annual meeting of the shareholders must be that number as is determined from time to time by special resolution or, if a special resolution empowers the board to determine the number, by resolution of the board. Where no such resolution has been passed, the number of directors of the Corporation must be the number of directors named in the articles. The board must consist of at least one individual, but if the Corporation is an offering corporation, the board must consist of not fewer than three individuals.

4.3 Qualifications

At least 25% of the directors of the Corporation shall be resident Canadians, but if there are fewer than four directors, at least one director shall be a resident Canadian. If the Corporation is an offering corporation, at least one-third of the directors shall not be officers or employees of the Corporation or of any affiliate of the Corporation. No person may be a director if that person (i) is less than eighteen years of age, (ii) has been found under the *Substitute Decisions Act*, 1992 (Ontario) or under the *Mental Health Act*

(Ontario) to be incapable of managing property or has been found to be incapable by a court in Canada or elsewhere, (iii) is not an individual, or (iv) has the status of bankrupt. Unless the articles otherwise provide, a director is not required to hold shares issued by the Corporation.

4.4 Election and Term

Subject to the Act, the shareholders of the Corporation shall elect, at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required, directors to hold office for a term expiring not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his or her election. A director who ceases to hold office upon the expiry of his or her term but who remains qualified to serve as a director is eligible for re-election. If directors are not elected at a meeting of shareholders at which an election of directors is required, the incumbent directors continue in office until their successors are elected.

4.5 Ceasing to Hold Office

A director ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the shareholders of the Corporation in accordance with paragraph 4.6, (iii) his or her becoming disqualified for election as a director, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in the resignation, at the later time, (v) the expiry of his or her term, if he or she is elected for an expressly stated term, or (vi) the close of the first annual meeting of shareholders following his or her election, if he or she is not elected for an expressly stated term.

4.6 Removal of Directors

Subject to the Act, the shareholders of the Corporation may by ordinary resolution at a meeting of shareholders remove any director or directors from office, and the vacancy or vacancies created by the removal of a director may be filled at the meeting, failing which the vacancy or vacancies may be filled by the board in accordance with the Act.

4.7 Vacancies

4.7.1 Subject to the Act, a quorum of directors may fill a vacancy among the directors, except a vacancy resulting from: (i) an increase in the number of directors otherwise than in accordance with paragraph 4.7.2, or in the maximum number of directors, as the case may be, or (ii) a failure to elect the number of directors required to be elected at any meeting of shareholders.

4.7.2 Where minimum and maximum number of directors is provided for in the articles, if a special resolution passed under paragraph 4.2 empowers the board to determine the number of directors, the directors may not, between meetings of shareholders, appoint an additional director if, after that appointment, the total

number of directors would be greater than one and one-third times the number of directors required to have been elected at the last annual meeting of shareholders.

4.7.3 If there is not a quorum of directors, or if there has been a failure to elect the number of directors required by the articles or paragraph 4.2, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4.7.4 A director appointed or elected to fill a vacancy hold office for the unexpired term of the director's predecessor.

4.8 Remuneration of Directors

Subject to the articles and any unanimous shareholder agreement, the board may fix the remuneration of the directors of the Corporation.

ARTICLE 5 MEETINGS OF DIRECTORS

5.1 Transaction of Business

The powers of the board may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where the Corporation has only one director, that director may constitute a meeting.

5.2 Quorum

Subject to the articles, a majority of the number of directors determined in accordance with paragraph 4.2 constitutes a quorum for the transaction of business at any meeting of the board and, notwithstanding any vacancies on the board, a quorum of directors may exercise all the powers of the board. Where the Corporation has fewer than three directors, all directors must be present at any meeting of the board to constitute a quorum.

5.3 Place of Meetings

Meetings of the board may be held at any place within or outside Ontario and it is not necessary in any financial year of the Corporation for a majority of the meetings of the board to be held at a place within Canada.

5.4 Participation in Meeting by Electronic Means

If all the directors of the Corporation present at or participating in the meeting consent, a meeting of the board or of a committee of the board may be held by means of telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a

director participating in that meeting by those means is deemed to be present at that meeting.

5.5 Calling of Meetings

Meetings of the board may be called at any time by the Chair of the board (if any), the President (if the President is a director), a Vice-President who is a director, or any two directors.

5.6 Notice of Meetings

Subject to paragraph 5.7, notice of the time and place of any meeting of the board must be sent to every director not less than 48 hours before the time when the meeting is to be held, but notice of an adjourned meeting need not be given if the time and place of the adjourned meeting is announced at the original meeting. A notice of a meeting of the board need not specify the purpose of or the business to be transacted at the meeting unless the Act requires that purpose or business or the general nature of the business to be specified. Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which that board is elected.

5.7 Waiver of Notice

A director may in any manner and at any time waive notice of a meeting of the board. Attendance of a director at a meeting of the board is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

5.8 Omission of Notice

The accidental omission to give notice of any meeting of the board or any irregularity in the notice of any meeting or the non-receipt of any notice by any director will not invalidate any resolution passed or any proceeding taken at the meeting.

5.9 Voting at Meetings

Questions arising at any meeting of the board will be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting will not be entitled to a second or casting vote.

5.10 Chair and Secretary

The Chair of the board (if any) will, when present, preside as chair at meetings of the board. If the Chair of the board is absent or unable or unwilling to preside as chair, the Vice-Chair of the board (if any) will, when present, preside as chair for that meeting. If the Vice-Chair of the board is absent or unable or unwilling to preside as chair, the President (if the President is a director) will, when present, preside as chair for that meeting. If none of these officers is present or able or willing to preside as chair, the directors present shall

choose one from among them to preside as chair for that meeting. The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of the board. If the Secretary is absent or unable or unwilling to act as secretary, the chair of the meeting shall appoint a person who need not be a director to act as secretary for that meeting.

5.11 Adjournment

The chair of a meeting of the board may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If there is a quorum at the adjourned meeting, the meeting will be considered duly constituted and the board may deliberate and transact business in accordance with the procedures established at the original meeting. The directors constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the meeting will be deemed to have ended at the original meeting at which the chair declared the adjournment.

5.12 Conflicts of Interest

A director of the Corporation who is a party to, or who is a director or an officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. No such director shall attend any part of a meeting of the board during which the contract or transaction is discussed or vote on any resolution to approve the contract or transaction except in accordance with the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting, the remaining directors will be deemed to constitute a quorum for the purposes of voting on the resolution.

5.13 Written Resolution in Lieu of Meeting

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of the board, is as valid as if it had been passed at a meeting of the board or a committee of the board.

ARTICLE 6 COMMITTEES OF THE BOARD

6.1 Committees of Directors

Subject to the articles, the board may appoint from their number a managing director or one or more committees of directors, however designated, and delegate to the managing director or those committees any powers of the board except those that pertain to matters that, under the Act, a managing director or committee of the board has no authority to exercise.

6.2 Transaction Business

The powers of a committee of the board may be exercised at a meeting at which a quorum is present or by a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the committee. Meetings of committees of the board may be held at any place within or outside Ontario.

6.3 Meetings by Electronic Means

The provisions of paragraph 5.4 apply to meetings of committees of the board.

6.4 Procedures

Unless otherwise determined by the board, each committee of the board has the power to fix its quorum at not less than a majority of its members, to elect its chair and to regulate its procedure.

ARTICLE 7 OFFICERS

7.1 Designation and Appointment

Subject to the articles and any unanimous shareholder agreement, the board may designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. Subject to the articles and any unanimous shareholder agreement, a director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person.

7.2 Powers and Duties of Officers

Every officer of the Corporation shall:

- (a) perform all powers and duties incident to his or her respective office and such other powers and duties respectively as may from time to time be assigned to him or her by the board;
- (b) in exercising his or her powers and discharging his or her duties to the Corporation, act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and
- (c) comply with the Act, the articles, the by-laws and any unanimous shareholder agreement.

7.3 Term of Office

An officer ceases to hold office at the earliest of (i) his or her death, (ii) his or her removal from office by the board, (iii) his or her ceasing to be a director if being a director is a

necessary qualification of that officer's appointment, (iv) his or her resignation, which resignation is effective when his or her written resignation is sent to the Corporation or, if a later time is specified in that resignation, at the later time, (v) the appointment of his or her successor, or (vi) the close of the first meeting following his or her appointment at which the board annually appoints the officers of the Corporation.

7.4 Vacancies

If the office of any officer of the Corporation becomes vacant for any reason, the board may appoint a person to fill that vacancy.

7.5 Remuneration

Subject to the articles and any unanimous shareholder agreement, the board may fix the remuneration of the officers of the Corporation.

7.6 Conflicts of Interest

An officer of the Corporation who is a party to, or who is a director or an officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act.

7.7 Agents and Attorneys

Subject to the Act, the Corporation may from time to time appoint agents or attorneys for the Corporation in or outside Canada, with such powers (including the power to sub-delegate) as may be thought fit.

7.8 Divisional Officers

Where the business and operations of the Corporation or any part thereof are divided into one or more divisions or sub-units, the board may designate and appoint divisional officers to those divisions or subunits and determine their powers and duties.

ARTICLE 8 PROTECTION OF DIRECTORS AND OFFICERS

8.1 Indemnity

8.1.1 Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal,

administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

8.1.2 The Corporation shall not indemnify an individual under paragraph 8.1.1 unless the individual:

- (a) acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that the individual's conduct was lawful.

8.1.3 The Corporation shall also indemnify an individual referred to in paragraph 8.1.1 in such other circumstances as the Act permits or requires. Nothing in this by-law limits the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

8.2 Insurance

The Corporation may purchase and maintain insurance for the benefit of an individual referred to in paragraph 8.1.1 against any liability incurred by that individual, (i) in the individual's capacity as a director or officer of the Corporation, or (ii) in the individual's capacity as a director or officer, or a similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request.

ARTICLE 9 MEETING OF SHAREHOLDERS

9.1 Annual Meetings

Subject to the Act, the board shall call an annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting, for the purpose of placing before the annual meeting the financial statements, reports and any further information required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and transacting any other business that may be properly brought before the meeting.

9.2 Special Meetings

Subject to the Act, the board may at any time call a special meeting of shareholders, and a special meeting of shareholders may be held in conjunction with an annual meeting of shareholders.

9.3 Place of Meetings

Subject to the articles and any unanimous shareholder agreement, a meeting of shareholders will be held at such place in or outside Ontario as the board determines or, in the absence of such a determination, at the place where the registered office of the Corporation is located. A meeting of shareholders held under paragraph 9.6 will be deemed to be held at the place where the registered office of the Corporation is located.

9.4 Quorum

Subject to the Act and the articles, a quorum at any meeting of shareholders will be two persons present in person and holding or representing by proxy not less than 20% of the votes attached to all shares entitled to be voted at the meeting. If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting. No business may be transacted at any meeting of shareholders unless a quorum is present at the time of the transaction of the business.

9.5 Written Resolution in Lieu of Meeting

Subject to the Act, a resolution in writing signed by all the shareholders of the Corporation or their attorney authorized in writing entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders.

9.6 Meetings Held by Electronic Means

Subject to the articles, a meeting of shareholders may be held by telephonic or electronic means and a shareholder of the Corporation who, through those means, votes at the meeting or establishes a communications link to the meeting will be deemed for the purposes of the Act to be present at the meeting.

9.7 Notice of Meetings

Subject to paragraph 9.8, notice of the time and place of any meeting of shareholders must be sent to each shareholder of the Corporation entitled to vote at the meeting, to each director and to the auditor of the Corporation as follows: if the Corporation is an offering corporation, not less than twenty-one (21) days or, if the Corporation is not an offering corporation, not less than ten (10) days, but, in either case, not more than fifty (50) days, before the meeting. Notice of a meeting of shareholders at which special business (as defined in the Act) is to be transacted must state, or be accompanied by a statement of, the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting.

9.8 Waiver of Notice

A shareholder of the Corporation and any other person entitled to attend a meeting of shareholders may in any manner and at any time waive notice of a meeting of shareholders, and attendance of any such person at a meeting of shareholders is a waiver of notice of the meeting, except where that person attends a meeting for the express

purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9.9 Record Date for Notice

For the purpose of determining shareholders entitled to receive notice of a meeting of shareholders, the board may fix in advance, as the record date for that determination, a date that is not less than thirty (30) days and not more than sixty (60) days before the date of the meeting or that is within such other period as may be prescribed by the Act.

9.10 List of Shareholders Entitled to Receive Notice

9.10.1 For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder.

9.10.2 If a record date is fixed under paragraph 9.9, the shareholders listed will be those whose names are set out in the securities register of the Corporation at the close of business on that record date and the list must be prepared not later than ten days after that record date.

9.10.3 If no record date is fixed, the shareholders listed will be those whose names are set out in the securities register of the Corporation at the close of business on the day immediately preceding the day on which notice of the meeting is given and the list must be prepared on that date. However, where no notice of the meeting is given, the shareholders listed will be those whose names are set out in the securities register of the Corporation on the day on which the meeting is held and the list must be prepared on that date.

9.10.4 The list of shareholders must be made available for examination by any shareholder of the Corporation during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained and at the meeting of shareholders for which the list was prepared.

9.11 Shareholders Entitled to Vote

A shareholder of the Corporation whose name appears on a list prepared under paragraph 9.10 is entitled to vote the shares shown opposite the shareholder's name at the meeting of shareholders to which the list relates.

9.12 Persons Entitled to Attend

The only persons entitled to attend a meeting of shareholders are those entitled to vote at that meeting, the directors and the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under the Act, the articles or the by-laws to be present at the meeting. Any other person may be admitted only with the consent of the chair of the meeting.

9.13 Omission of Notice

The accidental omission to give notice of any meeting of shareholders or any irregularity in the notice of any meeting or the non-receipt of any notice by any shareholder or director or the auditor of the Corporation will not invalidate any resolution passed or any proceeding taken at that meeting.

9.14 Chair, Secretary and Scrutineers

9.14.1 Subject to the Act, the articles and any unanimous shareholder agreement, the Chair of the board (if any) will, when present, preside as chair at meetings of shareholders. If the Chair of the board is absent or unable or unwilling to preside as chair, the Vice-Chair of the board (if any) will, when present, preside as chair for that meeting. If the Vice-Chair of the board is absent or unable or unwilling to preside as chair, the President will, when present, preside as chair for that meeting. Subject to the Act, the articles and any unanimous shareholder agreement, if none of these officers is present within 15 minutes after the time appointed for holding the meeting, or if none of these officers is able or willing to preside as chair, the persons present and entitled to vote at the meeting shall choose a director present at the meeting to be the chair for that meeting, and if no director is present or if all the directors present decline to take the chair, then the persons present and entitled to vote shall choose one of their number to be the chair for that meeting.

9.14.2 The Secretary of the Corporation (if any) will, when present, act as secretary at meetings of shareholders, but if the Secretary is not present at a meeting, the chair of the meeting shall appoint a person who need not be a shareholder to act as secretary at that meeting.

9.14.3 One or more scrutineers, who need not be shareholders of the Corporation, may be appointed by ordinary resolution or by the chair of the meeting.

9.15 Proxies and Representatives

Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, as the shareholder's nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy. Subject to the Act, a proxy must be signed (i) in writing or by electronic signature by the shareholder or an attorney who is authorized by a document that is signed in writing or by electronic.

9.16 Voting at Meetings

9.16.1 Voting at a meeting of shareholders will be by show of hands, except where a ballot is demanded by a shareholder or proxyholder entitled to vote at the meeting or applicable law requires a ballot to be taken on a particular matter. A shareholder or proxyholder may demand a ballot either before or after any vote by show of hands. A demand for a ballot may be withdrawn.

9.16.2 On a show of hands, every person who is present and entitled to vote at the meeting will have one vote. Subject to the Act, if a ballot is taken on a question, every person who is present and entitled to vote at the meeting will, unless the articles otherwise provide, have one vote for each share which that person is entitled to vote at the meeting on the question.

9.16.3 If at any meeting a ballot is demanded on the election of a chair or on the question of adjournment, it will be taken immediately without adjournment. If at any meeting a ballot is demanded or required on any other question, including the election of directors, the vote will be taken by ballot in the manner and at the time (at once, later in the meeting or after adjournment) as the chair of the meeting directs. The result of a ballot on a question will be the decision of the shareholders on that question.

9.16.4 Unless a ballot is demanded, an entry in the minutes of a meeting of shareholders to the effect that the chair declared a motion to be carried is admissible in evidence as proof of the fact, in the absence of evidence to the contrary, without proof of the number or proportion of the votes recorded in favour of or against the motion.

9.16.5 Subject to the Act, the articles and any unanimous shareholder agreement, every question at any meeting of shareholders will be determined by a majority of the votes cast on the question. In case of an equality of votes, either on a show of hands or on a ballot, the chair of the meeting will not be entitled to a second or casting vote.

9.17 Joint Shareholders

Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they shall vote as one on the shares jointly held by them.

9.18 Adjournment

The chair of a meeting of shareholders may, with the consent of the meeting, adjourn the meeting to a fixed time and place. If a meeting is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting must be given as for an original meeting. If a meeting is adjourned and no notice is required, any business that may have been brought before or dealt with at the original meeting in accordance with the notice calling that meeting may be brought before or dealt with at the adjourned meeting. Any adjourned meeting will be duly constituted if held in accordance with the terms of the adjournment and a quorum is present at that meeting. The persons constituting a quorum at the original meeting need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the original meeting will be deemed to have ended immediately after its adjournment.

ARTICLE 10 SECURITIES

10.1 Issuance

Subject to the Act, the articles and any unanimous shareholder agreement, shares in the capital of the Corporation may be issued at such time and to such persons and for such consideration as the board may determine. No share may be issued until the consideration for the share is fully paid as provided for in the Act.

10.2 Commissions

The board may authorize the Corporation to pay a reasonable commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

10.3 Securities Register

The Corporation shall prepare and maintain, at its registered office or at any other place in Ontario designated by the board, a securities register in which it records the securities issued by it in registered form, showing with respect to each class or series of securities the information required by the Act. Branch registers, if any, may be kept at such offices of the Corporation or other places, either within or outside Ontario, designated by the board.

10.4 Register of Transfers

The Corporation shall cause to be kept, at its registered office or at any other place in Ontario designated by the board, a register of transfers in which all transfers of securities issued by the Corporation in registered form and the date and other particulars of each transfer as required by the Act will be set out. Branch registers of transfers, if any, may be kept at such offices of the Corporation or other places, either within or outside Ontario, designated by the board.

10.5 Registrar and Transfer Agent

For each class of securities and warrants issued by it, the Corporation may appoint, (i) a trustee, transfer agent or other agent to keep the securities register and the register of transfers and one or more persons or agents to keep branch registers; and (ii) a registrar, trustee or agent to maintain a record of issued security certificates and warrants, and, subject to the Act, one person may be appointed for the purposes of both clauses (i) and (ii) in respect of all securities and warrants of the Corporation or any class or classes thereof.

10.6 Effect of Registration

Subject to the Act, the Corporation may treat the registered owner of a security as the person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security.

10.7 Certificated and Uncertificated Securities

A security issued by the Corporation may be represented by a security certificate or may be an uncertificated security. Unless otherwise provided by the articles, the board may provide by resolution that any or all classes and series of the Corporation's shares or other securities will be uncertificated securities, but no such resolution will apply to securities represented by a certificate until that certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of an uncertificated security, the Corporation shall send to the registered owner of the uncertificated security a written notice containing the information required to be stated on a share certificate in accordance with the Act. The Corporation may charge a fee, not exceeding the amount prescribed by the Act, for a security certificate issued in respect of a transfer. Security certificates issued by the Corporation will be in such form as the board may from time to time approve and must be signed by at least one of the following persons:

- (a) a director or officer of the Corporation;
- (b) a registrar, transfer agent or branch transfer agent of the Corporation, or an individual on their behalf; and
- (c) a trustee who certifies it in accordance with a trust indenture.

10.8 Replacement of Certificates

Subject to the Act and the STA, the Corporation shall issue a new security certificate in lieu of a security certificate claimed by its owner to have been lost, destroyed or wrongfully taken, on payment of a fee, not exceeding any amount prescribed by the Act, on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case, and upon satisfaction of any other reasonable requirements determined by the board. However, the Corporation will not be required to issue a new security certificate in lieu of a security certificate that has been lost, apparently destroyed or wrongfully taken if (i) the owner fails to give notice to the Corporation of that fact within a reasonable time after the owner has notice of it; and (ii) the Corporation registers a transfer of the security before receiving a notice of the loss, apparent destruction or wrongful taking of the security certificate.

10.9 Joint Holders of Securities

If the Corporation issues a security certificate in respect of securities, it will not be required to issue more than one security certificate in respect of securities held jointly by several persons, and delivery to one of several joint holders is sufficient delivery to all. Where a security of the Corporation is issued to several persons as joint holders, upon satisfactory

proof of the death of one joint holder, the Corporation may treat the surviving joint holders as owner of the security.

ARTICLE 11 DIVIDENDS

11.1 Dividends

Subject to the Act, the articles and any unanimous shareholder agreement, the board may from time to time declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation.

11.2 Record Date for Dividends

For the purpose of determining shareholders entitled to receive payment of a dividend, the board may fix in advance, as the record date for that determination, a date that is not more than fifty (50) days before the date for the payment of the dividend. If no record date is so fixed, the record date for the determination of shareholders entitled to receive payment of a dividend will be at the close of business on the day on which the resolution relating to that dividend is passed by the board.

11.3 Manner of Paying Dividends

A resolution declaring a dividend may direct payment of the dividend wholly or partially in cash or by the distribution of specific assets or of fully paid shares or of bonds, debentures, or other securities of the Corporation or any other corporation, or in any one or more of those ways.

11.4 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 11, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any specific assets in trustees for the persons entitled to the dividend.

11.5 Dividend Bears No Interest

No dividend bears interest against the Company.

11.6 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend

11.7 Dividend Cheques

A dividend payable in cash may be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to that registered holder at the holder's recorded address, unless that holder otherwise directs. In the case of joint holders, the cheque will, unless such joint holders otherwise direct, be made payable to the order of all of those joint holders and mailed to them at their recorded address.

ARTICLE 12 NOTICES

12.1 Method of Giving Notices

12.1.1 Any notice or document required by the Act, the articles or the by-laws to be sent to a shareholder or director may be sent by prepaid mail, delivered personally or, subject to paragraph 12.2, sent by electronic means, as follows:

- (a) to a shareholder at the shareholder's latest address as shown in the records of the Corporation or its transfer agent; and
- (b) to a director at the director's latest address as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act* (Ontario), whichever is the more current.

12.1.2 A notice or document sent by prepaid mail to a shareholder in accordance with clause 12.1.1(i) or to a director in accordance with clause 12.1.1(ii) is deemed to be received by the addressee on the fifth day after mailing.

12.2 Sending Notices by Electronic Means

A notice or document required or permitted to be sent by the Act to a shareholder or director of the Corporation may be sent by electronic means in accordance with the *Electronic Commerce Act*, 2000 (Ontario) or as otherwise permitted by law.

12.3 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share of the Corporation, any notice may be addressed to all of those joint holders, but notice addressed to one of them will be sufficient notice to all of them.

12.4 Persons Entitled by Death or Operation of Law

Subject to the Act, every person who by operation of law, transfer, death of a shareholder or any other means becomes entitled to any securities of the Corporation will be bound by every notice in respect of those securities that, prior to that person's name and address being entered in the records of the Corporation, has been duly given to the registered holder of those securities.

12.5 Undelivered Notices

If any notice or document sent to a shareholder under clause 12.1.1(i) is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

12.6 Waiver of Notices

Where a notice or document is required to be sent, the notice may be waived or the time for the sending of the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto, which consent may be sent by electronic means in accordance with the *Electronic Commerce Act*, 2000 (Ontario) or as otherwise permitted by law.

ARTICLE 13 ENACTMENT, AMENDMENT AND REPEAL OF BY-LAWS

13.1 Approval and Confirmation

Unless the articles, by-laws or any unanimous shareholder agreement otherwise provide, the board may, by resolution, make, amend or repeal any by-laws. Where the board so makes, amends or repeals a bylaw, the board shall submit the by-law, amendment or repeal to the shareholders at the next meeting of shareholders, and the shareholders may by ordinary resolution confirm, reject or amend that by-law, amendment or repeal.

13.2 Effective Date

Subject to this Article 13, any by-law, amendment or repeal of a by-law is effective from the date of the resolution of the board and remains in force until it is confirmed, confirmed as amended or rejected by the shareholders at the next meeting of shareholders. If a by-law, amendment or repeal is rejected by the shareholders, or if the board does not submit it to the shareholders as required by the Act, the by-law, amendment or repeal ceases to be effective on the date of that rejection or on the date of the meeting of shareholders at which it should have been submitted, as the case may be, and no subsequent resolution of the board to make, amend or repeal a by-law having substantially the same purpose or effect is effective until it is confirmed or confirmed as amended by the shareholders.

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MADE by the board on ____ day of February, 2026

KEVIN REID

CHIEF EXECUTIVE OFFICER

CONOR DOOLEY

CORPORATE SECRETARY



Core Nickel Corp.

Financial Statements
For the year ended April 30, 2025

(Expressed in Canadian dollars, except where indicated)



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report

To the Shareholders of Core Nickel Corp.

Opinion

We have audited the financial statements of Core Nickel Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2025, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates that the Company does not generate any revenues from operations. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended April 30, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on July 30, 2024.

Key Audit Matters

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

Vancouver

1500 - 1140 West Pender St.
Vancouver, BC V6E 4G1
604.687.4747

Surrey

200 - 1688 152 St.
Surrey, BC V4A 4N2
604.531.1154

Tri-Cities

700 - 2755 Lougheed Hwy
Port Coquitlam, BC V3B 5Y9
604.941.8266

Victoria

320 - 730 View St.
Victoria, BC V8W 3Y7
250.800.4694

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

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Steven Reichert.

A handwritten signature in black ink, appearing to read 'DMCL.', with a stylized 'D' and a period at the end.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

July 30, 2025

Core Nickel Corp.

Statements of Financial Position

(Expressed in Canadian dollars except where indicated)

	April 30 2025 \$	April 30 2024 \$
Assets		
Current assets		
Cash and cash equivalents (note 4)	1,660,760	845,093
Receivables (note 5)	239,597	37,258
Prepaid and deposits	13,077	17,935
Total current assets	1,913,434	900,286
Non-current assets		
Mineral bonds	11,893	11,893
Mineral property interests (note 6)	1,153,804	1,135,804
Total assets	3,079,131	2,047,983
Liabilities		
Current liabilities		
Trade and other payables (note 7 and 11)	678,483	173,594
Total current liabilities	678,483	173,594
Equity		
Common shares (note 9)	4,133,705	2,485,296
Equity reserve (note 10)	1,457,678	89,895
Accumulated deficit	(3,190,735)	(700,802)
Total equity	2,400,648	1,874,389
	3,079,131	2,047,983

Subsequent Events (note 15)

Approved by the Board of Directors

"Misty Urbatsch"

Director

"Cory Belyk"

Director

Core Nickel Corp.

Statements of Loss and Comprehensive Loss

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

	2025 \$	2024 \$
EXPLORATION COSTS		
Mineral property expenditures (note 6)	2,227,005	401,180
	<u>2,227,005</u>	<u>401,180</u>
OTHER EXPENSES (INCOME)		
Insurance	26,871	13,244
Interest income	(53,605)	(13,964)
Legal, audit and accounting	186,995	102,892
Management fees (note 11)	221,500	92,925
Office and miscellaneous	27,268	7,818
Regulatory and transfer agent fees	102,224	24,776
Rent (note 11)	28,077	5,058
Share-based compensation (note 10 and 11)	434,187	-
Investor relations and presentations	144,303	60,273
Travel and accommodations	20,100	3,713
Flow through recovery (note 8)	(937,500)	-
Wages and benefits	62,508	2,887
	<u>262,928</u>	<u>299,622</u>
Loss and comprehensive loss for the year	<u>(2,489,933)</u>	<u>(700,802)</u>
Basic and diluted loss per share (\$ per share)	<u>(0.06)</u>	<u>(0.05)</u>
Basic and diluted weighted average common shares outstanding	<u>42,005,445</u>	<u>13,500,553</u>

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

Core Nickel Corp.

Statements of Changes in Equity

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve	Accumulated Deficit	Total Equity
	Shares	Amount \$	\$	\$	\$
Balance-April 30, 2023	1	0.01	-	-	0.01
Issued pursuant to plan of arrangement (note 14)	24,997,481	2,135,644	-	-	2,135,644
Issued on private placement for cash	4,354,400	391,896	-	-	391,896
Warrants issued on private placement	-	(75,990)	75,990	-	-
Share issuance costs	-	(33,315)	13,905	-	(19,410)
Issued on exercise of options	447,704	22,385	-	-	22,385
Issued on exercise of warrants	255,122	44,676	-	-	44,676
Loss for the year	-	-	-	(700,802)	(700,802)
Balance-April 30, 2024	30,054,708	2,485,296	89,895	(700,802)	1,874,389
Issued on private placement for cash	20,253,572	3,481,875	-	-	3,481,875
Warrants issued on private placement	-	(944,670)	944,670	-	-
Issued on exercise of stock options	1,321,326	67,617	-	-	67,617
Issued on exercise of warrants	44,401	5,983	-	-	5,983
Flow-through premium	-	(937,500)	-	-	(937,500)
Share-based compensation	-	-	434,187	-	434,187
Reserves transferred on exercised options	-	9,785	(9,785)	-	-
Reserves transferred on exercised warrants	-	1,289	(1,289)	-	-
Share issuance costs	-	(35,970)	-	-	(35,970)
Loss for the year	-	-	-	(2,489,933)	(2,489,933)
Balance-April 30, 2025	51,674,007	4,133,705	1,457,678	(3,190,735)	2,400,648

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

Core Nickel Corp.

Statements of Cash Flows

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

	2025	2024
	\$	\$
Cash flows used in operating activities		
Loss for the year	(2,489,933)	(700,802)
Items not affecting cash		
Flow through premium recovery	(937,500)	-
Share-based compensation	434,187	-
Interest income	(53,605)	(13,964)
Interest received	57,020	10,549
Change in non-cash operating working capital		
Increase in receivables	(205,755)	(33,843)
(Increase) decrease in prepaid and deposits	4,858	(17,935)
Increase in trade and other payables	504,890	173,593
	<u>(2,685,838)</u>	<u>(582,402)</u>
Cash flows from financing activities		
Issuance of common shares (net of share issuance costs)	3,445,905	372,487
Cash received as per plan of arrangement (note 14)	-	1,000,000
Proceeds on exercise of stock options	67,617	22,385
Proceeds on exercise of share purchase warrants	5,983	44,676
	<u>3,519,505</u>	<u>1,439,548</u>
Cash flows used in investing activities		
Additions to mineral property interests	(18,000)	(160)
Additions to mineral bonds	-	(11,893)
	<u>(18,000)</u>	<u>(12,053)</u>
Increase in cash and cash equivalents	815,667	845,093
Cash and cash equivalents - beginning of year (note 4)	<u>845,093</u>	-
Cash and cash equivalents - end of year (note 4)	<u>1,660,760</u>	<u>845,093</u>

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

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

Core Nickel Corp. (the “Company” or “Core Nickel”) was incorporated on May 5 2022, under the laws of Canada Business Corporation Act as part of a plan of arrangement (the “Arrangement”) to reorganize CanAlaska Uranium Ltd. (“CanAlaska”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada. The Company’s shares trade on the TSX Venture Exchange under the symbol “CNCO”. The Company’s head office is located at unit 204, 75 – 24th Street East, Saskatoon, Saskatchewan, S7K 0K3, Canada.

2 Going Concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There is no assurance that the Company will be successful in raising additional financing or that financing will be available to the Company on acceptable terms. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate any revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. At April 30, 2025, the Company had cash and cash equivalents of \$1,660,760 (note 4). The Company’s current assets exceeds its current liabilities by \$1,234,951 at April 30, 2025, which is sufficient to advance the development of its exploration projects in the near time. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information

a) Statement of Compliance

These financial statements of the Company, including comparatives, have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

These financial statements were approved by the Board of Directors of the Company on July 30, 2025.

b) Basis of preparation

These financial statements are presented in Canadian dollars and is the functional currency of the Company. The financial statements are prepared on the historical cost basis.

c) Flow-through Shares

The Company will from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On the issuance of flow-through shares, any premium received in excess of the market price of the Company’s common shares is initially recorded as a liability (“flow-through share premium liability”). Provided that the Company has renounced the related expenditures, or that there is a reasonable expectation that it will do so, the flow-through share premium liability is reduced on a pro-rata basis as the expenditures are incurred. If such expenditures are capitalized, a deferred tax liability is recognized. To the extent that the Company has suitable unrecognized deductible temporary differences, an offsetting recovery of deferred income taxes would be recorded. Proceeds received from the issuance of flow-through shares are restricted and are to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

d) Exercise of Stock Options and Warrants

On the exercise of stock options, agent options and warrants, share capital is recorded for the consideration received and for the fair value amounts previously recorded to stock-based compensation reserve. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of stock-based compensation.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

e) Share-based payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The Company also issues warrants as consideration for services received. The total amount to be expensed is determined by reference to the fair value of the services received and if not determinable, the fair value of options and warrants granted.

The fair value of share-based compensation is determined using the Black-Scholes Option-Pricing Model and management's assumptions as disclosed in note 10. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the fair value amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period with a corresponding increase in equity reserve.

f) Mineral property interests and mineral exploration expenditures

Mineral property interests

Mineral properties are exploration and evaluation assets that consist of payments to acquire mineral exploration rights, licenses and mining permits. Acquisition costs are capitalized and deferred until such a time as the mineral property is put into production, sold or abandoned, or impaired.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the mineral properties are transferred to mine under development. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

The carrying values of capitalized amounts are reviewed when indicators of impairment are present. Recorded amounts of mineral properties are not intended to reflect present or future values of the properties. To the extent required, the recoverable amount is subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Option payments made by an interested acquirer are recorded as a reduction of the value of the asset, with any excess over the carrying value of the asset recorded into income.

Decommissioning Provision

An obligation to incur restoration and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

Discount rates using a risk-free rate that reflects the time value of money are used to calculate net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at April 30, 2025, the Company does not have any decommissioning obligations.

Exploration expenditures

Exploration and evaluation expenditure, including but not limited to geological and geophysical evaluation, surveying, exploratory drilling and sampling, and evaluating the technical feasibility of extracting a mineral resource, is expensed as incurred until the property reaches the development stage.

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral property in an area of interest are demonstrable. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

The Company accounts for all proceeds received for option or farm-out arrangements or recovery of costs against the exploration expenditures.

The Company accounts for all proceeds received from government grants against the exploration expenditures.

g) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates, generally by mineral property interests. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. For exploration and evaluation assets, indication of impairment includes but is not limited to expiration of the rights to explore, substantive expenditure in the specific area is neither budgeted or planned, and if the entity has decided to discontinue exploration activity in the specified area.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's non-financial assets are impaired. External sources of information management considers include changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its non-financial assets. Internal sources of information management consider include the manner in which non-financial assets are being used or are expected to be used and indications of economic performance of the assets.

h) Financial assets and liabilities

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive loss ("OCI").

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents are measured at amortized cost with subsequent impairments recognized in the statements of loss and comprehensive loss.

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade and other payables are classified as amortized cost and carried on the statement of financial position at amortized cost.

i) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in banks, bankers' acceptances and certificates of deposits (note 4) and are readily convertible into a known amount of cash with an original maturity of three months or less.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

j) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a “unit”) and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the fair value of the stand-alone warrant, using the Black-Scholes Option Pricing Model.

k) (Loss) earnings per share

Basic loss (earnings) per common share is calculated by dividing the loss (earnings) attributed to shareholders for the period by the weighted average number of common shares outstanding in the period. Diluted earnings per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. Stock options, shares to be issued, and warrants outstanding are not included in the computation of diluted loss (earnings) per share if their inclusion would be anti-dilutive.

l) Segment reporting

The Company’s operations comprise a single operating segment engaged in mineral exploration in Canada. As the operations comprise a single operating segment, amounts disclosed in the financial statements also represent segment amounts.

m) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax is recognized in the statement of net loss and comprehensive loss except to the extent it relates to items recognized directly in equity, in which case the related taxes are recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantially enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the substantially enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable income; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Significant estimates and judgements

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

- The Company believes that the cash on hand at April 30, 2025 is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months and that the presentation of these financial statements on a going concern basis is appropriate.
- The Company determined not to recognize deferred tax assets arising from Canadian exploration expenses, capital losses and unused tax losses as it considered it not to be probable that taxable income will be available in the near future to offset the reversal of these items.
- Management assesses each mineral property interest at each reporting period to determine whether any indication of impairment exists, and if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

assessments may require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Estimates

- The Company estimates the fair value of share-based awards included in the statements of financial position and the inputs used in accounting for stock options in the statements of loss and comprehensive loss. The Company uses the Black-Scholes Option Pricing Model to calculate the compensation expense and the estimates used for the calculation are outlined in note 10.

o) New and Amended IFRS Standards that are Effective for the Current Period

On May 1, 2024, the Company adopted the following amendments and accounting standards:

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) which amended IAS 1, Presentation of Financial Statements ("IAS 1"), to clarify the requirements for presenting liabilities in the statement of financial position. The amendments specify that the Company must have the right to defer settlement of a liability for at least 12 months after the reporting period for the liability to be classified as non-current. In addition, the amendments clarify that: (a) the Company's right to defer settlement must exist at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, the right exists at the end of the reporting period only if the Company complies with those conditions at the end of the reporting period, even if the lender does not test compliance until a later date; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

In October 2022, the IASB issued amendment Non-current Liabilities with Covenants to IAS 1 to clarify that covenants of loan arrangements which the Company must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. The

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

amendment also introduces additional disclosure requirements related to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) the carrying amount of the related liabilities; and (iii) facts and circumstances, if any, that indicate that the Company may have difficulty complying with covenants.

p) Future Changes in Accounting Policies Not Yet Effective

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

In April 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

4 Cash and Cash Equivalents

	April 30, 2025	April 30, 2024
	\$	\$
Cash	240,369	34,545
Cash equivalents	1,420,391	810,548
Total	1,660,760	845,093

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

5 Receivables

	April 30, 2025	April 30, 2024
	\$	\$
GST receivable	39,597	37,258
MMDF Grant receivable	200,000	-
Total	239,597	37,258

The Company received a Manitoba Mineral Development Fund ("MMDF") grant from the Manitoba Chambers of Commerce that provides funding for northern economic development. The Company received this non-repayable grant to support exploration activities on its projects in the Thompson Nickel Belt. As at April 30, 2025, the Company had completed the required expenditures for the grant and had recorded \$200,000 as a receivable.

6 Mineral Property Interests

The Company holds 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the year ended April 30, 2025 are as follows:

Project	April 30, 2024	Additions	April 30, 2025
	\$	\$	\$
Thompson Nickel Belt			
Mel	979,309	18,000	997,309
Halfway Lake	104,998	-	104,998
Hunter	28,885	-	28,885
Resting Lake	17,505	-	17,505
Odei River	5,107	-	5,107
Total	1,135,804	18,000	1,153,804

\$18,000 in additions to the mineral property interest were annual lease payments for the Mel project.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

6 Mineral Property Interests (continued)

Details of acquisition costs for the year ended April 30, 2024 are as follows:

Project	April 30, 2023	Additions	April 30, 2024
	\$	\$	\$
Thompson Nickel Belt			
Mel	-	979,309	979,309
Halfway Lake	-	104,998	104,998
Hunter	-	28,885	28,885
Resting Lake	-	17,505	17,505
Odei River	-	5,107	5,107
Total	-	1,135,804	1,135,804

\$1,135,644 of the additions to mineral property interest were part of the plan of arrangement with CanAlaska (note 14).

During the year ended April 30, 2025, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics	Drilling	Travel & Transport	Data Analysis	Field Supplies	Personnel	Recoveries	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Halfway Lake	152,559	1,643,469	16,583	7,841	63,121	230,277	-	2,113,850
Hunter	27,573	-	-	-	-	-	-	27,573
Mel	34,958	-	2,893	29,127	5,055	84,255	-	156,288
Odei River	312,235	-	-	-	-	-	-	312,235
Resting Lake	55,259	-	-	-	-	-	-	55,259
MMDF Grant	-	-	-	-	-	-	(438,200)	(438,200)
Total	582,584	1,643,469	19,476	36,968	68,176	314,532	(438,200)	2,227,005

During the year ended April 30, 2024, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics	Drilling	Travel & Transport	Data Analysis	Field Supplies	Personnel	Recoveries	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Halfway Lake	82,921	271,967	16,706	11,334	24,003	28,271	-	435,202
Odei River	-	-	912	-	691	-	-	1,603
Resting Lake	33,475	-	-	-	-	-	-	33,475
MMDF Grant	-	-	-	-	-	-	(69,100)	(69,100)
Total	116,396	271,967	17,618	11,334	24,694	28,271	(69,100)	401,180

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

6 Mineral Property Interests (continued)

During the year ended April 30, 2025, the Company received cash of \$238,200 from government grants (April 30, 2024 - \$69,100). The Company reclassified the government grant received during the year ended April 30, 2024 from financing activities to operating activities in the statement of cash flows.

7 Trade and Other Payables

	April 30, 2025	April 30, 2024
	\$	\$
Trade payables	609,023	128,219
Accrued liabilities	69,460	45,375
Total	678,483	173,594

8 Deferred Flow-Through Premium

	April 30, 2025	April 30, 2024
	\$	\$
Balance, beginning of year	-	-
Premium liabilities recognized on flow-through shares issued	937,500	
Recovery of premium on flow-through shares:	(937,500)	
Balance, end of the year	-	-

On October 18, 2024, the Company issued 7,500,000 flow-through("FT") shares for gross proceeds of \$2,250,000. These flow-through shares issued in a non-brokered private placement were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers. The flow-through premium liability was calculated to be \$937,500. The flow-through premium is derecognized through income as the qualifying expenditures are incurred. During the year ended April 30, 2025, the Company satisfied \$937,500 of the commitment by incurring qualifying expenditures of \$2,250,000. On September 20, 2024, the Company issued 8,000,000 FT shares for gross proceeds of \$400,000. As the shares were not issued at a premium to the market no premium was recognized. The Company incurred \$177,005 cost of expenditures and as of April 30, 2025, the Company is committed to incur \$222,995 of qualifying expenditures by December 31, 2025.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

9 Share Capital

The Company has authorized capital consisting of an unlimited number of common shares without par value.

Share Issuances

- a) During the year ended April 30, 2025, the Company issued 20,806 common shares from the exercise of share purchase warrants for total gross proceeds of \$3,643, at an exercise price of \$0.175.

During the year ended April 30, 2025, the Company issued 19,998 common shares from the exercise of share purchase warrants for total gross proceeds of \$1,800, at an exercise price of \$0.09.

During the year ended April 30, 2025, the Company issued 3,597 common shares from the exercise of share purchase warrants for total gross proceeds of \$540, at an exercise price of \$0.15.

During the year ended April 30, 2024, the Company issued 255,122 common shares from the exercise of share purchase warrants for gross proceeds of \$44,676.

- b) During the year ended April 30, 2025, the Company issued 1,011,326 common shares from the exercise of stock options for gross proceeds of \$50,567, at an exercise price of \$0.05.

During the year ended April 30, 2025, the Company issued 310,000 common shares from the exercise of stock options for gross proceeds of \$17,050, at an exercise price of \$0.055.

During the year ended April 30, 2024, the Company issued 447,704 common shares from the exercise of stock options for gross proceeds of \$22,385.

- c) On October 31, 2024, the Company completed a non-brokered private placement and issued 3,313,572 units at a price of \$0.175 per unit for gross proceeds of \$579,875. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

On October 18, 2024, the Company completed two non-brokered private placements and issued 7,500,000 Flow-Through Unit ("FT Unit") at a price of \$0.30 per FT Unit for gross proceeds of \$2,250,000 and 1,440,000 non-flow-through units ("NFT Units") at a price of \$0.175 per NFT Unit for gross proceeds of \$252,000. Each FT Unit and NFT Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

9 Share Capital (continued)

On September 20, 2024, the Company completed a non-brokered private placement and issued 8,000,000 flow-through units for gross proceeds of \$400,000. Each flow-through unit was sold at a price of \$0.05 and consists of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.06.

On December 28, 2023, the Company completed a non-brokered private placement and issued 4,354,400 flow-through units for gross proceeds of \$391,896. Each flow-through unit was sold at a price of \$0.09 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 2 years at a price of \$0.14. In connection with this financing, the Company paid cash finder's fees of \$19,410 and issued a total of 215,664 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.09 per share for two years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$13,905 using the Black Scholes option pricing model.

d) On November 10, 2023, the Company issued 24,997,482 common shares as part of the plan of arrangement between CanAlaska and Core Nickel Corp. (note 14).

e) On May 5, 2022, on incorporation, one common share was issued at a price of \$0.01

10 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options	Weighted average exercise price \$
Outstanding – May 1, 2023	-	-
Granted – per plan of arrangement	2,416,393	0.05
Exercised	(447,704)	0.05
Expired/Cancelled	(603,597)	0.05
Outstanding – April 30, 2024	1,365,092	0.05
Granted	5,450,000	0.15
Exercised	(1,321,326)	0.05
Expired/Cancelled	(463,917)	0.16
Outstanding – April 30, 2025	5,029,849	0.15

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

10 Share Stock Options and Warrants (continued)

The average market price on the date of exercise of the stock options exercised during the year ended April 30, 2025 was \$0.20 (April 30, 2024 - \$0.10).

Pursuant to the plan of arrangement, the number of options granted upon the date of the transaction were 2,416,393. All options were calculated to have a minimum exercise price allowed under the Canadian Stock Exchange policy of \$0.05.

All stock options granted for the year ended April 30, 2025 vested immediately upon grant, and have a weighted fair value of \$0.15. The Company recognized \$434,187 (2024 - \$Nil) in share-based compensation.

As at April 30, 2025, the following stock options were outstanding and exercisable:

	Number of options outstanding	Exercisable price \$	Expiry date
	139,909	0.05	July 21, 2025
	29,980	0.05	November 28, 2025
	59,960	0.05	July 28, 2026
	1,310,000	0.055	May 24, 2027
	1,590,000	0.20	October 21, 2027
	1,900,000	0.175	January 30, 2028
Total	5,029,849		

Warrants

	Number of warrants	Weighted average exercise price \$
Outstanding – May 1, 2023	-	-
Granted – per plan of arrangement	4,565,469	0.19
Granted	2,392,864	0.14
Exercised	(255,122)	0.18
Outstanding – April 30, 2024	6,703,211	0.17
Granted	16,253,572	0.24
Exercised	(44,401)	0.13
Expired	(2,313,629)	0.18
Outstanding – April 30, 2025	20,598,753	0.23

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

10 Share Stock Options and Warrants (continued)

At April 30, 2025, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
1,766,141	0.225	November 1, 2025
206,174	0.15	November 1, 2025
2,177,200	0.14	December 28, 2025
195,666	0.09	December 28, 2025
4,000,000	0.06	September 20, 2027
7,500,000	0.30	October 18, 2027
1,440,000	0.30	October 18, 2027
3,313,572	0.30	October 31, 2027
Total	20,598,753	

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is estimated using the historical volatility of Core Nickel and CanAlaska Uranium Ltd.'s share price for the period prior to the spin-out transaction (note 14). The following assumptions were used in the Black-Scholes Option Pricing Model to calculate the compensation expense for the years ended April 30, 2025 and 2024:

Options	2025	2024
Weighted average fair value	\$0.08	\$0.18
Forfeiture rate	0%	0%
Risk-free interest rate	2.72% - 4.06%	3.95% - 4.38%
Expected life	3.0 years	2.0 years – 3.0 years
Expected volatility	81.5% - 86.6%	81.4% – 90.0%
Expected dividend	0%	0%

Warrants	2025	2024
Weighted average fair value	\$0.12	\$0.05
Forfeiture rate	0%	0%
Risk-free interest rate	2.82% - 3.01%	3.88%
Expected life	3.0 years	2.0 years
Expected volatility	100%	100%
Expected dividend	0%	0%

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

11 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

The remuneration of directors and key management of the Company for the years ended April 30, 2025 and 2024 were as follows.

	2025	2024
	\$	\$
Employment benefits	301,500	60,000
Consulting fees	70,000	22,000
Share-based compensation	420,857	-

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	2025	2024
	\$	\$
Rent	29,718	6,196
Other expenses and exploration costs	16,875	39,553

Included in trade and other payables at April 30, 2025 is \$3,914 (April 30, 2024 - \$4,406) due to officers and directors and companies with directors and/or officers in common.

During the year ended April 30, 2025, the Company included \$150,000 (April 30, 2024 - \$28,271) of employment benefits in mineral property expenditures.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

12 Income Tax

Income tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to Core Nickel, to the loss before tax provision due to the following:

	2025	2024
	\$	\$
Loss before income taxes	(2,489,933)	(700,802)
Canadian federal and provincial (SK) income tax rates	27.00%	27.00%
Income tax recovery based on Canadian federal and provincial income tax rates	(672,000)	(189,217)
Increase (decrease) attributable to:		
Non-deductible (taxable) expenditures	111,000	438
Flow-through shares renounced	601,000	105,812
Change in unrecognized deferred tax assets	211,000	89,000
Other	(251,000)	(6,033)
Income tax recovery	-	-

Unrecognized deductible temporary differences, unused tax losses, and unused tax credits are attributable to the following:

	2025	2024
	\$	\$
Non-capital loss carry-forwards	289,000	82,000
Mineral property interests	3,000	3,000
Share issuance costs	8,000	4,000
	300,000	89,000

The Company has income tax loss carry-forwards of approximately \$289,000 (April 30, 2024 - \$82,000) for Canadian tax purposes. These un-recognized tax losses will expire in 2045.

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

13 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company has no external restrictions on the management of capital. There was no change to the Company's approach to capital management during the year ended April 30, 2025.

14 Plan of Arrangement

On November 10, 2023, a plan of arrangement was completed by CanAlaska.

The arrangement agreement dated September 1, 2023, entered into between the CanAlaska and the Company (a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a Final Order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange and the Canadian Securities Exchange ("CSE").

Pursuant to the Arrangement Agreement and on the effective date:

- a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 common shares of Core Nickel (the "Core Nickel Shares");
 - i) The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
 - ii) \$1,000,000 cash
- b) the existing common shares of CanAlaska were re-designated as Class A Shares ("the CVV Class A Shares") and CanAlaska created a new class of common shares known as the "New CVV Common Shares";
- c) each CVV Class A Share was exchange for one New CVV Common Share and 0.19987 of one Core Nickel Share

Core Nickel Corp.

Notes to the Financial Statements

For the years ended April 30, 2025 and 2024

(Expressed in Canadian dollars except where indicated)

14 Plan of Arrangement (continued)

- d) the CVV Class A Shares were cancelled;
- e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares may be issued if all outstanding warrants are exercised;
- f) all holders of the outstanding options of CanAlaska received 0.19987 of one Core Nickel option with whole option entitling the holder therefore to purchase one Core Nickel Share, such that an aggregate of 2,416,393 Core Nickel Shares may be issued if all such options are exercised; and
- g) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

The Company has determined that the transfer of assets to Core Nickel does not meet the definition of a business combination. As such, the transfer of assets has been accounted for as an acquisition of mineral property interests (note 6) and cash (note 4) in the financial statements.

15 Subsequent Events

In the first quarter of 2026, the Company issued 1,539,849 common shares from the exercise of stock options for total gross proceeds of \$83,542 and issued 167,358 common shares from the exercise of warrants for total gross proceeds of \$37,681.



Core Nickel Corp.

TSX-V: CNCO

Management Discussion and Analysis of Financial Condition and Results of Operations For the year ended April 30, 2025

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Core Nickel Corp. ("**Core Nickel**" or the "**Company**") for the three and twelve months ended April 30, 2025 ("**fourth quarter 2025**" and "**fiscal 2025**", respectively) and the comparative three and twelve months period ended April 30, 2024 ("**fourth quarter 2024**" and "**fiscal 2024**"). In order to gain a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read in conjunction with the April 30, 2025 audited financial statements and accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with the appropriate provincial regulatory bodies. The Company discloses additional information through press releases and financial information available on the Company's website at www.corenickel.com and on the SEDAR+ website, www.sedarplus.ca.

Core Nickel was incorporated on May 2, 2022, under the laws of Canada Business Corporation Act and commenced trading on the Canadian Securities Exchange (the "CSE") on November 27, 2023 under the symbol "CNCO". On May 5, 2025, the Company announced that it was delisted on the CSE and commenced trading on the Toronto Stock Venture Exchange (the "TSXV") under the symbol "CNCO". The Company's head office and principal address is suite 204, 75 – 24th Street East, Saskatoon, Saskatchewan, Canada, S7K 1K3. The Company's registered and records office is 600 - 890 West Pender Street, Vancouver, British Columbia, Canada, V6C 1J9.

The Company is considered to be in the exploration stage with respect to its mineral properties. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

The information contained in this document is provided as of July 30, 2025 (the "**Report Date**").

OVERVIEW

Core Nickel is principally engaged in the evaluation, acquisition and exploration of nickel properties that are located in the Thompson Nickel Belt in Northern Manitoba, Canada. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional nickel properties. Core Nickel actively manages its property portfolio. The Company may farm out or relinquish properties when exploration results suggest that further expenditures by the Company are unwarranted.

Core Nickel has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. With a working capital of approximately \$1,234,950 at April 30, 2025, Core Nickel is well financed to support its anticipated exploration programs in 2025.



Exploration Projects

The Company currently holds interests in five exploration projects located in the Thompson Nickel Belt in northern Manitoba, totaling 27,028 hectares of exploration ground. The Company's current project portfolio was generated by CanAlaska Uranium Ltd, ("CanAlaska") and all five properties held by the company were included in the spinout arrangement between CanAlaska and the Company on November 11, 2023. The majority of the Company's land is classified as greenfield or early-stage exploration, with the exception of the Mel property, which hosts the Mel deposit.

Mel Project, Manitoba

The Mel project is located in the northeastern portion of the Thompson Nickel Belt, approximately 20 kilometres northeast of the city of Thompson, Manitoba. The Mel project comprises one mineral lease and ten mineral claims covering a total of 2,613 hectares, with a carrying value of \$997,309. The property is 100% owned by the Company, subject to a 10% net profit royalty to Vale, and the Company has a milling agreement with Vale at cash cost plus 5%.

The Mel project was initially explored by Canada Nickel Co. Ltd. (a wholly owned subsidiary of INCO). INCO (now Vale) discovered the Mel deposit in 1961, and exploration on the property continued into the early 1970s. Exploration ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. (previously Nunisco Resources). Victory Nickel Inc. primarily focused its exploration efforts on the Mel deposit, with minimal exploration on the remainder of the property. In 2007, Victory Nickel Inc. acquired the Mel property and completed a NI 43-101 resources estimate on the Mel deposit, indicating a historical indicated resource of 4,279,000 tonnes at 0.875% nickel and a historical inferred resource of 1,010,000 tonnes at 0.839% nickel (refer to the "Technical Report on the Mel Deposit, Northern Manitoba" prepared for Victory Nickel Inc. by Shane Naccashian (P. Geo) of Wardrop Engineering Inc. dated March 9, 2007). CanAlaska completed the acquisition of the Mel Deposit, the Mel mining lease, and ten mineral claims on May 15, 2023, through the receivership responsible for liquidating Victory Nickel's assets. On November 11, 2023, CanAlaska included the Mel deposit, the Mel mining lease, and ten mineral claims in the spinout arrangement with the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Mel property in 2023, the [Technical Report on the MEL Property Thompson Region, Manitoba](http://www.sedarplus.ca). The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca.

Hunter Property, Manitoba

The Hunter property is 100% owned by the Company and has a carrying value of \$28,885. The property consists of eleven claim blocks and one mineral exploration lease (MEL) covering a total of 8,232 hectares and is located approximately 20 kilometres north from the city of Thompson, Manitoba. The Hunter property was explored by various companies including INCO from the 1950s to the early 1970s. Exploration on the Hunter property ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. In 2018, CanAlaska staked the mineral exploration lease and ten claim blocks that make up the Hunter project. CanAlaska conducted a property wide airborne VTEM survey over Hunter and included the Hunter project in the spinout arrangement with the Company.

Odei River, Manitoba

The Odei River has a carrying value of \$5,107 and consists of one mineral exploration license for a total of 9,411 hectares. The property is located in the Thompson Nickel Belt, Manitoba and is situated approximately 20 kilometres north of the City of Thompson, Manitoba. The property was explored in the 1960s by Canadian Nickel Company (a wholly owned subsidiary of INCO) and Merrit Copper. In 1999, the property was staked by Victory Nickel and INCO, and exploration activities were carried out under a JV between Victory Nickel and INCO until 2007. In 2022, CanAlaska staked the Odei River property and in 2023, the property was included in the spinout arrangement between CanAlaska and the Company.



Resting Lake Project, Manitoba

The Resting Lake project consists of eleven claim blocks covering a total of 2,322 hectares in the southern portion of the Thompson Nickel Belt situated approximately five kilometres to the southwest of Wabowden, Manitoba. The property was covered by a regional electromagnetic survey by INCO in 1949 and was later explored by Falconbridge Nickel Mines Ltd. and Bowden Lake Nickel Mines Limited in 1959 to 1975 and in 1994. CanAlaska staked the Resting Lake claims in 2021 and conducted a property wide aeromagnetic survey in 2022. The property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Resting Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca. Core Nickel completed a property wide airborne electromagnetic (VTEM) survey in 2024. The Resting Lake property has a carrying value of \$17,505.

Halfway Lake Property, Manitoba

The Halfway Lake property consists of twenty-two mineral claims covering a total of 4,450 hectares in the southern portion of the Thompson Nickel Belt, Manitoba, situated approximately 12 kilometres to the northeast of Wabowden, Manitoba. The property was explored by National Malartic in the late 1950s and early 1960s, and by Falconbridge from 1962 to 1975 and in 1994. CanAlaska staked eight of the Halfway Lake claims in 2021 and another twelve claims in 2022 to form a contiguous land package, while also conducting a property wide aeromagnetic survey in 2022. In 2023, the property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Halfway Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca. Core Nickel completed just under 800 m in 3 diamond drillholes and a property wide airborne electromagnetic (VTEM) survey in 2024. Most recently, the Company completed 3,585.5 m in twelve diamond drillholes on the property in the winter of 2025. The Halfway Lake property has a carrying value of \$104,998.

For additional information please visit the Company's website www.corenickel.com.

RESULTS OF OPERATIONS

For the three months ended April 30, 2025

The loss for the three months ended April 30, 2025 was \$1,193,454, compared to \$554,967 for the prior year's comparative period.

Expenses for the three months ended April 30, 2025 amounted to \$464,435 (April 30, 2024: \$182,053).

A summary of the costs is described in the paragraph below.

- Insurance in the amount of \$5,002 were incurred during the fourth quarter 2025.
- Interest income in the amount of \$11,504 was earned during the fourth quarter 2025.
- Legal, audit, and accounting fees in the amount of \$96,624 were incurred in the fourth quarter 2025.
- Management fees in the amount of \$55,500 were incurred.
- Office and miscellaneous costs in the amount of \$6,963 were incurred during the fourth quarter 2025.
- Regulatory and transfer agent fees in the amount of \$56,276 were incurred during the fourth quarter 2025.
- Rent costs of \$10,700 were incurred in the fourth quarter 2025.
- Investor relations and presentations expenses of \$15,642 were incurred during the fourth quarter 2025.
- Travel and accommodations costs of \$7,176 were incurred during the fourth quarter 2025.
- Flow through premium in the amount of \$724,847 were recognized during the fourth quarter 2025.
- Wages and benefits in the amount of \$18,032 were incurred in the fourth quarter 2025.



For the year ended April 30, 2025

The loss for the year ended April 30, 2025 was \$2,489,933, compared to \$700,802 for the prior year's comparative period.

Expenses for the year ended April 30, 2025 amounted to \$262,929 (April 30, 2024: \$299,622).

A summary of the costs is described in the paragraph below.

- Insurance in the amount of \$26,871 were incurred during fiscal 2025
- Interest income in the amount of \$53,605 was earned during fiscal 2025.
- Legal, audit, and accounting fees in the amount of \$186,995 were incurred during fiscal 2025.
- Management fees in the amount of \$221,500 were incurred during fiscal 2025.
- Office and miscellaneous costs in the amount of \$27,268 were incurred during fiscal 2025.
- Regulatory and transfer agent fees in the amount of \$102,224 were incurred during fiscal 2025.
- Rent costs of \$28,077 were incurred during fiscal 2025.
- Share-based compensation in the amount of \$434,187 were incurred during fiscal 2025.
- Investor relations and presentations expenses of \$144,303 were incurred during fiscal 2025.
- Travel and accommodations costs of \$20,100 were incurred during fiscal 2025.
- Flow through premium in the amount of \$937,500 were recognized during fiscal 2025.
- Wages and benefits in the amount of \$62,508 were incurred during fiscal 2025.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Year: Quarter Ended:	2025 Apr 30	2025 Jan 31	2024 Oct 31	2024 Jul 31	2024 Apr 30	2024 Jan 31	2023 Oct 31	2023 Jul 31
Net sales or total revenue	\$Nil	\$Ni	\$Nil	\$Nil	\$Nil	\$Nil	n/a	n/a
Total Assets	\$3,079,131	\$4,672,356	\$4,972,687	\$1,708,356	\$2,047,983	\$2,436,578	\$0.01	\$0.01
Net income (loss):								
(i) in total	\$(1,193,454)	\$(531,004)	\$(463,447)	\$(302,028)	\$(554,967)	\$(145,835)	n/a	n/a
(ii) per share ⁽¹⁾	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)	n/a	n/a

(1) Basis and diluted loss per share are the same as the Company has losses and they are anti-dilutive, hence not disclosed.

While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

In addition, the Company incorporated on May 5, 2022 and has limited history of operations to compare.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and



project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

Plan of Arrangement Spin-out transaction

On November 10, 2023, a plan of arrangement spin-out transaction was completed by the Company.

The arrangement agreement dated September 1, 2023, entered into between CanAlaska Uranium Ltd. (“CanAlaska”) and the Company (a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a Final Order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange and the Canadian Securities Exchange (“CSE”).

Pursuant to the Arrangement Agreement and on the effective date:

- a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 common shares of Core Nickel (the “Core Nickel Shares”);
 - i) The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
 - ii) \$1,000,000 cash
- b) the existing common shares of CanAlaska were re-designated as Class A Shares (“the CVV Class A Shares”) and CanAlaska created a new class of common shares known as the “New CVV Common Shares”;
- c) each CVV Class A Share was exchange for one New CVV Common Share and 0.19987 of one Core Nickel Share
- d) the CVV Class A Shares were cancelled;
- e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares may be issued if all outstanding warrants are exercised;
- f) all holders of the outstanding options of CanAlaska received 0.19987 of one Core Nickel option with whole option entitling the holder therefore to purchase one Core Nickel Share, such that an aggregate of 2,416,393 Core Nickel Shares may be issued if all such options are exercised; and
- g) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

The Company has determined that the transfer of assets to Core Nickel does not meet the definition of a business combination. As such, the transfer of assets has been accounted for as an acquisition of mineral property interests and cash in the financial statements.



Selected Annual Information

Year	2025	2024	2023	2022
	\$	\$	\$	\$
Net sales or total revenue	-	-	NA	NA
Net income (loss):				
(i) in total	\$(2,489,933)	\$(700,802)	NA	NA
(ii) per share ⁽¹⁾	\$(0.06)	\$(0.05)	NA	NA
Total Assets	\$3,079,131	\$2,047,983	0.01	NA

(1) Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

Financing Activities

During the year ended April 30, 2025, the Company issued 20,253,572 common shares from private placement financings for net proceeds of \$3,481,875, 1,321,326 common shares from the exercise of stock options for gross proceeds of \$67,617, 44,401 common shares from the exercise of warrants for gross proceeds of \$5,983 and received \$438,200 from the Manitoba government related to the second and final tranches of the Manitoba Mineral Development Fund, which is a nonrepayable grant.

During the year ended April 30, 2024, the Company received \$1,000,000 from CanAlaska as per the plan of arrangement, received \$69,100 from a government grant, completed a non-brokered private placement and issued 4,354,400 flow-through units for net proceeds of \$372,487, issued 447,704 common shares from the exercise of stock options for gross proceeds of \$22,385, issued 255,122 common shares from the exercise of share purchase warrants for gross proceeds of \$44,676 and received \$69,100 from the Manitoba government related to the Manitoba Mineral Development Fund.

Project Activities

In 2025, Core Nickel Corporation conducted a diamond drilling program to advance exploration on the Halfway Lake property. A total of twelve diamond drillholes were completed, totaling 3,585.5 metres, between January 7 and April 11, 2025. The drilling program was executed by Team Drilling LP and primarily focused on testing high-priority geophysical targets identified from the 2024 VTEM survey.

Eight drillholes (HFW-25-004, HFW-25-005, HFW-25-006, HFW-25-007, HFW-25-008, HFW-25-012, HFW-25-013, and HFW-25-014) were designed to test stand-alone VTEM anomalies, while three drillholes (HFW-25-009, HFW-25-010, and HFW-25-015) were drilled as follow-up holes to investigate sulphide mineralization that was intersected earlier in this drilling campaign. Additionally, one drillhole (HFW-25-011) targeted a geological interpretation that coincided with a conductive response and weak magnetic anomaly.

Three drillholes (HFW-25-007, HFW-25-010, and HFW-25-015) completed along conductive trend HL-04 returned nickel-bearing sulphide mineralization, with grades of up to 0.8% nickel over 0.7 metres in HFW-25-007. Additionally, ultramafic-hosted nickel sulphide mineralization grading up to 0.65% nickel over 1.1 metres in HFW-25-015 indicates a fertile nickel source along this trend and underscores its potential for future exploration.

Borehole electromagnetic (BHEM) surveys were carried out by EarthEx Geophysical Solutions Inc. from February 9 to March 30, 2025, and were conducted to refine subsurface targeting and support future drill planning. The surveys were completed on eight drillholes (HFW-25-004, HFW-25-005, HFW-25-006, HFW-25-007, HFW-25-008, HFW-25-009, HFW-25-011, and HFW-25-013), providing valuable electromagnetic data to guide ongoing exploration efforts.



Investing Activities

During the year ended April 30, 2025, the Company expensed \$18,000 related to mineral property interests.

During the year ended April 30, 2024, the Company expensed \$160 related to mineral property interests and \$11,893 related to mineral bonds.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the year ended April 30, 2025.

Paid or accrued the following to Misty Urbatsch, the President, Director and Chief Executive Officer of the Company:

		2024		2024
Management fees	\$	151,500	\$	60,000
Share-based compensation		130,165		-

Paid or accrued the following to Harry Chan, the Chief Financial Officer of the Company:

		2024		2024
Management fees	\$	70,000	\$	22,000
Share-based compensation		21,399		-

Paid or accrued the following to Caitlin Glew, the Vice-President of Exploration of the Company:

		2025		2024
Wages	\$	150,000	\$	-
Share-based compensation		111,748		-

Paid or accrued the following to CanAlaska Uranium Ltd., a company with common directors and/or officer:

		2024		2024
Rent	\$	29,718	\$	6,196
Accounting, geology & other		16,875		39,553

Paid or accrued the following to the non-executive directors of the Company:

		2025		2024
Share-based compensation		157,546		-



Included in trade and other payables at April 30, 2025 is \$3,914 (April 30, 2024 - \$4,406) due to officers and directors and companies with directors and/or officers in common.

LIQUIDITY AND CAPITAL RESOURCES

Core Nickel has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Core Nickel will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for nickel exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Core Nickel will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

Cash and Financial Condition

The Company had a working capital of approximately \$1,046,450 at April 30, 2025, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. The Company will need to seek financing in the near term in order to fund its planned exploration programs. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

Core Nickel has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, prepaid and deposit, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents and prepaid and deposits are measured based on Level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximates their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

OUTSTANDING SECURITIES DATA

On the Report Date, the Company had the following securities outstanding:

Common Shares	53,381,214
Options	3,490,000
Warrants	<u>20,431,395</u>
Fully Diluted	<u>77,302,609</u>

NEW ACCOUNTING POLICIES, STANDARDS AND INTERPRETATIONS

On May 1, 2024, the Company adopted the following amendments and accounting standards:

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) which amended IAS 1, Presentation of Financial Statements ("IAS 1"), to clarify the requirements for presenting liabilities in the statement of financial position. The amendments specify that the Company must have the right



to defer settlement of a liability for at least 12 months after the reporting period for the liability to be classified as non-current. In addition, the amendments clarify that: (a) the Company's right to defer settlement must exist at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, the right exists at the end of the reporting period only if the Company complies with those conditions at the end of the reporting period, even if the lender does not test compliance until a later date; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

In October 2022, the IASB issued amendment Non-current Liabilities with Covenants to IAS 1 to clarify that covenants of loan arrangements which the Company must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. The amendment also introduces additional disclosure requirements related to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) the carrying amount of the related liabilities; and (iii) facts and circumstances, if any, that indicate that the Company may have difficulty complying with covenants.

The adoption of these amendments did not have a material impact on the Company's condensed interim financial statements.

FUTURE CHANGES IN ACCOUNTING POLICIES NOT YET EFFECTIVE

In April 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

OUTLOOK

The Company has contracted Dias Airborne Limited to complete a QMAG⁷ Full Tensor Magnetic Gradiometry geophysical survey over the Hunter project, scheduled for September 2025. In addition, Stephen Balch of Balch Exploration Consulting Inc. is currently interpreting and integrating the results of the 2025 VTEM survey completed on the Odei River and Mel projects. The Company continues to evaluate and discuss with other parties' potential projects for possible acquisition, potential transactions, and corporate opportunities to add to its current portfolio.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is "forward-looking information" within the meaning of the British Columbia Securities Act. This includes statements concerning the Company's plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration



programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company's proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company's properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management's discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.



Core Nickel Corp.

Financial Statements
For the year ended April 30, 2024

(Expressed in Canadian dollars, except where indicated)

Independent Auditor's Report

To the Shareholders of
Core Nickel Corp.

Opinion

We have audited the financial statements of Core Nickel Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2024 and 2023, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year ended April 30, 2024, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024 and 2023, and its financial performance and its cash flows for the year ended April 30, 2024 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company has a loss of \$700,802 for the year ended April 30, 2024. In addition, the Company is a resource exploration stage company, which does not generate any revenues. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year ended April 30, 2024. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Plan of arrangement with CanAlaska Uranium Ltd. ("CanAlaska") - Refer to Notes 5 and 11 to the financial statements

Key Audit Matter Description

On November 10, 2023, a plan of arrangement was completed by the Company and CanAlaska (the "spin-out transaction"). As part of the spin-out transaction, the Company received certain nickel properties and cash from CanAlaska in exchange for common shares of the Company.

To determine the accounting treatment of the spin-out transaction, management was required to make judgments and as such, auditing the accounting treatment required complex analysis and consideration. This resulted in an increased extent of audit effort, including the involvement of technical accounting specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of technical accounting specialists, our audit procedures related to management's determination of the accounting treatment of the spin-out transaction included the following procedures, among others:

- Assessed the information in the plan of arrangement agreements to assess whether all relevant matters in the agreement were incorporated into management's assessment,
- Evaluated management's determination of the accounting treatment of the spin-out transaction by analyzing specific facts and circumstances against relevant accounting guidance.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Brenton Francis.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
July 30, 2024

Core Nickel Corp.

Statements of Financial Position

(Expressed in Canadian dollars except where indicated)

	April 30 2024 \$	April 30 2023 \$
Assets		
Current assets		
Cash and cash equivalents (note 4)	845,093	-
Receivables	37,258	-
Prepaid and deposits	17,935	-
Due from parent	-	0.01
Total current assets	900,286	0.01
Non-current assets		
Mineral bonds	11,893	-
Mineral property interests (note 5)	1,135,804	-
Total assets	2,047,983	0.01
Liabilities		
Current liabilities		
Trade and other payables (note 6)	173,594	-
Equity		
Common shares (note 7)	2,485,296	0.01
Equity reserve	89,895	-
Accumulated deficit	(700,802)	-
	1,874,389	0.01
	2,047,983	0.01

Subsequent Events (note 13)

Approved by the Board of Directors

"Cory Belyk"

Director

"Karen Lloyd"

Director

Core Nickel Corp.

Statements of Loss and Comprehensive Loss

For the year ended April 30, 2024 and 2023 (Expressed in Canadian dollars except where indicated)

	2024	2023
	\$	\$
EXPLORATION COSTS		
Mineral property expenditures	401,180	-
	<u>401,180</u>	<u>-</u>
OTHER EXPENSES (INCOME)		
Insurance	13,244	-
Interest income	(13,964)	-
Legal, audit and accounting	102,892	-
Management fees	92,925	-
Office and miscellaneous	7,818	-
Regulatory and transfer agent fees	24,776	-
Rent	5,058	-
Investor relations and presentations	60,273	-
Travel and accommodations	3,713	-
Wages and benefits	2,887	-
	<u>299,622</u>	<u>-</u>
Loss and comprehensive loss for the year	(700,802)	-
Basic and diluted loss per share (\$ per share)	(0.05)	-
Basic and diluted weighted average common shares outstanding	13,500,553	1

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

Core Nickel Corp.

Statements of Changes in Equity

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve	Accumulated Deficit	Total Equity
	Shares	Amount \$			
Balance-May 5, 2022	1	0.01	-	-	0.01
Balance-April 30, 2023	1	0.01	-	-	0.01
Issued pursuant to plan of arrangement (note 12)	24,997,481	2,135,644	-	-	2,135,644
Issued on private placement for cash	4,354,400	391,896	-	-	391,896
Warrants issued on private placement	-	(75,990)	75,990	-	-
Share issuance costs	-	(33,315)	13,905	-	(19,410)
Issued on exercise of options	447,704	22,385	-	-	22,385
Issued on exercise of warrants	255,122	44,676	-	-	44,676
Loss for the year	-	-	-	(700,802)	(700,802)
Balance-April 30, 2024	30,054,708	2,485,296	89,895	(700,802)	1,874,389

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

Core Nickel Corp.

Statements of Cash Flows

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

	2024	2023
	\$	\$
Cash flows used in operating activities		
Loss for the year	(700,802)	-
Recoveries on mineral exploration expenditures	(69,100)	-
Interest income	(13,964)	-
Interest received	10,549	-
Change in non-cash operating working capital		
Increase in receivables	(33,843)	-
Increase in prepaid and deposits	(17,935)	-
Increase in trade and other payables	173,593	-
	<u>(651,502)</u>	<u>-</u>
Cash flows from financing activities		
Issuance of common shares (net of share issuance costs)	372,487	-
Cash received as per plan of arrangement (note 11)	1,000,000	-
Cash received from government grant	69,100	-
Proceeds on exercise of stock options	22,385	-
Proceeds on exercise of share purchase warrants	44,676	-
	<u>1,508,648</u>	<u>-</u>
Cash flows used in investing activities		
Additions to mineral property interests	(160)	-
Additions to mineral bonds	(11,893)	-
	<u>(12,053)</u>	<u>-</u>
Increase in cash and cash equivalents	845,093	-
Cash and cash equivalents - beginning of year (note 4)	<u>-</u>	<u>-</u>
Cash and cash equivalents - end of year (note 4)	<u>845,093</u>	<u>-</u>

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

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

Core Nickel Corp. (the “Company”) was incorporated on May 5 2022, under the laws of Canada Business Corporation Act as part of a plan of arrangement (the “Arrangement”) to reorganize CanAlaska Uranium Ltd. (“CanAlaska”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada. The Company’s shares trade on the Canadian Securities Exchange under the symbol “CNCO”. The Company’s head office is located at unit 204, 75 – 24th Street East, Saskatoon, Saskatchewan, S7K 0K3, Canada.

2 Going Concern

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate recurring revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. At April 30, 2024, the Company had cash and cash equivalents of \$845,093 (April 30, 2023: \$nil) (note 4) and working capital of \$726,692 (April 30, 2023: \$nil). The Company has a loss of \$700,802 for the year ended April 30, 2024 (April 30, 2023: \$nil). Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information

a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The policies applied in these financial statements are presented in note 3 and are based on IFRS and effective at April 30, 2024.

These financial statements were approved by the Board of Directors of the Company on July 30, 2024.

b) Basis of preparation

These financial statements are presented in Canadian dollars and is the functional currency of the Company. The financial statements are prepared on the historical cost basis.

c) Share-based payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees and non-employees as consideration for equity instruments (options) of the Company. The Company also issues warrants as consideration for services received. The total amount to be expensed is determined by reference to the fair value of the services received and if not determinable, the fair value of options and warrants granted.

The fair value of share-based compensation is determined using the Black-Scholes option-pricing model and management's assumptions as disclosed in note 8. When a stock option is exercised, the Company recognizes an increase in its share capital equivalent to the consideration paid by the option holder and the fair value amount previously recognized in equity reserve. The fair value of any stock options granted to directors, officers and employees of the Company is recorded as an expense over the vesting period with a corresponding increase in equity reserve.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

d) Mineral property interests and mineral exploration expenditures

Mineral property interests

Mineral properties are exploration and evaluation assets that consist of payments to acquire mineral exploration rights, licenses and mining permits. Acquisition costs are capitalized and deferred until such a time as the mineral property is put into production, sold or abandoned, or impaired.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the mineral properties are transferred to mine under development. When a property is placed into commercial production, capitalized costs will be depleted using the units-of-production method.

The carrying values of capitalized amounts are reviewed when indicators of impairment are present. Recorded amounts of mineral properties are not intended to reflect present or future values of the properties. To the extent required, the recoverable amount is subject to measurement uncertainty and it is reasonably possible, based on existing knowledge, that change in future conditions could require a material change in the recognized amount.

Option payments made by an interested acquirer are recorded as a reduction of the value of the asset, with any excess over the carrying value of the asset recorded into income.

Exploration expenditures

Exploration and evaluation expenditure, including but not limited to geological and geophysical evaluation, surveying, exploratory drilling and sampling, and evaluating the technical feasibility of extracting a mineral resource, is expensed as incurred until the property reaches the development stage.

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of mineral property in an area of interest are demonstrable. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method based upon estimated proven and probable reserves.

The Company accounts for all proceeds received for option or farm-out arrangements or recovery of costs against the exploration expenditures.

The Company accounts for all proceeds received from government grants against the exploration expenditures.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

e) Impairment of non-financial assets

At each reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates, generally by mineral property interests. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. For exploration and evaluation assets, indication of impairment includes but is not limited to expiration of the rights to explore, substantive expenditure in the specific area is neither budgeted or planned, and if the entity has decided to discontinue exploration activity in the specified area.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's non-financial assets are impaired. External sources of information management considers include changes in market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its non-financial assets. Internal sources of information management consider include the manner in which non-financial assets are being used or are expected to be used and indications of economic performance of the assets.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

f) Financial assets and liabilities

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) FVTPL. The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and cash equivalents are measured at amortized cost with subsequent impairments recognized in the statements of loss and comprehensive loss.

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade and other payables are classified as amortized cost and carried on the statement of financial position at amortized cost.

g) Cash and cash equivalents

Cash and cash equivalents consist of cash deposits in banks, bankers' acceptances and certificates of deposits (note 4) and are readily convertible into a known amount of cash with an original maturity of three months or less.

h) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

Warrants issued by the Company typically accompany an issuance of shares in the Company (a "unit") and entitle the warrant holder to exercise the warrants for a stated price for a stated number of common shares in the Company. The fair value of the components of the units sold are measured using the relative fair value approach, based on the calculated fair value of the stand-alone shares through reference to the fair value of the stand-alone warrant, using the Black-Scholes option pricing model.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

i) (Loss) earnings per share

Basic loss (earnings) per common share is calculated by dividing the loss (earnings) attributed to shareholders for the period by the weighted average number of common shares outstanding in the period. Diluted earnings per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. Stock options, shares to be issued, and warrants outstanding are not included in the computation of diluted loss (earnings) per share if their inclusion would be anti-dilutive.

j) Segment reporting

The Company's operations comprise a single operating segment engaged in mineral exploration in Canada. As the operations comprise a single operating segment, amounts disclosed in the financial statements also represent segment amounts.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

k) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax is recognized in the consolidated statement of net loss and comprehensive loss except to the extent it relates to items recognized directly in equity, in which case the related taxes are recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates substantially enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the substantially enacted tax rates expected to apply when the asset is realized or the liability settled.

The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that deferred tax asset will be recovered, the deferred tax asset is reduced.

The following temporary differences do not result in deferred tax assets or liabilities:

- the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable income; and
- investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

l) Significant estimates and judgements

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

- The Company believes that the cash on hand at April 30, 2024 is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months and that the presentation of these financial statements on a going concern basis is appropriate.
- The Company determined not to recognize deferred tax assets arising from Canadian exploration expenses, capital losses and unused tax losses as it considered it not to be probable that taxable income will be available in the near future to offset the reversal of these items.
- Management assesses each mineral property interest at each reporting period to determine whether any indication of impairment exists, and if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments may require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

Estimates

- The fair value estimation of share-based awards included in the statements of financial position and the inputs used in accounting for stock options in the statements of loss and comprehensive loss. The Company uses the Black-Scholes option pricing model to calculate the compensation expense and the estimates used for the calculation are outlined in note 8.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

3 Material Accounting Policy Information (continued)

m) New and Amended IFRS Standards that are Effective for the Current Period

Effective January 1, 2023, the Company adopted Amendments to IAS 1 Presentation of Financial Statements related to the disclosure of accounting policies. These amendments require entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial. The adoption of these amendments did not have a significant impact on the disclosure of material accounting policies in these financial statements.

n) Future Changes in Accounting Policies Not Yet Effective

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current. The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The Company anticipates that the application of these amendments may not have an impact on the financial statements in future periods.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

4 Cash and Cash Equivalents

	April 30, 2024	April 30, 2023
	\$	\$
Cash	34,545	-
Cash equivalents	810,548	-
Total	845,093	-

5 Mineral Property Interests

The Company holds approximately 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the year ended April 30, 2023 and April 30, 2024 are as follows:

Project	May 5, 2022	April 30, 2023	Additions	April 30, 2024
	\$	\$	\$	\$
Thompson Nickel Belt				
Mel	-	-	979,309	979,309
Halfway Lake	-	-	104,998	104,998
Hunter	-	-	28,885	28,885
Resting Lake	-	-	17,505	17,505
Odei River	-	-	5,107	5,107
Total	-	-	1,135,804	1,135,804

\$1,135,644 of the additions to mineral property interest were part of the spin-out transaction with CanAlaska Uranium Ltd.

6 Trade and Other Payables

	April 30, 2024	April 30, 2023
	\$	\$
Trade payables	128,219	-
Accrued liabilities	45,375	-
Total	173,594	-

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

7 Share Capital

The Company has authorized capital consisting of an unlimited number of common shares without par value.

Share Issuances

- a) During the months of March 2024 and April 2024, the Company issued 255,122 common shares from the exercise of share purchase warrants for gross proceeds of \$44,676.
- b) During the month of January 2024, the Company issued 447,704 common shares from the exercise of stock option for gross proceeds of \$22,385.
- c) On December 28, 2023, the Company completed a non-brokered private placement and issued 4,354,400 flow-through units for gross proceeds of \$391,896. Each flow-through unit was sold at a price of \$0.09 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 2 years at a price of \$0.14. In connection with this financing, the Company paid cash finder's fees of \$19,410 and issued a total of 215,664 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.09 per share for two years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$13,905 using the Black Scholes option pricing model.
- d) On November 10, 2023, the Company issued 24,997,482 common shares as part of the plan of arrangement between CanAlaska and Core Nickel Corp. (note 12).
- e) On May 5, 2022, on incorporation, one common share was issued at a price of \$0.01

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

8 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options	Weighted average exercise price \$
Outstanding – May 1, 2023	-	-
Granted – per plan of arrangement	2,416,393	0.05
Exercised	(447,704)	0.05
Expired	(603,597)	0.05
Outstanding – April 30, 2024	1,365,092	0.05

Pursuant to the plan of arrangement, the number of options granted upon the date of the transaction were 2,416,393. All options were calculated to have a minimum exercise price of \$0.05.

As at April 30, 2024, the following stock options were outstanding:

	Number of options outstanding	Exercisable price \$	Expiry date
	70,953	0.05	May 12, 2024
	49,967	0.05	July 28, 2024
	155,895	0.05	November 20, 2024
	142,907	0.05	January 11, 2025
	333,780	0.05	July 21, 2025
	293,803	0.05	November 28, 2025
	317,787	0.05	July 28, 2026
Total	1,365,092		

Warrants

	Number of warrants	Weighted average exercise price \$
Outstanding – May 5, 2022	-	-
Outstanding – May 1, 2023	-	-
Granted – per plan of arrangement	4,565,469	0.19
Granted	2,392,864	0.14
Exercised	(255,122)	0.18
Outstanding – April 30, 2024	6,703,211	0.17

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

8 Share Stock Options and Warrants (continued)

At April 30, 2024, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
2,116,268	0.175	May 16, 2024
41,366	0.175	July 18, 2024
176,801	0.175	August 15, 2024
1,766,141	0.225	November 1, 2025
209,771	0.15	November 1, 2025
2,177,200	0.14	December 28, 2025
215,664	0.09	December 28, 2025
Total	6,703,211	

Option and warrant pricing models require the input of assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is estimated using the historical volatility of CanAlaska's share price. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the year ended April 30, 2024 and 2023:

Options	2024	2023
Weighted average fair value	\$0.18	-
Forfeiture rate	0%	-
Risk-free interest rate	3.95% - 4.38%	-
Expected life	2.0 years – 3.0 years	-
Expected volatility	81.4% – 90.0%	-
Expected dividend	0%	-

Warrants	2024	2023
Weighted average fair value	\$0.05	-
Forfeiture rate	0%	-
Risk-free interest rate	3.88%	-
Expected life	2.0 years	-
Expected volatility	100%	-
Expected dividend	0%	-

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

9 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

The remuneration of directors and key management of the Company for the year ended April 30, 2024 and 2023 were as follows.

	2024	2023
	\$	\$
Employment benefits	60,000	-
Consulting fees	22,000	-

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	2024	2023
	\$	\$
Rent	6,196	-
Other expenses and exploration costs	39,553	-

Included in trade and other payables at April 30, 2024 is \$4,406 (April 30, 2023 - \$nil) due to officers and directors and companies with directors and/or officers in common.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

10 Income Tax

Income tax expense differs from the amount computed by applying the combined Canadian federal and provincial income tax rates, applicable to Core Nickel Corp., to the loss before tax provision due to the following:

	2024	2023
	\$	\$
Loss before income taxes	(700,802)	-
Canadian federal and provincial (SK) income tax rates	27.00%	27.00%
Income tax recovery based on Canadian federal and provincial income tax rates	(189,217)	-
Increase (decrease) attributable to:		
Non-deductible (taxable) expenditures	438	-
Flow-through shares renounced	105,812	-
Change in unrecognized deferred tax assets	89,000	-
Other	(6,033)	-
Income tax recovery	-	-

Unrecognized deductible temporary differences, unused tax losses, and unused tax credits are attributable to the following:

	2024	2023
	\$	\$
Non-capital loss carry-forwards	82,000	-
Mineral property interests	3,000	-
Share issuance costs	4,000	-
	89,000	-

The Company has income tax loss carry-forwards of approximately \$82,000 (April 30, 2023 - \$nil) for Canadian tax purposes. These un-recognized tax losses will expire in 2044.

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

11 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

12 Plan of Arrangement

On November 10, 2023, a plan of arrangement was completed by CanAlaska.

The arrangement agreement dated September 1, 2023, entered into between the CanAlaska and the Company (a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a Final Order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange and the Canadian Securities Exchange ("CSE").

Pursuant to the Arrangement Agreement and on the effective date:

- a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 common shares of Core Nickel (the "Core Nickel Shares");
 - i) The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
 - ii) \$1,000,000 cash
- b) the existing common shares of CanAlaska were re-designated as Class A Shares ("the CVV Class A Shares") and CanAlaska created a new class of common shares known as the "New CVV Common Shares";
- c) each CVV Class A Share was exchange for one New CVV Common Share and 0.19987 of one Core Nickel Share
- d) the CVV Class A Shares were cancelled;

Core Nickel Corp.

Notes to the Financial Statements

For the year ended April 30, 2024 and 2023

(Expressed in Canadian dollars except where indicated)

12 Plan of Arrangement (continued)

- e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares may be issued if all outstanding warrants are exercised;
- f) all holders of the outstanding options of CanAlaska received 0.19987 of one Core Nickel option with whole option entitling the holder therefore to purchase one Core Nickel Share, such that an aggregate of 2,416,393 Core Nickel Shares may be issued if all such options are exercised; and
- g) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

The Company has determined that the transfer of assets to Core Nickel does not meet the definition of a business combination. As such, the transfer of assets has been accounted for as an acquisition of mineral property interests (note 5) and cash (note 4) in the financial statements.

13 Subsequent Events

- a) On May 24, 2024, the Company granted 1,620,000 stock options to directors, employees and consultants.
- b) On June 19, 2024, the Company received \$69,100 from the Manitoba Government from its Manitoba Mineral Development Fund ("MMDF) as a grant for future exploration expenditures. The total amount granted by the Manitoba Government to the Company was \$207,300. This was the second instalment of \$69,100. The Company anticipated receiving a further and final instalment of \$69,100 in the fall of 2024.
- c) On July 18, 2024, the Company issued 20,806 common shares from the exercise of share purchase warrants for total gross proceeds of \$3,644.



Core Nickel Corp.

CSE: CNCO

Management Discussion and Analysis of Financial Condition and Results of Operations For the year ended April 30, 2024

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Core Nickel Corp. ("**Core Nickel**" or the "**Company**") for the three and twelve months ended April 30, 2024 ("**fourth quarter 2024**" and "**fiscal 2024**", respectively). No comparison is available for the results for the three and twelve months ended April 30, 2023 ("**fourth quarter 2023**" and "**fiscal 2023**"). In order to gain a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read in conjunction with the April 30, 2024 audited financial statements and accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with the appropriate provincial regulatory bodies. The Company discloses additional information through press releases and financial information available on the Company's website at www.corenickel.com and on the SEDAR+ website, www.sedarplus.ca.

Core Nickel was incorporated on May 2, 2022, under the laws of Canada Business Corporation Act and commenced trading on the Canadian Securities Exchange (the "CSE") on November 27, 2023 under the symbol "CNCO". The Company's head office and principal address is suite 204, 75 – 24th Street East, Saskatoon, Saskatchewan, Canada, S7K 1K3. The Company's registered and records office is 600 - 890 West Pender Street, Vancouver, British Columbia, Canada, V6C 1J9.

The Company is considered to be in the exploration stage with respect to its mineral properties. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

The information contained in this document is provided as of July 30th, 2024 (the "**Report Date**").

OVERVIEW

Core Nickel is principally engaged in the evaluation, acquisition and exploration of nickel properties that are located in the Thompson Nickel Belt in Northern Manitoba, Canada. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional nickel properties. Core Nickel actively manages its property portfolio. The Company may farm out or relinquishing properties when exploration results suggest that further expenditures by the Company are unwarranted.

Core Nickel has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its properties. With a working capital of approximately \$726,692 at April 30, 2024, Core Nickel will need to consider a financing to support its anticipated exploration programs in 2024 and 2025.



Exploration Projects

The Company currently holds interests in five exploration projects located in the Thompson Nickel Belt in northern Manitoba, totaling 26,764 hectares of exploration ground. The company's current project portfolio was generated by CanAlaska Uranium Ltd, ("CanAlaska") and all five properties held by the company were included in the spinout arrangement between CanAlaska and the Company on November 11, 2023. The majority of the company's land is classified as greenfield or early-stage exploration, with the exception of the Mel property, which hosts the Mel deposit.

Mel Project, Manitoba

The Mel project is located in the northeastern portion of the Thompson Nickel Belt, approximately 20 kilometers northeast of the city of Thompson, Manitoba. The Mel property comprises one mineral lease and ten mineral claims covering a total of 2,613 hectares, with a carrying value of \$979,309. The property is 100% owned by the Company, subject to a 10% net profit royalty to Vale, and the Company has a milling agreement with Vale at cash cost plus 5%.

The Mel property was initially explored by Canada Nickel Co. Ltd. (a wholly owned subsidiary of INCO). INCO (now Vale) discovered the Mel deposit in 1961, and exploration on the property continued into the early 1970s. Exploration ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. (previously Nunisco Resources). Victory Nickel Inc. primarily focused its exploration efforts on the Mel deposit, with minimal exploration on the remainder of the property. In 2007, Victory Nickel Inc. acquired the Mel property and completed a NI 43-101 resources estimate on the Mel deposit, indicating a historical indicated resource of 4,279,000 tonnes at 0.875% nickel and a historical inferred resource of 1,010,000 tonnes at 0.839% nickel (refer to the "Technical Report on the Mel Deposit, Northern Manitoba" prepared for Victory Nickel Inc. by Shane Naccashian (P. Geo) of Wardrop Engineering Inc. dated March 9, 2007). CanAlaska completed the acquisition of the Mel Deposit, the Mel mining lease, and ten mineral claims on May 15, 2023, through the receivership responsible for liquidating Victory Nickel's assets. On November 11, 2023, CanAlaska included the Mel deposit, the Mel mining lease, and ten mineral claims in the spinout arrangement with the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Mel property in 2023, the [Technical Report on the MEL Property Thompson Region, Manitoba](http://www.sedarplus.ca). The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca.

Hunter Property, Manitoba

The Hunter property is 100% owned by the Company. The property consists of eleven claim blocks and one mineral exploration lease (MEL) covering a total of 8,232 hectares and is located approximately 20 kilometers north from the city of Thompson, Manitoba. The Hunter property was explored by various companies including INCO from the 1950s to the early 1970s. Exploration on the Hunter property ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. In 2018, CanAlaska staked the mineral exploration lease and ten claim blocks that make up the Hunter project. CanAlaska conducted a property wide airborne VTEM survey over Hunter and included the Hunter project in the spinout arrangement with the Company.

Odei River, Manitoba

The Odei River has a carrying value of \$5,107 and consists of one mineral exploration license for a total of 9,411 hectares. The property is located in the Thompson Nickel Belt, Manitoba and is situated approximately 20 kilometers north of the City of Thompson, Manitoba. The property was explored in the 1960s by Canadian Nickel Company (a wholly owned subsidiary of INCO) and Merrit Copper. In 1999, the property was staked by Victory Nickel and INCO, and exploration activities were carried out under a JV between Victory Nickel and INCO until 2007. In 2022, CanAlaska staked the Odei River property and in 2023, the property was included in the spinout arrangement between CanAlaska and the Company.



Resting Lake Project, Manitoba

The Resting Lake property consists of eleven claim blocks covering a total of 2,322 hectares in the southern portion of the Thompson Nickel Belt situated approximately five kilometers to the northeast of Wabowden, Manitoba. The property was covered by a regional electromagnetic survey by INCO in 1949 and was later explored by Falconbridge Nickel Mines Ltd. and Bowden Lake Nickel Mines Limited in 1959 to 1975 and in 1994. CanAlaska staked the Resting Lake claims in 2021 and conducted a property wide aeromagnetic survey in 2022. The property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Resting Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca.

Halfway Lake Property, Manitoba

The Halfway Lake property consists of twenty mineral claims covering a total of 4,186 hectares in the southern portion of the Thompson Nickel Belt, Manitoba, situated approximately 12 kilometers to the northeast of Wabowden, Manitoba. The property was explored by National Malartic in the late 1950s and early 1960s, and by Falconbridge from 1962 to 1975 and in 1994. CanAlaska staked the Resting Lake claims in 2021 and conducted a property wide aeromagnetic survey in 2022. In 2023, the property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Halfway Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca.

For additional information please visit the Company's website www.corenickel.com.

RESULTS OF OPERATIONS

For the three months ended April 30, 2024

The loss for the three months ended April 30, 2024 was \$554,967.

A summary of the costs is described in the paragraph below.

- Insurance in the amount of \$7,672 were incurred during the fourth quarter 2024.
- Interest income in the amount of \$11,239 was earned during the fourth quarter 2024.
- Legal, audit, and accounting fees in the amount of \$72,635 were incurred in the fourth quarter 2024.
- Management fees in the amount of \$57,263 were incurred.
- Office and miscellaneous costs in the amount of \$4,707 were incurred during the fourth quarter 2024.
- Regulatory and transfer agent fees in the amount of \$10,240 were incurred.
- Rent costs of \$2,278 were incurred in the fourth quarter 2024.
- Investor relations and presentations expenses of \$34,322 were incurred.
- Travel and accommodations costs of \$2,320 were incurred.
- Wages and benefits in the amount of \$1,856 were incurred in the fourth quarter 2024.

For the year ended April 30, 2024

The loss for the year ended April 30, 2024 was \$700,802. Note that operations for the Company commence on November 10, 2023 (date of closing of the plan of arrangement).

A summary of the costs is described in the paragraph below.

- Insurance in the amount of \$13,244 were incurred during fiscal 2024.
- Interest income in the amount of \$13,964 was earned during fiscal 2024.
- Legal, audit, and accounting fees in the amount of \$102,892 were incurred largely due to the filing costs related to the



plan of arrangement and the audit and review of the Company's financial statements.

- Management fees in the amount of \$92,925 were incurred.
- Office and miscellaneous costs in the amount of \$7,818 were incurred during fiscal 2024.
- Regulatory and transfer agent fees in the amount of \$24,776 were incurred.
- Rent costs of \$5,058 were incurred in fiscal 2024.
- Investor relations and presentations expenses of \$60,273 were incurred.
- Travel and accommodations costs of \$3,713 were incurred.
- Wages and benefits in the amount of \$2,887 were incurred in fiscal 2024.

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

	Year: Quarter Ended:	2024 Apr 30	2024 Jan 31	2023 Oct 31	2023 Jul 31	2023 Apr 30	2023 Jan 31	2022 Oct 31	2022 Jul 31
Net sales or total revenue		\$Nil	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total Assets		\$2,047,983	\$2,436,578	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	n/a
Net income (loss):									
(i) in total		\$(554,967)	\$(145,835)	n/a	n/a	n/a	n/a	n/a	n/a
(ii) per share ⁽¹⁾		\$(0.02)	\$(0.02)	n/a	n/a	n/a	n/a	n/a	n/a

(1) Basis and diluted loss per share are the same as the Company has losses and they are anti-dilutive, hence not disclosed.

While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.

In addition, the Company incorporated on May 5, 2022 and has limited history of operations to compare.

Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

Plan of Arrangement Spin-out transaction

On November 10, 2023, a plan of arrangement spin-out transaction was completed by the Company.

The arrangement agreement dated September 1, 2023, entered into between CanAlaska Uranium Ltd. ("CanAlaska") and the Company (a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a Final Order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange and the Canadian Securities Exchange ("CSE").



Pursuant to the Arrangement Agreement and on the effective date:

- a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 common shares of Core Nickel (the “Core Nickel Shares”);
 - i) The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
 - ii) \$1,000,000 cash
- b) the existing common shares of CanAlaska were re-designated as Class A Shares (“the CVV Class A Shares”) and CanAlaska created a new class of common shares known as the “New CVV Common Shares”;
- c) each CVV Class A Share was exchange for one New CVV Common Share and 0.19987 of one Core Nickel Share
- d) the CVV Class A Shares were cancelled;
- e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares may be issued if all outstanding warrants are exercised;
- f) all holders of the outstanding options of CanAlaska received 0.19987 of one Core Nickel option with whole option entitling the holder therefore to purchase one Core Nickel Share, such that an aggregate of 2,416,393 Core Nickel Shares may be issued if all such options are exercised; and
- g) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

The Company has determined that the transfer of assets to Core Nickel does not meet the definition of a business combination. As such, the transfer of assets has been accounted for as an acquisition of mineral property interests and cash in the financial statements.

Selected Annual Information

Year	2024	2023	2022
	\$	\$	\$
Net sales or total revenue	-	-	NA
Net income (loss):			
(i) in total	(\$700,802)	-	NA
(ii) per share ⁽¹⁾	(0.05)	-	NA
Total Assets	\$2,047,983	0.01	NA

(1) Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

Financing Activities

During the year ended April 30, 2024, the Company received \$1,000,000 from CanAlaska as per the plan of arrangement, received \$69,100 from a government grant, completed a non-brokered private placement and issued 4,354,400 flow-through units for net proceeds of \$372,487, issued 447,704 common shares from the exercise of stock options for gross proceeds of \$22,385 and issued 255,122 common shares from the exercise of share purchase warrants for gross proceeds of \$44,676.

Core Nickel was awarded \$207,300 as a nonrepayable grant from the Manitoba Mineral Development Fund (the “MMDF”) to support Core Nickel’s exploration on its 100% owned Halfway Lake and Resting Lake properties in



the Thompson Nickel Belt, Manitoba. The Company has already received a total of \$138,200 from the MMDF and anticipates receiving the final tranche of \$69,100 upon the successful completion of its proposed summer exploration program on the Halfway Lake and Resting Lake properties.

During the year ended April 30, 2023, the Company did not have any active operations.

Project Activities

The winter drill program on the Company's 100% owned Halfway Lake project was initiated on March 10, 2024. Three diamond drill holes, for a total of 797.45 m, were completed in the historical W62 Zone. The drill crew was mobilized out of the field on March 29, 2024. HFW-001 and HFW-002 intersected wide packages of serpentinized ultramafic rocks hosting disseminated nickel-bearing sulfide mineralization. Assay results returned 0.32% Ni over 31.6 m in HFW-001, and 0.37% Ni over 91.05 m in HFW-002.

Property-wide helicopter-borne Versatile Time-Domain Electromagnetics (VTEM) and horizontal magnetic gradiometer geophysical surveys were completed over the Company's Halfway Lake and Resting Lake projects by Geotech Ltd. on July 18, 2024. The surveys totaled 1,307 line-km between the two projects, with 808 line-km completed at Halfway Lake and 499 line-km completed at Resting Lake. The raw data has been reviewed and QA/QC by Core Nickel's contract geophysicist, Stephen Balch of Balch Exploration Consulting Inc. Initial comparison of the new VTEM data and historical GeoTEM data has shown that the recently acquired VTEM data has identified discrete conductors not previously detected by historical surveys. A final report will be provided by Geotech Ltd. and Stephen Balch will begin modelling and interpretation of the VTEM data to identify and prioritize drill targets.

Investing Activities

During the year ended April 30, 2024, the Company expended \$160 related to mineral property interests and \$11,893 related to mineral bonds.

During the year ended April 30, 2023, the Company did not have any active operations.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the year ended April 30, 2024.

Paid or accrued the following to Misty Urbatsch, the President, Director and Chief Executive Officer of the Company:

	2024	2023
Management fees	\$ 60,000	\$ n/a



Paid or accrued the following to Harry Chan, the Chief Financial Officer of the Company:

	2024	2023
Management fees	\$ 22,000	\$ n/a

Paid or accrued the following to CanAlaska Uranium Ltd., a company with common directors and/or officer:

	2024	2023
Rent	\$ 6,196	\$ n/a
Accounting, geology & other	39,553	n/a

Included in trade and other payables at April 30, 2024 is \$4,406 (April 30, 2023 - \$nil) due to officers and directors and companies with directors and/or officers in common.

LIQUIDITY AND CAPITAL RESOURCES

Core Nickel has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Core Nickel will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for nickel exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Core Nickel will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.

Cash and Financial Condition

The Company had a working capital of approximately \$726,692 at April 30, 2024, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. The Company will need to seek financing in the near term in order to fund its planned exploration programs. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

Core Nickel has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, prepaid and deposit, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents and prepaid and deposits are measured based on Level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximates their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.



OUTSTANDING SECURITIES DATA

On the Report Date, the Company had the following securities outstanding:

Common Shares	30,075,514
Options	2,861,175
Warrants	<u>4,545,577</u>
Fully Diluted	<u>37,482,266</u>

OUTLOOK

The Company has schedule airborne electromagnetic (VTEM) surveys over Halfway Lake and Resting Lake in July 2024. The company is also hoping to conduct an airborne electromagnetics survey over Odei River and the Mel property in October or November of 2024. In addition, the Company is reviewing and compiling historical results from previous exploration campaigns to determine how best to advance and explore its current project portfolio. The Company continues to evaluate and discuss with other parties' potential nickel projects for possible acquisition, potential transactions, and corporate opportunities to add to its current portfolio.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of the British Columbia Securities Act. This includes statements concerning the Company’s plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company’s properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management’s discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.



Core Nickel Corp.

Condensed Interim Financial Statements
For the three and six months ended October 31, 2025
(Unaudited)
(Expressed in Canadian dollars, except where indicated)

Core Nickel Corp.

Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	October 31 2025 \$	April 30 2025 \$
Assets		
Current assets		
Cash and cash equivalents (note 4)	714,763	1,660,760
Receivables	15,824	239,597
Prepaid and deposits	13,236	13,077
Total current assets	<u>743,823</u>	<u>1,913,434</u>
Non-current assets		
Mineral bonds	-	11,893
Mineral property interests (note 5)	1,153,804	1,153,804
Total assets	<u>1,897,627</u>	<u>3,079,131</u>
Liabilities		
Current liabilities		
Trade and other payables	56,735	678,483
	<u>56,735</u>	<u>678,483</u>
Equity		
Common shares (note 6)	4,643,402	4,133,705
Equity reserve	1,416,329	1,457,678
Accumulated deficit	(4,218,839)	(3,190,735)
	<u>1,840,892</u>	<u>2,400,648</u>
	<u>1,897,627</u>	<u>3,079,131</u>

Subsequent Events (note 10)

Approved by the Board of Directors

“Chris Tate”

President & CEO

“Mike Pilmer”

Director

Core Nickel Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended Oct 31 2025 \$	Three months ended Oct 31 2024 \$	Six months ended Oct 31 2025 \$	Six months ended Oct 31 2024 \$
EXPLORATION COSTS				
Mineral property expenditures	394,481	70,303	566,141	169,432
	394,481	70,303	566,141	169,432
OTHER EXPENSES (INCOME)				
Insurance	5,171	7,795	10,341	15,654
Interest income	(3,710)	(8,841)	(12,270)	(15,612)
Legal, audit and accounting	115,415	56,012	194,422	73,834
Management fees	117,505	54,020	173,005	110,500
Office and miscellaneous	(2,801)	(3,817)	13,403	10,008
Regulatory and transfer agent fees	11,961	24,291	22,693	31,986
Rent	3,628	8,494	9,386	9,859
Share-based compensation	-	196,354	-	247,487
Investor relations and presentations	16,408	69,018	26,506	105,372
Travel and accommodations	-	-	4,392	5,686
Wages and benefits	5,223	5,352	20,085	16,803
Flow-through premium	-	(15,534)	-	(15,534)
	268,800	393,144	461,963	596,043
Loss and comprehensive loss for the period	(663,281)	(463,447)	(1,028,104)	(765,475)
Basic and diluted loss per share (\$ per share)	(0.01)	(0.01)	(0.02)	(0.02)
Basic and diluted weighted average common shares outstanding	53,853,142	35,269,003	53,331,197	32,663,438

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

Core Nickel Corp.

Condensed Interim Statements of Changes in Equity For the six months ended October 31, 2025 and 2024 (Unaudited) (Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve	Accumulated Deficit	Total Equity
	Shares	Amount \$	\$	\$	\$
Balance-April 30, 2024	30,054,708	2,485,296	89,895	(700,802)	1,874,389
Issued on private placement for cash	20,253,572	3,481,875	-	-	3,481,875
Warrants issued on private placement	-	(944,670)	944,670	-	-
Issued on exercise of stock options	847,642	53,717	(9,785)	-	43,932
Issued on exercise of warrants	40,804	6,732	(1,289)	-	5,443
Flow through premium	-	(750,000)	-	-	(750,000)
Share-based compensation	-	-	247,487	-	247,487
Loss for the period	-	-	-	(765,475)	(765,475)
Balance-October 31, 2024	51,196,726	4,332,950	1,270,978	(1,466,277)	4,137,651
Issued on exercise of stock options	473,684	23,685	-	-	23,685
Issued on exercise of warrants	3,597	540	-	-	540
Share-based compensation	-	-	186,700	-	186,700
Flow through premium	-	(187,500)	-	-	(187,500)
Share issuance costs	-	(35,970)	-	-	(35,970)
Loss for the year	-	-	-	(1,724,458)	(1,724,458)
Balance - April 30, 2025	51,674,007	4,133,705	1,457,678	(3,190,735)	2,400,648
Issued on exercise of stock options	1,539,849	124,891	(41,349)	-	83,542
Issued on exercise of warrants	1,777,862	384,806	-	-	384,806
Loss for the period	-	-	-	(1,028,104)	(1,028,104)
Balance-October 31, 2025	54,991,718	4,643,402	1,416,329	(4,218,839)	1,840,892

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

Core Nickel Corp.

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Six months ended October 31 2025 \$	Six months ended October 31 2024 \$
Cash flows used in operating activities		
Loss for the period	(1,028,104)	(765,475)
Recoveries on mineral exploration expenditures	-	(69,100)
Flow-through premium	-	(15,534)
Share-based compensation	-	247,487
Interest income	(12,270)	(15,612)
Interest received	19,453	9,614
Change in non-cash operating working capital		
(Increase) decrease in receivables	(159)	29,620
Decrease in prepaid and deposits	216,591	15,654
Decrease in trade and other payables	(621,749)	(73,024)
	<u>(1,426,238)</u>	<u>(636,370)</u>
Cash flows from financing activities		
Issuance of common shares (net of share issuance costs)	-	3,481,875
Cash received from government grant	-	69,100
Proceeds received from stock option exercise	83,542	43,932
Proceeds received exercise of share purchase warrants	384,806	5,443
	<u>468,348</u>	<u>3,600,350</u>
Cash flows from investing activities		
Refund of Mineral Bond	11,893	-
	<u>11,893</u>	<u>-</u>
Change in cash and cash equivalents	(945,997)	2,963,980
Cash and cash equivalents - beginning of period (note 4)	<u>1,660,760</u>	<u>845,093</u>
Cash and cash equivalents - end of period (note 4)	<u>714,763</u>	<u>3,809,073</u>

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

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

Core Nickel Corp. (the “Company” or “Core Nickel”) was incorporated on May 5 2022, under the laws of Canada Business Corporation Act as part of a plan of arrangement (the “Arrangement”) to reorganize CanAlaska Uranium Ltd. (“CanAlaska”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada. The Company’s shares trade on the TSX Venture Exchange under the symbol “CNCO”. The Company’s head office is located at unit 204, 75 – 24th Street East, Saskatoon, Saskatchewan, S7K 0K3, Canada.

2 Going Concern

These condensed interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There is no assurance that the Company will be successful in raising additional financing or that financing will be available to the Company on acceptable terms. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate any revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. At October 31, 2025, the Company had cash and cash equivalents of \$714,763 (note 4). The Company’s current assets exceeds its current liabilities by \$687,088 at October 31, 2025, which is sufficient to advance the development of its exploration projects in the near term. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

3 Summary of Material Accounting Policies

a) Statement of Compliance

These condensed interim financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34") using the accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The interim condensed financial statements do not include all disclosures required by the IFRS Accounting Standards for annual statements and should be read in conjunction with the Company's financial statements for the year ended April 30, 2025.

These interim unaudited financial statements were approved by the Board of Directors of the Company on December 5, 2025.

b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars and is the functional currency of the Company. The financial statements are prepared on the historical cost basis.

c) Significant estimates and judgements

The accounting policies, judgements and estimates applied in these condensed interim financial statements are consistent with those set out in Note 3 of the Company's annual financial statements for the year ended April 30, 2025.

d) Future Changes in Accounting Policies Not Yet Effective

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

In April 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

4 Cash and Cash Equivalents

	October 31, 2025	April 30, 2025
	\$	\$
Cash	183,044	240,369
Cash equivalents	531,719	1,420,391
Total	714,763	1,660,760

5 Mineral Property Interests

The Company holds 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the twelve and three months ended April 30, 2025 and October 31, 2025 are as follows:

Project	April 30, 2024	Additions	April 30, 2025	Additions/write-offs/recoveries	October 31, 2025
	\$	\$	\$	\$	\$
Thompson Nickel Belt					
Mel	979,309	18,000	997,309	-	997,309
Halfway Lake	104,998	-	104,998	-	104,998
Hunter	28,885	-	28,885	-	28,885
Resting Lake	17,505	-	17,505	-	17,505
Odei River	5,107	-	5,107	-	5,107
Total	1,135,804	18,000	1,153,804	-	1,153,804

There were no additions to the mineral property interest for the six months ended October 31, 2025.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

5 Mineral Property Interests (continued)

During the period ended October 31, 2025, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics \$	Drilling \$	Travel & Transport \$	Data Analysis \$	Field Supplies \$	Personnel \$	Recoveries \$	Total \$
Halfway Lake	188,028	52,373	133	50,079	20,040	41,383	-	352,036
Hunter	3,128	-	-	-	-	12,678	-	15,806
Mel	17,971	-	859	-	162	14,914	-	33,906
Odei River	25,502	-	-	-	-	7,543	-	33,045
Resting Lake	131,348	-	-	-	-	-	-	131,348
MMDF Grant	-	-	-	-	-	-	-	-
Total	365,977	52,373	992	50,079	20,202	76,518	-	566,141

During the period ended October 31, 2024, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics \$	Drilling \$	Travel & Transport \$	Data Analysis \$	Field Supplies \$	Personnel \$	Recoveries \$	Total \$
Halfway Lake	68,535	16,911	735	7,642	7,255	66,000	-	167,078
Hunter	-	-	-	-	-	-	-	-
Mel	1,200	-	1,001	-	14,137	-	-	16,338
Odei River	-	-	-	-	-	-	-	-
Resting Lake	50,553	-	-	-	-	4,563	-	55,116
MMDF Grant	-	-	-	-	-	-	(69,100)	(69,100)
Total	120,288	16,911	1,736	7,642	21,392	70,563	(69,100)	169,432

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

6 Share Capital

The Company has authorized capital consisting of an unlimited number of common shares without par value.

Share Issuances

- a) During the period ended October 31, 2025, the Company issued 1,777,862 common shares from the exercise of share purchase warrants for total gross proceeds of \$384,806.

During the year ended April 30, 2025, the Company issued 44,401 common shares from the exercise of share purchase warrants for total gross proceeds of \$5,983.

- b) During the period ended October 31, 2025, the Company issued 1,539,849 common shares from the exercise of stock options for gross proceeds of \$83,543.

During the year ended April 30, 2025, the Company issued 1,321,326 common shares from the exercise of stock options for gross proceeds of \$67,617.

- c) On October 31, 2024, the Company completed a non-brokered private placement and issued 3,313,572 units at a price of \$0.175 per unit for gross proceeds of \$579,875. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

On October 18, 2024, the Company completed two non-brokered private placements and issued 7,500,000 Flow-Through Unit ("FT Unit") at a price of \$0.30 per FT Unit for gross proceeds of \$2,250,000 and 1,440,000 non-flow-through units ("NFT Units") at a price of \$0.175 per NFT Unit for gross proceeds of \$252,000. Each FT Unit and NFT Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

On September 20, 2024, the Company completed a non-brokered private placement and issued 8,000,000 flow-through units for gross proceeds of \$400,000. Each flow-through unit was sold at a price of \$0.05 and consists of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.06.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options	Weighted average exercise price \$
Outstanding – April 30, 2024	1,365,092	0.05
Granted	5,450,000	0.15
Exercised	(1,321,326)	0.05
Expired/Cancelled	(463,917)	0.16
Outstanding – April 30, 2025	5,029,849	0.15
Exercised	(1,539,849)	0.05
Outstanding – October 31, 2025	3,490,000	0.19

As at October 31, 2025, the following stock options were outstanding:

	Number of options outstanding	Exercisable price \$	Expiry date
	1,590,000	0.20	October 21, 2027
	1,900,000	0.175	January 30, 2028
Total	3,490,000		

Warrants

	Number of warrants	Weighted average exercise price \$
Outstanding – April 30, 2024	6,703,211	0.17
Granted	16,253,572	0.24
Exercised	(44,401)	0.13
Expired	(2,313,629)	0.18
Outstanding – April 30, 2025	20,598,753	0.23
Exercised	(1,777,862)	0.22
Outstanding – October 31, 2025	18,820,891	0.23

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Share Stock Options and Warrants (continued)

At October 31, 2025, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
194,453	0.225	November 1, 2025
2,177,200	0.14	December 28, 2025
195,666	0.09	December 28, 2025
4,000,000	0.06	September 20, 2027
7,500,000	0.30	October 18, 2027
1,440,000	0.30	October 18, 2027
3,313,572	0.30	October 31, 2027
Total	18,820,891	

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is estimated using the historical volatility of CanAlaska Uranium Ltd.'s share price. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the three and nine months ended October 31, 2025 and 2024:

	Six months ended October 31 2025	Six months ended October 31 2024
Options		
Weighted average fair value	-	\$0.07
Forfeiture rate	-	0%
Risk-free interest rate	-	2.99% - 4.06%
Expected life	-	3.0 years
Expected volatility	-	82.7% - 86.6%
Expected dividend	-	0%

	Six months ended October 31 2025	Six months ended October 31 2024
Warrants		
Weighted average fair value	-	\$0.12
Forfeiture rate	-	0%
Risk-free interest rate	-	2.82% - 3.01%
Expected life	-	3.0 years
Expected volatility	-	100%
Expected dividend	-	0%

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

8 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals. The remuneration of directors and key management of the Company for the three and six months ended October 31, 2025 and 2024 were as follows.

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Employment benefits	83,709	75,000	175,823	151,500
Consulting fees	18,000	18,000	18,000	34,000
Share-based compensation	-	186,179	-	234,156

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Rent	3,629	3,416	9,386	9,859
Other expenses and exploration costs	488	982	1,218	4,466

Included in trade and other payables at October 31, 2025 is \$nil (April 30, 2025 - \$3,914) due to officers and directors and companies with directors and/or officers in common.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

9 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company has no external restrictions on the management of capital. There was no change to the Company's approach to capital management during the period ended October 31, 2025.

10 Subsequent Event

On November 26, 2025, the Company announced the closing of the concurrent financing with Arizona Copper and Gold ("ACG") previously disclosed on October 2, 2025. As part of the offering, the Company issued 1,362,374 Subscription Receipts at a price of \$1.20 per subscription receipt for gross proceeds of \$1,634,849. The concurrent financings were completed in connection with the proposed business combination pursuant to which the Company will acquire all of the issued and outstanding securities of ACG resulting in a reverse takeover of Core Nickel by ACG's shareholders (the "Proposed Transaction"). Each Subscription Receipt entitles the holders thereof to receive, upon completion of the Proposed Transaction, and for no additional consideration and without further action on the part of the holder thereof, (i) one common share of Core Nickel (after taking into account the expected 8.5:1 consolidation of the Core Nickel common shares prior to completion of the Proposed Transaction (the "Consolidation"), such shares being referred to as the "Resulting Issuer Shares"), and (ii) one Resulting Issuer Share purchase warrant (the "Resulting Issuer Warrants") issued on a post-Consolidation basis. Each Resulting Issuer Warrant will be exercisable for one Resulting Issuer Share for a period of three years from the closing date of the Concurrent Offerings at an exercise price of \$1.50 per Resulting Issuer Share. Subject to the receipt of all necessary approvals, Core Nickel, as it will be constituted after giving effect to the Consolidation and the Proposed Transaction, is referred to herein as the "Resulting Issuer".

The Core Nickel Subscription Receipts and the underlying Resulting Issuer Shares and Resulting Issuer Warrants (and the Resulting Issuer Shares issuable upon exercise of such Resulting Issuer Warrants) are subject to a statutory hold period of four months and one day from the date of issuance of the Subscription Receipts. Closing of the Core Nickel Offering remains subject to final approval of the TSX Venture Exchange. The ACG Subscription Receipts are currently subject to an indefinite statutory hold period however, upon conversion of the ACG

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2025 and 2024

(Unaudited)

(Expressed in Canadian dollars except where indicated)

10 Subsequent Event (continued)

Subscription Receipts immediately prior to completion of the Proposed Transaction, the Resulting Issuer Shares and Resulting Issuer Warrants to be issued to holders of ACG Subscription Receipts will not be subject to a statutory hold period under applicable Canadian securities laws once issued in connection with the Proposed Transaction.



Core Nickel Corp.

CSE: CNCO

Management Discussion and Analysis of Financial Condition and Results of Operations For the three and six months ended October 31, 2025

This Management's Discussion and Analysis ("**MD&A**") compares the financial results of Core Nickel Corp. ("**Core Nickel**" or the "**Company**") for the three and six months ended October 31, 2025 ("**second quarter 2026**" and "**six months fiscal 2026**") with the comparable period in 2024 ("**second quarter 2025**" and "**six months fiscal 2025**"). In order to gain a more complete understanding of the Company's financial condition and results of operations, this MD&A should be read in conjunction with the April 30, 2025 audited financial statements and accompanying notes which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and filed with the appropriate provincial regulatory bodies. The Company discloses additional information through press releases and financial information available on the Company's website at www.corenickel.com and on the SEDAR+ website, www.sedarplus.ca.

Core Nickel was incorporated on May 2, 2022, under the laws of Canada Business Corporation Act and commenced trading on the Canadian Securities Exchange (the "CSE") on November 27, 2023 under the symbol "CNCO". On May 5, 2025, the Company announced that it was delisted on the CSE and commenced trading on the Toronto Stock Venture Exchange (the "TSXV") under the symbol "CNCO". The Company's head office and principal address is suite 204, 75 – 24th Street East, Saskatoon, Saskatchewan, Canada, S7K 1K3. The Company's registered and records office is 900 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3H1.

The Company is considered to be in the exploration stage with respect to its mineral properties. The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS").

The information contained in this document is provided as of December 5, 2025 (the "**Report Date**").

OVERVIEW

Core Nickel is principally engaged in the evaluation, acquisition and exploration of nickel properties that are located in the Thompson Nickel Belt in Northern Manitoba, Canada. The Company's projects range from early-stage grassroots exploration through advanced-stage resource delineation. The Company's business model is to build shareholder value through systematic project advancement while concurrently maintaining an opportunistic approach to the acquisition of additional nickel properties. Core Nickel actively manages its property portfolio. The Company may farm out or relinquish properties when exploration results suggest that further expenditures by the Company are unwarranted.

Core Nickel has no producing operations and as a consequence, the Company does not generate any operating income or a positive cash flow. Exploration of its properties is therefore entirely dependent on the Company's ability to access public equity markets to raise sufficient capital and/or its ability to attract joint venture partners to finance further work on its



properties. With a working capital of approximately \$687,088 at October 31, 2025, Core Nickel is well financed to support its anticipated exploration programs for the remainder of 2025.

Exploration Projects

The Company currently holds interests in five exploration projects located in the Thompson Nickel Belt in northern Manitoba, totaling 27,028 hectares of exploration ground. The Company's current project portfolio was generated by CanAlaska Uranium Ltd, ("CanAlaska") and all five properties held by the company were included in the spinout arrangement between CanAlaska and the Company on November 11, 2023. The majority of the Company's land is classified as greenfield or early-stage exploration, with the exception of the Mel property, which hosts the Mel deposit.

Mel Project, Manitoba

The Mel project is located in the northeastern portion of the Thompson Nickel Belt, approximately 20 kilometres northeast of the city of Thompson, Manitoba. The Mel project comprises one mineral lease and ten mineral claims covering a total of 2,613 hectares, with a carrying value of \$997,309. The property is 100% owned by the Company, subject to a 10% net profit royalty to Vale, and the Company has a milling agreement with Vale at cash cost plus 5%.

The Mel project was initially explored by Canada Nickel Co. Ltd. (a wholly owned subsidiary of INCO). INCO (now Vale) discovered the Mel deposit in 1961, and exploration on the property continued into the early 1970s. Exploration ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. (previously Nunisco Resources). Victory Nickel Inc. primarily focused its exploration efforts on the Mel deposit, with minimal exploration on the remainder of the property. In 2007, Victory Nickel Inc. acquired the Mel property and completed a NI 43-101 resources estimate on the Mel deposit, indicating a historical indicated resource of 4,279,000 tonnes at 0.875% nickel and a historical inferred resource of 1,010,000 tonnes at 0.839% nickel (refer to the "Technical Report on the Mel Deposit, Northern Manitoba" prepared for Victory Nickel Inc. by Shane Naccashian (P. Geo) of Wardrop Engineering Inc. dated March 9, 2007). CanAlaska completed the acquisition of the Mel Deposit, the Mel mining lease, and ten mineral claims on May 15, 2023, through the receivership responsible for liquidating Victory Nickel's assets. On November 11, 2023, CanAlaska included the Mel deposit, the Mel mining lease, and ten mineral claims in the spinout arrangement with the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Mel property in 2023, the [Technical Report on the MEL Property Thompson Region, Manitoba](http://www.sedarplus.ca). The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca.

Hunter Property, Manitoba

The Hunter property is 100% owned by the Company and has a carrying value of \$28,885. The property consists of eleven claim blocks and one mineral exploration lease (MEL) covering a total of 8,232 hectares and is located approximately 20 kilometres north from the city of Thompson, Manitoba. The Hunter property was explored by various companies including INCO from the 1950s to the early 1970s. Exploration on the Hunter property ceased until the late 1990s, when INCO entered into a joint venture agreement with Victory Nickel Inc. In 2018, CanAlaska staked the mineral exploration lease and ten claim blocks that make up the Hunter project. CanAlaska conducted a property wide airborne VTEM survey over Hunter and included the Hunter project in the spinout arrangement with the Company.

Odei River, Manitoba

The Odei River has a carrying value of \$5,107 and consists of one mineral exploration license for a total of 9,411 hectares. The property is located in the Thompson Nickel Belt, Manitoba and is situated approximately 20 kilometres north of the City of Thompson, Manitoba. The property was explored in the 1960s by Canadian Nickel Company (a wholly owned subsidiary of INCO) and Merrit Copper. In 1999, the property was staked by Victory Nickel and INCO, and exploration activities were carried out under a JV between Victory Nickel and INCO until 2007. In 2022, CanAlaska staked the Odei River property and in 2023, the property was included in the spinout arrangement between CanAlaska and the Company.



Resting Lake Project, Manitoba

The Resting Lake project consists of eleven claim blocks covering a total of 2,322 hectares in the southern portion of the Thompson Nickel Belt situated approximately five kilometres to the southwest of Wabowden, Manitoba. The property was covered by a regional electromagnetic survey by INCO in 1949 and was later explored by Falconbridge Nickel Mines Ltd. and Bowden Lake Nickel Mines Limited in 1959 to 1975 and in 1994. CanAlaska staked the Resting Lake claims in 2021 and conducted a property wide aeromagnetic survey in 2022. The property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Resting Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca. Core Nickel completed a property wide airborne electromagnetic (VTEM) survey in 2024. The Resting Lake property has a carrying value of \$17,505.

Halfway Lake Property, Manitoba

The Halfway Lake property consists of twenty-two mineral claims covering a total of 4,450 hectares in the southern portion of the Thompson Nickel Belt, Manitoba, situated approximately 12 kilometres to the northeast of Wabowden, Manitoba. The property was explored by National Malartic in the late 1950s and early 1960s, and by Falconbridge from 1962 to 1975 and in 1994. CanAlaska staked eight of the Halfway Lake claims in 2021 and another twelve claims in 2022 to form a contiguous land package, while also conducting a property wide aeromagnetic survey in 2022. In 2023, the property was included in the spinout arrangement between CanAlaska and the Company. Dr. Chris Beaumont-Smith prepared a 43-101 technical report for the Company on the Halfway Lake property in 2023, the Technical Report on the Halfway and Resting Lake Properties Thompson, Manitoba. The report is filed under the Company's profile on SEDAR+ www.sedarplus.ca. Core Nickel completed just under 800 m in 3 diamond drillholes and a property wide airborne electromagnetic (VTEM) survey in 2024. Most recently, the Company completed 3,585.5 m in twelve diamond drillholes on the property in the winter of 2025. The Halfway Lake property has a carrying value of \$104,998.

For additional information please visit the Company's website www.corenickel.com.

RESULTS OF OPERATIONS

For the three months ended October 31, 2025

The loss for the three months ended October 31, 2025 was \$663,281, compared to \$463,447 for the prior year's comparative period.

Expenses for the three months ended October 31, 2025 amounted to \$268,800 (October 31, 2024: \$393,144).

A summary of the costs is described in the paragraph below.

- Mineral property expenditures in the amount of \$394,481 were incurred. (October 31, 2024: \$70,303)
- Insurance in the amount of \$5,171 was incurred. (October 31, 2024: \$7,795)
- Interest income in the amount of \$3,710 was earned. (October 31, 2024: \$6,771)
- Legal, audit, and accounting fees in the amount of \$115,415 were incurred. (October 31, 2024: \$56,012)
- Management fees in the amount of \$117,505 were incurred. (October 31, 2024: \$54,020)
- Office and miscellaneous costs in the amount of (\$2,801) were incurred. (October 31, 2024: (\$3,817))
- Regulatory and transfer agent fees in the amount of \$11,961 were incurred. (October 31, 2024: \$24,291)
- Rent costs of \$3,628 were incurred. (October 31, 2024: \$8,494)
- Share-based compensation in the amount of \$nil was incurred. (October 31, 2024: \$196,354).
- Investor relations and presentations expenses of \$16,408 were incurred. (October 31, 2024: \$69,018)
- Wages and benefits in the amount of \$5,223 were incurred. (October 31, 2024: \$5,352)
- Flow through premium in the amount of \$nil was recognized. (October 31, 2024: \$15,534)



For the six months ended October 31, 2025

The loss for the six months ended October 31, 2025 was \$1,028,104, compared to \$765,475 for the prior year's comparative period.

Expenses for the six months ended October 31, 2025 amounted to \$461,963 (October 31, 2024: \$5996,043).

A summary of the costs is described in the paragraph below.

- Mineral property expenditures in the amount of \$566,141 were incurred. (October 31, 2024: \$169,432)
- Insurance in the amount of \$10,341 was incurred. (October 31, 2024: \$15,654)
- Interest income in the amount of \$12,270 was earned. (October 31, 2024: \$15,612)
- Legal, audit, and accounting fees in the amount of \$194,422 were incurred. (October 31, 2024: \$73,834)
- Management fees in the amount of \$173,005 were incurred. (October 31, 2024: \$110,500)
- Office and miscellaneous costs in the amount of \$13,403 were incurred. (October 31, 2024: \$10,008)
- Regulatory and transfer agent fees in the amount of \$22,693 were incurred. (October 31, 2024: \$31,986)
- Rent costs of \$9,386 were incurred. (October 31, 2024: \$9,859)
- Share-based compensation in the amount of \$nil was incurred. (October 31, 2024: \$247,487).
- Investor relations and presentations expenses of \$26,506 were incurred. (October 31, 2024: \$105,372)
- Travel and accommodations costs of \$4,392 were incurred. (October 31, 2024: \$5,686)
- Wages and benefits in the amount of \$20,085 were incurred. (October 31, 2024: \$16,803)
- Flow through premium in the amount of \$nil was recognized. (October 31, 2024: \$15,534)

Summary of Quarterly Results

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

Year: Quarter Ended:	2025 Oct 31	2025 Jul 31	2025 Apr 30	2025 Jan 31	2024 Oct 31	2024 Jul 31	2024 Apr 30	2024 Jan 31
Net sales or total revenue	\$Nil	\$Nil	\$Nil	\$Ni	\$Nil	\$Nil	\$Nil	\$Nil
Total Assets	\$1,897,627	\$2,238,583	\$3,079,131	\$4,672,356	\$4,972,687	\$1,708,356	\$2,047,983	\$2,436,578
Net income (loss):								
(i) in total	\$(663,281)	\$(364,823)	\$(1,193,454)	\$(531,004)	\$(463,447)	\$(302,028)	\$(554,967)	\$(145,835)
(ii) per share ⁽¹⁾	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)	\$(0.02)

(1) Basis and diluted loss per share are the same as the Company has losses and they are anti-dilutive, hence not disclosed.

While the information set out in the foregoing table is mandated by *National Instrument 51-102*, it is management's view that the variations in financial results that occur from quarter to quarter are not particularly helpful in analyzing the Company's performance. It is in the nature of the business of junior exploration companies that unless they sell a mineral interest for a sum greater than the costs incurred in acquiring such interest, they have no significant net sales or total revenue.



Significant variances in the Company's reported loss from quarter to quarter most commonly arise from several factors that are difficult to anticipate in advance or to predict from past results. These factors include: (i) level of exploration and project evaluations expenses incurred, (ii) decisions to write off acquisition costs when management concludes there has been an impairment in the carrying value of a mineral property, or the property is abandoned, and (iii) the vesting of incentive stock options, which results in the recording of amounts for share-based compensation expense that can be quite large in relation to other general and administrative expenses incurred in any given quarter.

Financing Activities

During the six months ended October 31, 2025, the Company issued 1,539,849 common shares from the exercise of stock options for gross proceeds of \$83,542 and issued 1,777,862 common shares from the exercise of warrants for gross proceeds of \$384,806.

During the six months ended October 31, 2024, the Company issued 20,253,572 common shares from private placement financings for gross proceeds of \$3,481,875, 847,642 common shares from the exercise of stock options for gross proceeds of \$43,932, 40,804 common shares from the exercise of warrants for gross proceeds of \$5,443 and received \$69,100 from the Manitoba government related to the second tranche of the Manitoba Mineral Development Fund, which is a nonrepayable grant.

Project Activities

In the third quarter of 2025, Core Nickel released results from property-wide VTEM™ airborne electromagnetic surveys on the Mel and Odei River projects; these surveys were also integrated with the previously flown 2022 Hunter project dataset. The reinterpretation by Balch Exploration Consulting provides contiguous geophysical coverage across the Company's northern land package in the Thompson Nickel Belt. The surveys confirm strong correlations between nickel sulphide mineralization and geophysical responses at Mel, where opportunities for expansion remain open to the south and west. These surveys also identified multiple kilometre-scale magnetic and conductive trends at Hunter and Odei River. This integrated dataset establishes a consistent foundation for target ranking, drill planning, and advancement of high-priority exploration targets across Core Nickel's northern land package.

Off Balance Sheet Arrangements

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

Transactions with Related Parties

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer.

The Company entered into the following transactions with related parties and key management personnel during the six months ended October 31, 2025.

Paid or accrued the following to Misty Urbatsch, the former President, Director and Chief Executive Officer of the Company who resigned on September 8, 2025:

	2025	2024
Management fees	\$ 117,005	\$ 76,500
Share-based compensation	-	83,489



Paid or accrued the following to Harry Chan, the Chief Financial Officer of the Company:

	2025	2024
Management fees	\$ 36,000	\$ 34,000
Share-based compensation	-	21,399

Paid or accrued the following to Caitlin Glew, the former Vice-President of Exploration of the Company who resigned on August 31, 2025:

	2025	2024
Wages	\$ 58,817	\$ 75,000
Share-based compensation	-	65,072

Paid or accrued the following to CanAlaska Uranium Ltd., a company with common directors and/or officer:

	2025	2023
Rent	\$ 9,386	\$ 9,859
Accounting, geology & other	1,218	4,466

Paid or accrued the following to the non-executive directors of the Company:

	2025	2023
Share-based compensation	-	64,196

Included in trade and other payables at October 31, 2025 is \$nil (October 31, 2024 - \$1,475) due to officers and directors and companies with directors and/or officers in common.

LIQUIDITY AND CAPITAL RESOURCES

Core Nickel has no operations that generate cash flows and the Company's future financial success will depend on the discovery of one or more economic mineral deposits. This process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company's management.

For the foreseeable future, Core Nickel will rely upon its ability to raise financing through the sale of equity. This is dependent on positive investor sentiment, which in turn is influenced by a positive climate for nickel exploration generally, a company's track record and the experience and calibre of a company's management.

There is no assurance that Core Nickel will be able to access equity funding at the times and in the amounts required to fund the Company's activities. The outlook for the world economy remains uncertain and vulnerable to various events that could adversely affect the Company's ability to raise additional funds going forward.



Cash and Financial Condition

The Company had a working capital of approximately \$687,088 at October 31, 2025, which is sufficient to cover anticipated operating costs and expenditures on the exploration programs on its properties for the near term. The Company may need to seek financing in the near term in order to fund its planned exploration programs. Nevertheless, the Company will evaluate offers of financing to enable the Company to maintain a strong balance sheet while continuing to fund exploration projects that are generating positive results.

Core Nickel has no other debt, does not have any unused lines of credit or other arrangement in place to borrow funds, and has no off-sheet balance arrangement. The Company has no current plans to use additional debt financing and does not use hedges or other financial derivatives.

Financial Instruments

The Company's financial instruments currently consist of cash and cash equivalents, prepaid and deposit, and accounts payable and accrued liabilities. The fair value of cash and cash equivalents and prepaid and deposits are measured based on Level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximates their book values because of the short-term nature of these instruments. Moreover, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

OUTSTANDING SECURITIES DATA

On the Report Date, the Company had the following securities outstanding:

Common Shares	54,991,718
Options	3,490,000
Warrants	<u>18,626,438</u>
Fully Diluted	<u>77,108,156</u>

FUTURE CHANGES IN ACCOUNTING POLICIES NOT YET EFFECTIVE

In April 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.



OUTLOOK

On November 26, 2025, the Company announced the closing of the concurrent financing with Arizona Copper and Gold (“ACG”) previously disclosed on October 2, 2025. As part of the offering, the Company issued 1,362,374 Subscription Receipts at a price of \$1.20 per subscription receipt for gross proceeds of \$1,634,849. The concurrent financings were completed in connection with the proposed business combination pursuant to which the Company will acquire all of the issued and outstanding securities of ACG resulting in a reverse takeover of Core Nickel by ACG’s shareholders (the “Proposed Transaction”). Each Subscription Receipt entitles the holders thereof to receive, upon completion of the Proposed Transaction, and for no additional consideration and without further action on the part of the holder thereof, (i) one common share of Core Nickel (after taking into account the expected 8.5:1 consolidation of the Core Nickel common shares prior to completion of the Proposed Transaction (the “Consolidation”), such shares being referred to as the “Resulting Issuer Shares”), and (ii) one Resulting Issuer Share purchase warrant (the “Resulting Issuer Warrants”) issued on a post-Consolidation basis. Each Resulting Issuer Warrant will be exercisable for one Resulting Issuer Share for a period of three years from the closing date of the Concurrent Offerings at an exercise price of \$1.50 per Resulting Issuer Share. Subject to the receipt of all necessary approvals, Core Nickel, as it will be constituted after giving effect to the Consolidation and the Proposed Transaction, is referred to herein as the “Resulting Issuer”.

The Core Nickel Subscription Receipts and the underlying Resulting Issuer Shares and Resulting Issuer Warrants (and the Resulting Issuer Shares issuable upon exercise of such Resulting Issuer Warrants) are subject to a statutory hold period of four months and one day from the date of issuance of the Subscription Receipts. Closing of the Core Nickel Offering remains subject to final approval of the TSX Venture Exchange. The ACG Subscription Receipts are currently subject to an indefinite statutory hold period however, upon conversion of the ACG Subscription Receipts immediately prior to completion of the Proposed Transaction, the Resulting Issuer Shares and Resulting Issuer Warrants to be issued to holders of ACG Subscription Receipts will not be subject to a statutory hold period under applicable Canadian securities laws once issued in connection with the Proposed Transaction.

Please see [news releases](#) dated September 16, 2025, November 24, 2025 and November 26, 2025 for further details on the Proposed Transaction.

FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of the British Columbia Securities Act. This includes statements concerning the Company’s plans at its mineral properties, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire and maintain exploration properties and to carry out its desired exploration programs; competition within the minerals industry to acquire properties of merit, and competition from other companies possessing greater technical and financial resources; difficulties in executing exploration programs on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions, or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company’s properties, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each management’s discussion and analysis of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking



information. Except as required under applicable securities legislation, the Company undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.

**ARIZONA COPPER AND GOLD LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Arizona Copper and Gold Ltd.

Opinion

We have audited the consolidated financial statements of Arizona Copper and Gold Ltd. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

McGovern Hurley LLP



Chartered Professional Accountants

Licensed Public Accountants

Toronto, Ontario

February 13, 2026

Arizona Copper and Gold Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 87	\$ 2
Sales tax recoverable	1,129	-
Prepaid expenses	85,913	-
Total assets	\$ 87,129	\$ 2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 130,094	\$ -
Total liabilities	130,094	-
Shareholders' equity		
Share capital (note 5)	300,002	2
Deficit	(342,967)	-
Total shareholders' (deficiency) equity	(42,965)	2
Total liabilities and shareholders' equity	\$ 87,129	\$ 2

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

Nature of operations and going concern (note 1)
 Commitments and contingencies (notes 6 and 9)
 Subsequent events (note 10)

Approved on behalf of the Board:

(Signed) "Marc Pais" _____ Director

(Signed) "Kevin Reid" _____ Director

Arizona Copper and Gold Ltd.**Consolidated Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating expenses		
Exploration and evaluation expenditures (note 6)	\$ 301,357	\$ -
Office and general	7,324	-
Professional fees	34,286	-
Net loss and comprehensive loss for the year	\$ (342,967)	\$ -
Basic and diluted net loss per share	\$ (0.05)	\$ -
Weighted average number of common shares outstanding	6,732,440	200

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

Arizona Copper and Gold Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital							
		Shares	Amount	Deficit	Total				
Balance, December 31, 2022	\$	-	200	\$	2	\$	2		
Net loss for the year		-	-		-		-		
Balance, December 31, 2023	\$	-	200	\$	2	\$	2		
Private placements (note 5(b))		-	14,000,000		300,000		300,000		
Net loss for the year		-	-		(342,967)		(342,967)		
Balance, December 31, 2024	\$	-	14,000,200	\$	300,002	\$	(342,967)	\$	(42,965)

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

Arizona Copper and Gold Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating activities		
Net loss for the year	\$ (342,967)	\$ -
Changes in non-cash working capital items:		
Sales tax recoverable	(1,129)	-
Prepaid expenses and deposits	(85,913)	-
Accounts payable and accrued liabilities	130,094	-
Net cash used in operating activities	(299,915)	-
Financing activities		
Private placements	300,000	-
Net cash provided by financing activities	300,000	-
Net change in cash	85	-
Cash, beginning of year	2	2
Cash, end of year	\$ 87	\$ 2

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

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Arizona Copper and Gold Ltd. ("ACG" or the "Company") was incorporated under the name "Magellan Investment Corp." under the Ontario Business Corporation Act on September 17, 2021. Pursuant to Articles of Amendment dated November 7, 2023, the name of the Company was changed to "Arizona Gold Mines Inc." and pursuant to Articles of Amendment dated January 20, 2025, the name of the Company was further changed to "Arizona Copper and Gold Ltd.". The Company's head office, principal address and registered and records office is located at 82 Government Road, Toronto, Ontario, M8X 1W3.

The Company is a mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona. At the date of these consolidated financial statements, the Company does not have any operating mines, nor has it earned any income from production.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current liabilities in excess of current assets of \$42,965 at December 31, 2024. For the year ended December 31, 2024, the Company had a net loss of \$342,967 (year ended December 31, 2023 - \$nil), and had cash outflows from operations of \$299,915 (year ended December 31, 2023 - \$nil).

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2024.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 13, 2026.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of its subsidiary is the Canadian dollar.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Arizona Copper and Gold Ltd.	Canada	Parent company
AZ Desert Land Holdings Corp. (i)	Arizona, USA	Exploration company

(i) 100% owned by Arizona Copper and Gold Ltd.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Financial instruments

Recognition and initial measurement

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets are classified according to the following measurement categories:

- i) amortized cost; or
- ii) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- iii) amortized cost; or
- iv) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives).

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

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and sales tax recoverable which are classified and subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the consolidated statements of financial position 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); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of the Company's financial instruments approximates fair value due to their short-term maturity.

Cash

Cash includes cash on hand and cash held with a Canadian chartered bank.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred on mineral properties not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible or tangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

Mineral property assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of the mine.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Decommissioning provision

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no restoration, rehabilitation and environment costs as the disturbance to date has been minimal.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Related party transactions

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

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognised in consolidated statement of loss.

Impairment of non-financial assets

All non-financial assets are reviewed at the end of each reporting period to determine whether the carrying amount may not be recoverable. If evidence of impairment is identified, the asset is tested for impairment.

For purposes of impairment testing, if a non-financial asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, it is grouped with other assets to create a cash-generating unit (CGU), which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of a non-financial asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over its useful life using management's forecast tools (for the three first years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss recognized in prior periods for a non-financial asset or a CGU is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Critical accounting estimates and judgments (continued)

Critical accounting estimates

(a) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(b) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(c) Decommissioning provision

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value using the current market-based discount rate, inflation rate and considering amount or timing of the underlying cash flows needed to settle the obligation.

Critical judgments in applying accounting policies

(a) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

Loss per share

Basic loss per share is computed by dividing the loss for the period available to common shareholders by the weighted average number of shares outstanding during the years. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

New accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments - Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 - Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Capital risk management

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2024, totaled a deficit of \$42,965 (December 31, 2023 - equity of \$2).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

There were no changes in the Company's process, policies and approach to capital management during the years ended December 31, 2024 and 2023.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

4. Financial instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sales tax recoverable. Cash is held with Canadian chartered banks, from which management believes the risk of loss to be minimal.

Sales tax recoverable are receivable from government authorities in Canada. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2024, the Company had cash of \$87 (December 31, 2023 - cash of \$2) to settle current liabilities of \$130,094 (December 31, 2023 - \$nil). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company obtained its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

5. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022 and December 31, 2023	200	\$ 2
Private placements (i)(ii)	14,000,000	300,000
Balance, December 31, 2024	14,000,200	\$ 300,002

(i) On July 8, 2024, the Company completed a private placement of 10,000,000 common shares of the Company at a price of \$0.01 per common share for gross proceeds of \$100,000.

(ii) On July 8, 2024, the Company completed a private placement of 4,000,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$200,000.

6. Exploration and evaluation expenditures

Year ended December 31,	2024	2023
Eagle Project		
Acquisition cost and claims	\$ 57,673	\$ -
Concession fees and taxes	65,027	-
Consulting	129,260	-
Assays	29,247	-
Legal fees	17,175	-
Foreign exchange adjustment	2,975	-
Total exploration and evaluation expenditures	\$ 301,357	\$ -

Eagle Project

During the year ended December 31, 2024, the Company acquired 100% of the Eagle Property located on BLM claims in Yavapai County, Arizona that are not subject to any royalties.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

7. Income tax

Provision for income taxes

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

Year ended December 31,	2024	2023
Loss before income tax	\$ (342,967)	\$ -
Statutory tax rate	26.50 %	26.50 %
Expected income tax recovery based on statutory rate	(91,000)	-
Adjustment to expected income tax recovery:		
Change in benefit of tax assets not recognized	91,000	-
Deferred income tax provision (recovery)	\$ -	\$ -

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Unrecognized deferred tax assets as at December 31,	2024	2023
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	\$ 42,000	\$ -
Mineral property costs	301,000	-
Total	\$ 343,000	\$ -

As at December 31, 2024, the Company has unclaimed non-capital losses that expire as follows:

Expires:	2044	\$ 42,000
		<u>\$ 42,000</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

8. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

During the years ended December 31, 2024 and 2023, the private placements were fully subscribed by the directors of the Company.

9. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. Subsequent events

Property acquisitions

- (i) On February 12, 2025, the Company entered into an agreement to acquire a 100% interest in three past-producing gold mines (Sunol, Palo Alto, and Columbia mines) located on a patented land, which are not subject to any royalties (the "Freeman Property Acquisition") for \$1,007,452 (US\$721,568). The Company also acquired two adjacent BLM claims. The Freeman Property Acquisition was completed on May 5, 2025.
- (ii) On February 19, 2025, the Company entered into an agreement to acquire a 100% interest in past-producing McCabe gold mine located on a patented land which include water rights (the "McCabe Property Acquisition") for \$2,753,578 (US\$2,002,776). The property is subject to a 2% NSR Royalty. Prior to the completion of a feasibility study, the Company may purchase 1% of the Royalty for US\$1,000,000. The McCabe Property Acquisition was completed on June 25, 2025.
- (iii) Subsequent to December 31, 2024, the Company completed the acquisitions of several parcels comprising patented mining claims and adjacent real property within the Eagle Project area in Yavapai County, Arizona, for aggregate consideration of approximately \$2,414,009 (US\$1,724,651). These purchases were negotiated at arm's length, closed between October 2025 and January 2026, and did not involve the acquisition of operating businesses or the assumption of liabilities.
- (iv) As at the date of approval of these financial statements, the Company has also entered into conditional purchase agreements for three additional adjacent parcels of real property for aggregate consideration of approximately US\$631,000, with scheduled closings in February and March 2026, each subject to completion of due diligence, title review and other customary closing conditions. Earnest money deposits have been paid under these agreements and, while management expects each transaction to close on the stated timelines, there can be no assurance that the acquisitions will be completed as contemplated.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

10. Subsequent events (continued)

Private placements

- (i) On January 15, 2025, the Company completed a private placement of 2,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$125,000.
- (ii) On February 24, 2025, the Company completed a private placement of 3,400,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$340,000.
- (iii) On March 26, 2025, the Company completed a private placement of 2,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$1,000,000.
- (iv) On April 30, 2025, the Company completed a private placement of 1,850,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$185,000.
- (v) On April 30, 2025, the Company completed a private placement of 1,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$500,000.
- (vi) On August 29, 2025, the Company completed a private placement of 1,600,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,600,000.
- (vi) On September 11, 15 and 16, 2025, the Company completed a private placement of 1,030,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,030,000. In connection with the private placement, the Company issued 31,750 common shares as finders' fees.

Subscription receipts financing

On March 26, 2025, the Company closed the first tranche of its subscription receipt financing ("Subscription Receipts Financing") pursuant to which it issued 8,660,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,330,000. On April 30, 2025, the Company closed its second and final tranche of its Subscription Receipts Financing, pursuant to which it issued 3,590,000 Subscription Receipts for gross proceeds of \$1,795,000. In connection with the Subscription Receipts Financing, the Company issued 207,000 Subscription Receipts as finders' fees. Each Subscription Receipt is convertible into a common share of the Company for no additional consideration.

On May 5, 2025, 4,359,950 Subscription Receipts were converted into 4,359,950 common shares of the Company upon the completion of the Freeman Property Acquisition.

On June 25, 2025, 8,097,050 Subscription Receipts were converted into 8,097,050 common shares of the Company upon the completion of the McCabe Property Acquisition.

Stock option grant

On June 16, 2025, the Company granted 2,500,000 stock options to directors and officers of the Company with exercise price of \$0.50 per share, expiring in 5 years. 1,000,000 stock options vested immediately. 1,500,000 stock options vest 1/4 immediately, 1/4 on December 16, 2025, 1/4 on June 16, 2026, 1/4 on December 16, 2026.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

10. Subsequent events (continued)

Proposed reverse takeover transaction

On September 15, 2025, the Company, together with Core Nickel Corp. ("Core", TSX-V: CNCO), entered into a non-binding letter of intent pursuant to which Core will acquire all of the issued and outstanding securities of the Company resulting in a reverse takeover (the "Transaction") of Core by the Company's shareholders. In connection with the Transaction, the Company will complete an offering of subscription receipts (see "Concurrent Financing" below).

Completion of the Transaction is subject to a number of conditions, including, among other items, the entering into of a definitive agreement between the parties in respect of the Transaction and receipt of all required shareholder, regulatory and third-party consents, including approval of the Transaction by the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as contemplated or at all.

Concurrent Financing

On November 25, 2025, Core Nickel and ACG completed a private placement (the "Concurrent Financing") of 2,659,542 subscription receipts of ACG (the "ACG Subscription Receipts") and Core Nickel (the "Core Nickel Subscription Receipts") at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,4500.

On November 25, 2025, Core Nickel and ACG completed the Concurrent Financings of 1,297,168 ACG Subscription Receipts and 1,362,374 Core Nickel Subscription Receipts at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,450.

Each ACG Subscription Receipt will automatically convert, upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between ACG, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the Concurrent Financings, without any further action or payment of any additional consideration therefor, and subject to adjustments in certain events, into one ACG Unit, being comprised of one common share of ACG (an "ACG Common Share") and one ACG Share purchase warrant (an "ACG Warrant"). Each ACG Share and ACG Warrant will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one post- common share of the Resulting Issuer (a "Resulting Issuer Share") and one Resulting Issuer Share purchase warrant (a "Resulting Issuer Warrant"), respectively. Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share (a "Resulting Issuer Warrant Share") at an exercise price of 1.50 per Resulting Issuer Warrant Share for a period of three years following the closing date of the Concurrent Financings.

The Core Nickel Subscription Receipts will automatically convert upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between Core Nickle, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, , on or prior to the date which is 120 days following the closing of the private placement, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one (post-Consolidation) Resulting Issuer Unit. Each Resulting Issuer Unit shall be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant.

ARIZONA COPPER AND GOLD LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Arizona Copper and Gold Ltd. (the "Company") have been prepared by and are the responsibility of management.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at September 30, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash	\$ 5,624,698	\$ 87
Sales tax recoverable	17,584	1,129
Prepaid expenses	55,972	85,913
Total current assets	5,698,254	87,129
Non-current assets		
Equipment (note 3)	98,985	-
Total assets	\$ 5,797,239	\$ 87,129
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 160,183	\$ 130,094
Total liabilities	160,183	130,094
Shareholders' equity		
Share capital (note 4)	11,129,885	300,002
Reserves (note 5)	493,562	-
Deficit	(5,986,391)	(342,967)
Total shareholders' (deficiency) equity	5,637,056	(42,965)
Total liabilities and shareholders' equity	\$ 5,797,239	\$ 87,129

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Commitments and contingencies (notes 6 and 8)

Subsequent events (note 10)

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Operating expenses				
Exploration and evaluation expenditures (note 6)	\$ 437,985	\$ 63,268	\$ 4,861,166	\$ 122,261
Office and general	82,608	630	116,507	630
Professional fees	107,438	1,325	172,992	1,643
Share-based payments (notes 5 and 7)	96,283	-	493,562	-
Shareholder information	-	-	5,588	-
Depreciation (note 3)	8,026	-	8,026	-
Operating loss before the following item	(732,340)	(65,223)	(5,657,841)	(124,534)
Interest income	14,417	-	14,417	-
Net loss and comprehensive loss for the period	\$ (717,923)	\$ (65,223)	\$ (5,643,424)	\$ (124,534)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.01)	\$ (0.20)	\$ (0.03)
Weighted average number of common shares outstanding	37,962,366	12,782,809	27,547,496	4,292,171

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Contributed		Total
	Shares	Amount	surplus	Deficit	
Balance, December 31, 2023	200	\$ 2	\$ -	\$ -	\$ 2
Private placements (note 4(b))	14,000,000	300,000	-	-	300,000
Net loss for the period	-	-	-	(124,534)	(124,534)
Balance, September 30, 2024	14,000,200	\$ 300,002	\$ -	\$ (124,534)	\$ 175,468
Balance, December 31, 2024	14,000,200	\$ 300,002	\$ -	\$ (342,967)	\$ (42,965)
Private placements (note 4(b))	13,411,750	4,780,000	-	-	4,780,000
Subscription receipts converted to common shares (note 4(b))	12,457,000	6,049,883	-	-	6,049,883
Share-based payments (note 5)	-	-	493,562	-	493,562
Net loss for the period	-	-	-	(5,643,424)	(5,643,424)
Balance, September 30, 2025	39,868,950	\$ 11,129,885	\$ 493,562	\$ (5,986,391)	\$ 5,637,056

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Operating activities		
Net loss for the period	\$ (5,643,424)	\$ (124,534)
Adjustments for:		
Share-based payments	493,562	-
Depreciation	8,026	-
Changes in non-cash working capital items:		
Sales tax recoverable	(16,455)	(213)
Prepaid expenses and deposits	29,941	(123,983)
Accounts payable and accrued liabilities	30,089	18,673
Net cash used in operating activities	(5,098,261)	(230,057)
Investing activities		
Purchase of equipment	(107,011)	-
Net cash used in investing activities	(107,011)	-
Financing activities		
Private placements and subscription receipts	10,905,000	300,000
Subscription receipts issuance costs	(75,117)	-
Net cash provided by financing activities	10,829,883	300,000
Net change in cash	5,624,611	69,943
Cash, beginning of period	87	2
Cash, end of period	\$ 5,624,698	\$ 69,945
Supplemental information		
Interest received	\$ 14,417	\$ -

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Arizona Copper and Gold Ltd. ("ACG" or the "Company") was incorporated under the name "Magellan Investment Corp." under the Ontario Business Corporation Act on September 17, 2021. Pursuant to Articles of Amendment dated November 7, 2023, the name of the Company was changed to "Arizona Gold Mines Inc." and pursuant to Articles of Amendment dated January 20, 2025, the name of the Company was further changed to "Arizona Copper and Gold Ltd.". The Company's head office, principal address and registered and records office is located at 82 Government Road, Toronto, Ontario, M8X 1W3.

The Company is a mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona. At the date of these unaudited condensed interim consolidated financial statements, the Company does not have any operating mines, nor has it earned any income from production.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of \$5,538,071 at September 30, 2025 (December 31, 2024 - current liabilities in excess of current assets of \$42,965). For the nine months ended September 30, 2025, the Company had a net loss of \$5,643,424 (nine months ended September 30, 2024 - \$124,534), and had cash outflows from operations of \$5,098,261 (nine months ended September 30, 2024 - \$230,057).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

2. Material accounting policies

Statement of compliance

The Company applies IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2024 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of February 13, 2026, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2024.

3. Equipment

Cost	Equipment
Balance, December 31, 2023 and December 31, 2024	\$ -
Additions	107,011
Balance, September 30, 2025	\$ 107,011

Accumulated Depreciation	Equipment
Balance, December 31, 2023 and December 31, 2024	\$ -
Depreciation for the period	8,026
Balance, September 30, 2025	\$ 8,026

Carrying Value	Equipment
Balance, December 31, 2024	\$ -
Balance, September 30, 2025	\$ 98,985

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

4. Share capital

(a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2023	200	\$ 2
Private placements (i)(ii)	14,000,000	300,000
Balance, September 30, 2024 and December 31, 2024	14,000,200	\$ 300,002
Private placements (iii)(iv)(v)(vii)(viii)(ix)(x)	13,411,750	4,780,000
Subscription receipts converted to common shares (vi)	12,457,000	6,049,883
Balance, September 30, 2025	39,868,950	\$ 11,129,885

- (i) On July 8, 2024, the Company completed a private placement of 10,000,000 common shares of the Company at a price of \$0.01 per common share for gross proceeds of \$100,000.
- (ii) On July 8, 2024, the Company completed a private placement of 4,000,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$200,000.
- (iii) On January 15, 2025, the Company completed a private placement of 2,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$125,000.
- (iv) On February 24, 2025, the Company completed a private placement of 3,400,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$340,000.
- (v) On March 26, 2025, the Company completed a private placement of 2,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$1,000,000.
- (vi) On March 26, 2025, the Company closed the first tranche of its subscription receipt financing ("Subscription Receipts Financing") pursuant to which it issued 8,660,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,330,000. On April 30, 2025, the Company closed its second and final tranche of its Subscription Receipts Financing, pursuant to which it issued 3,590,000 Subscription Receipts for gross proceeds of \$1,795,000. In connection with the Subscription Receipts Financing, the Company issued 207,000 Subscription Receipts as finders' fees. Each Subscription Receipt is convertible into a common share of the Company for no additional consideration.

On May 5, 2025, 4,359,950 Subscription Receipts were converted into 4,359,950 common shares of the Company upon the completion of the Freeman Property Acquisition (see note 6).

On June 25, 2025, 8,097,050 Subscription Receipts were converted into 8,097,050 common shares of the Company upon the completion of the McCabe Property Acquisition (see note 6).

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

4. Share capital (continued)

(b) Common shares issued (continued)

- (vii) On April 30, 2025, the Company completed a private placement of 1,850,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$185,000.
- (viii) On April 30, 2025, the Company completed a private placement of 1,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$500,000.
- (ix) On August 29, 2025, the Company completed a private placement of 1,600,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,600,000.
- (x) On September 11, 15 and 16, 2025, the Company completed a private placement of 1,030,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,030,000. In connection with the private placement, the Company issued 31,750 common shares as finders' fees.

5. Stock options

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, grant to the directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The board of directors has discretion to the number, vesting period and expiry date of each option award.

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2023 and December 31, 2024	-	\$ -
Issued (i)	2,500,000	0.50
Balance, September 30, 2025	2,500,000	\$ 0.50

During the three and nine months ended September 30, 2025, the Company recognized share-based payments expense of \$96,283 and \$493,562, respectively related to the stock options granted and vested.

- (i) On June 16, 2025, the Company granted 2,500,000 stock options to directors and officers of the Company with exercise price of \$0.50 per share, expiring in 5 years. 1,000,000 stock options vested immediately. 1,500,000 stock options vest 1/4 immediately, 1/4 on December 16, 2025, 1/4 on June 16, 2026, 1/4 on December 16, 2026. The stock options were assigned a grant date value of \$695,686 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.50, expected dividend yield of 0%, expected volatility of 63%, risk-free rate of return of 2.99%, and an expected maturity of 5 years.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

5. Stock options (continued)

The following table reflects the stock options issued and outstanding as of September 30, 2025:

Fair value on grant date (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price (\$)	Expiry date
695,686	4.71	2,500,000	1,375,000	0.50	June 16, 2030

6. Exploration and evaluation expenditures

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Eagle Project				
Acquisition cost and claims	\$ 62,793	\$ -	\$ 3,865,400	\$ 57,673
Concession fees and taxes	20,662	26,957	96,388	26,957
Consulting	65,133	19,136	217,054	19,136
Geophysics	166,448	-	496,106	-
Legal fees	122,949	17,175	186,218	17,175
Foreign exchange adjustment	-	-	-	1,320
Total exploration and evaluation expenditures	\$ 437,985	\$ 63,268	\$ 4,861,166	\$ 122,261

Eagle Project

During the year ended December 31, 2024, the Company acquired 100% of the Eagle Property located on BLM claims in Yavapai County, Arizona that are not subject to any royalties.

On February 12, 2025, the Company entered into an agreement to acquire a 100% interest in three past-producing gold mines (Sunol, Palo Alto, and Columbia mines) located on a patented land, which are not subject to any royalties (the "Freeman Property Acquisition") for \$1,007,452 (US\$721,568). The Company also acquired two adjacent BLM claims. The Freeman Property Acquisition was completed on May 5, 2025.

On February 19, 2025, the Company entered into an agreement to acquire a 100% interest in past-producing McCabe gold mine located on a patented land which include water rights (the "McCabe Property Acquisition") for \$2,753,578 (US\$2,002,776). The property is subject to a 2% NSR Royalty. Prior to the completion of a feasibility study, the Company may purchase 1% of the Royalty for US\$1,000,000. The McCabe Property Acquisition was completed on June 25, 2025.

During the nine months ended September 30, 2025, the Company acquired various parcels of land for an aggregate purchase price of \$104,370 (US\$75,000).

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

7. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Professional fees	\$ 4,655	\$ -	\$ 17,011	\$ -
Share-based payments	96,283	-	493,562	-
	\$ 100,938	\$ -	\$ 510,573	\$ -

(b) Included in professional fees is \$4,655 and \$17,011, respectively (2024 - \$nil and \$nil, respectively) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer ("CFO") of the Company and provide bookkeeping services.

(c) During the nine months ended September 30, 2025, related parties have subscribed for a total of 9,730,000 common shares for aggregate gross proceeds of \$2,545,000 (2024 - a total of 14,000,000 common shares for aggregate gross proceeds of \$300,000).

8. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

9. Proposed transaction

On September 15, 2025, the Company, together with Core Nickel Corp. ("Core Nickel", TSX-V: CNCO), entered into a non-binding letter of intent pursuant to which Core Nickel will acquire all of the issued and outstanding securities of the Company resulting in a reverse takeover (the "Transaction") of Core Nickel by the Company's shareholders. In connection with the Transaction, the Company intends to complete an offering of subscription receipts (see "Concurrent Financing" in note 10).

Completion of the Transaction is subject to a number of conditions, including, among other items, the entering into of a definitive agreement between the parties in respect of the Transaction and receipt of all required shareholder, regulatory and third-party consents, including approval of the Transaction by the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as contemplated or at all.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

10. Subsequent events

Proposed reverse takeover transaction

On November 25, 2025, Core Nickel and ACG completed the Concurrent Financings of 1,297,168 ACG Subscription Receipts and 1,362,374 Core Nickel Subscription Receipts at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,450.

Each ACG Subscription Receipt will automatically convert, upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between ACG, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the Concurrent Financings, without any further action or payment of any additional consideration therefor, and subject to adjustments in certain events, into one ACG Unit, being comprised of one common share of ACG (an "ACG Common Share") and one ACG Share purchase warrant (an "ACG Warrant"). Each ACG Share and ACG Warrant will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one post- common share of the Resulting Issuer (a "Resulting Isser Share") and one Resulting Issuer Share purchase warrant (a "Resulting Issuer Warrant"), respectively. Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share (a "Resulting Issuer Warrant Share") at an exercise price of 1.50 per Resulting Issuer Warrant Share for a period of three years following the closing date of the Concurrent Financings.

The Core Nickel Subscription Receipts will automatically convert upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between Core Nickel, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the private placement, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one (post-Consolidation) Resulting Issuer Unit. Each Resulting Issuer Unit shall be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant.

Property acquisitions

Subsequent to September 30, 2025, the Company completed the acquisitions of several parcels comprising patented mining claims and adjacent real property within the Eagle Project area in Yavapai County, Arizona, for aggregate consideration of approximately \$2,309,639. These purchases were negotiated at arm's length, closed between October 2025 and January 2026, and did not involve the acquisition of operating businesses or the assumption of liabilities.

The Company has also entered into conditional purchase agreements for three additional adjacent parcels of real property for aggregate consideration of approximately US\$631,000, with scheduled closings in February and March 2026, each subject to completion of due diligence, title review and other customary closing conditions. There can be no assurance that the acquisitions will be completed as contemplated.

ARIZONA COPPER AND GOLD LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

Introduction

The following interim Management Discussion & Analysis ("MD&A") of Arizona Copper and Gold Ltd. ("ACG" or the "Company") for the three and nine months ended September 30, 2025 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2024. This MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This MD&A has been prepared in compliance with section 2.2 of Form 51-102F1, in accordance with *National Instrument 51-102 – Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2024 and 2023, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2025, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements and the financial information contained in this Interim MD&A are prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of February 13, 2026, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors (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.

Scientific and technical information in this MD&A has been prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and is consistent with the technical report on the Company's Eagle Project.

Description of Business

The Company was incorporated under the name "Magellan Investment Corp." under the Ontario Business Corporation Act on September 17, 2021. Pursuant to Articles of Amendment dated November 7, 2023, the name of the Company was changed to "Arizona Gold Mines Inc." and pursuant to Articles of Amendment dated January 20, 2025, the name of the Company was further changed to "Arizona Copper and Gold Ltd."

The Company's head office, principal address and registered and records office is located at 82 Government Road, Toronto, Ontario, M8X 1W3.

The Company is a private mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona.

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The Company owns, through its wholly-owned subsidiary, 100% of the Eagle Project located on BLM claims in Yavapai County, Arizona, USA, that are not subject to any royalties.

Mineral Exploration Properties

Eagle Project

The Company, through its wholly-owned subsidiary, owns 100% of the Eagle Project in Yavapai County, Arizona.

During the year ended December 31, 2024, the Company acquired 238 unpatented BLM claims by direct staking. The Company completed a property wide sampling program consisting of 209 samples that were collected along the expected vein trends at the Eagle Project.

On February 12, 2025, the Company entered into an agreement to acquire a 100% interest in three past-producing gold mines (Sunol, Palo Alto, and Columbia mines) located on a patented land, which are not subject to any royalties (the "Freeman Property Acquisition") for \$1,007,452 (US\$700,000). The Company also acquired two adjacent BLM claims. The Freeman Property Acquisition was completed on May 5, 2025.

On February 19, 2025, the Company entered into an agreement to acquire a 100% interest in past-producing McCabe gold mine located on a patented land which include water rights (the "McCabe Property Acquisition") for \$2,753,578 (US\$2,000,000). The property is subject to a 2% NSR Royalty. Prior to the completion of a feasibility study, the Company may purchase 1% of the Royalty for US\$1,000,000. The McCabe Property Acquisition was completed on June 25, 2025.

During the nine months ended September 30, 2025, the Company acquired various parcels of land for an aggregate purchase price of \$104,370.

Operational Highlights

On January 15, 2025, the Company completed a private placement of 2,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$125,000.

On February 24, 2025, the Company completed a private placement of 3,400,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$340,000.

On March 26, 2025, the Company completed a private placement of 2,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$1,000,000.

On March 26, 2025, the Company closed the first tranche of its subscription receipt financing ("Subscription Receipts Financing") pursuant to which it issued 8,660,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,330,000. On April 30, 2025, the Company closed its second and final tranche of its Subscription Receipts Financing, pursuant to which it issued 3,590,000 Subscription Receipts for gross proceeds of \$1,795,000. In connection with the Subscription Receipts Financing, the Company issued 207,000 Subscription Receipts as finders' fees. Each Subscription Receipt is convertible into a common share of the Company for no additional consideration.

On April 30, 2025, the Company completed a private placement of 1,850,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$185,000.

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On April 30, 2025, the Company completed a private placement of 1,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$500,000.

On May 5, 2025, 4,359,950 Subscription Receipts were converted into 4,359,950 common shares of the Company upon the completion of the Freeman Property Acquisition.

On June 16, 2025, the Company granted 2,500,000 stock options to directors and officers of the Company with exercise price of \$0.50 per share, expiring in 5 years. 1,000,000 stock options vested immediately. 1,500,000 stock options vest 1/4 immediately, 1/4 on December 16, 2025, 1/4 on June 16, 2026, 1/4 on December 16, 2026.

On June 25, 2025, 8,097,050 Subscription Receipts were converted into 8,097,050 common shares of the Company upon the completion of the McCabe Property Acquisition.

On August 29, 2025, the Company completed a private placement of 1,600,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,600,000.

On September 11, 15 and 16, 2025, the Company completed a private placement of 1,030,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,030,000. In connection with the private placement, the Company issued 31,750 common shares as finders' fees.

During the nine months ended September 30, 2025, the Company achieved several operating milestones aligned with its exploration strategy for the Eagle Project. On May 5, 2025, the Company completed the acquisition of a 100% interest in the Sunol, Palo Alto and Columbia mines on patented land, and on June 25, 2025 it completed the acquisition of a 100% interest in the McCabe property on patented land, which includes water rights and is subject to a 2% net smelter returns royalty with a 1% buy-back right for US\$1,000,000 prior to completion of a feasibility study. The Company also advanced fieldwork and acquired additional land parcels adjacent to the project area subsequent to quarter end, supporting the consolidation of key ground positions.

Discussion of Operations

Three Months Ended September 30, 2025 Compared to Three Months Ended September 30, 2024

For the three months ended September 30, 2025, the Company's net loss was \$717,923 (2024 – \$65,223). The increase in net loss reflects the Company's first year of activities, including exploration and evaluation expenditures, office and general, professional fees, and share-based payments.

- Exploration and evaluation expenditures increased to \$437,985 for the three months ended September 30, 2025 (2024 - \$63,268).
 - Office and general increased to \$82,608 for the three months ended September 30, 2025 (2024 - \$630).
 - Professional fees increased to \$107,438 for the three months ended September 30, 2025 (2024 - \$1,325).
 - Share-based payments increased to \$96,283 for the three months ended September 30, 2025 (2024 - \$nil).
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- All other expenses related to general working capital purposes.

Nine Months Ended September 30, 2025 Compared to Nine Months Ended September 30, 2024

For the nine months ended September 30, 2025, the Company's net loss was \$5,643,424 (2024 – \$124,534). The increase in net loss reflects the Company's first year of activities, including exploration and evaluation expenditures, office and general, professional fees, and share-based payments.

- Exploration and evaluation expenditures increased to \$4,861,166 for the nine months ended September 30, 2025 (2024 - \$122,261).
- Office and general increased to \$116,507 for the nine months ended September 30, 2025 (2024 - \$630).
- Professional fees increased to \$172,992 for the nine months ended September 30, 2025 (2024 - \$1,643).
- Share-based payments increased to \$493,562 for the nine months ended September 30, 2025 (2024 - \$nil).
- All other expenses related to general working capital purposes.

Capital Management

The Company manages its capital with the objective of ensuring sufficient financial flexibility to achieve the ongoing business objectives, including primarily the completion of its mineral exploration programs, and also maintain flexibility insofar as funding of future growth opportunities and the pursuit of accretive acquisitions, if identified and deemed appropriate.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at September 30, 2025, totaled \$5,637,056 (December 31, 2024 – a deficit of \$42,965).

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors.

As the Company does not have a credit facility, the Company is not currently subject to any capital requirements imposed by a lending institution or regulatory body. The Company expects that its capital resources will be sufficient to discharge its liabilities as of the current statement of financial position date.

There were no changes in the Company's process, policies and approach to capital management during the period ended September 30, 2025.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Commitments and Contingencies

Environmental Contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Liquidity and Capital Resources

At September 30, 2025, the Company had \$5,624,698 in cash (December 31, 2024 - \$87).

At September 30, 2025, accounts payable and accrued liabilities were \$160,183 (December 31, 2024 - \$130,094). The Company's working capital as at September 30, 2025 is sufficient to pay these liabilities.

The Company has no operating revenues and therefore must utilize its funds from financing transactions to maintain its capacity to meet ongoing operating activities.

As of September 30, 2025 and to the date of this MD&A, the cash resources of the Company are held with a Canadian chartered bank. The Company has no variable interest rate debt and its credit and interest rate risk is minimal. Accounts payable and accrued liabilities are short-term and non-interest-bearing.

Cash used in operating activities was \$5,098,261 for the nine months ended September 30, 2025. Operating activities were affected by a net loss of \$5,643,424, offset partially share-based payments of \$493,562, depreciation of \$8,026, and the net change in non-cash working capital balances of \$43,575 due to the changes in sales tax recoverable, prepaid expenses and deposits, and accounts payable and accrued liabilities.

Cash used in investing activities was \$107,011 for the nine months ended September 30, 2025. Investing activities included purchase of equipment.

Cash provided by financing activities was \$10,829,883 for the nine months ended September 30, 2025. Financing activities included proceeds from private placements and subscription receipts, net of share issuance costs.

Since the last annual MD&A, the Company completed equity financings and subscription receipt offerings that strengthened liquidity. In March and April 2025, the Company raised gross proceeds of \$5,330,000 through subscription receipts that converted into ACG common shares on May 5, 2025. In August and September 2025, the Company raised an additional \$2,661,750 through common share issuances. On November 26, 2025, the Company completed a brokered private placement of 1,297,168 ACG subscription receipts for gross proceeds of \$1,556,601.60 in

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connection with the proposed reverse takeover transaction. As at September 30, 2025, cash was \$5,624,698 and working capital was sufficient to meet current obligations.

Proceeds from the completed financings have been, and are expected to continue to be, applied primarily to exploration and evaluation activities and to strategic property and land acquisitions at the Eagle Project. Significant cash uses in the period included the Freeman property acquisition for \$1,007,452 (US\$700,000) and the McCabe property acquisition for \$2,753,578 (US\$2,000,000), together with exploration and evaluation expenditures totalling \$4,861,166 year-to-date. These uses are consistent with management's previously communicated intention to fund exploration activities and strategic land consolidation, and there are no material variances to report from prior "use of proceeds" disclosure.

Trends and Economic Conditions

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Until recently, equity markets in the junior resource exploration sector have been difficult. To date, the Company has been able to raise sufficient capital to fund exploration programs on both properties. The global economy is currently characterized by increased volatility and uncertainty.

Apart from these factors and the risk factors noted under the headings "Risk Factors" and "Commitments and Contingencies", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Transactions with Related Parties

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

- (a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2025 \$	Three Months Ended September 30, 2024 \$	Nine Months Ended September 30, 2025 \$	Nine Months Ended September 30, 2025 \$
Professional fees	4,655	Nil	17,011	Nil
Share-based payments	96,283	Nil	493,562	Nil
	100,938	Nil	510,573	Nil

- (b) Included in professional fees is \$4,655 and \$17,011, respectively (2024 - \$nil and \$nil, respectively) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer ("CFO") of the Company and provide bookkeeping services.

- (c) During the nine months ended September 30, 2025, related parties have subscribed for a total of 9,730,000 common shares for aggregate gross proceeds of \$2,545,000 (2024 - a total of 14,000,000 common shares for aggregate gross proceeds of \$300,000).

Proposed Transaction

On September 15, 2025, the Company, together with Core Nickel Corp. ("Core", TSX-V: CNCO), entered into a non-binding letter of intent pursuant to which Core will acquire all of the issued and outstanding securities of the Company resulting in a reverse takeover (the "Transaction") of Core by the Company's shareholders. On February 12, 2026, the Company and Core entered into a definitive arrangement agreement (the "Transaction Agreement") pursuant to which the parties agreed to complete the proposed Transaction by way of a plan of arrangement pursuant to Section 182 of the *Business Corporations Act* (Ontario). In connection with the Transaction, the Company completed an offering of subscription receipts (see "Concurrent Financing" below).

Completion of the Transaction is subject to a number of conditions, including, among other items, receipt of all required court, shareholder, regulatory and third-party consents, including approval of the Transaction by the TSX Venture Exchange. There can be no assurance that the Transaction will be completed as contemplated or at all.

Subsequent Events

Concurrent financing

On November 25, 2025, Core Nickel and ACG completed the Concurrent Financings of 1,297,168 subscription receipts of ACG (the "ACG Subscription Receipts") and 1,362,374 subscription receipts of Core (the "Core Nickel Subscription Receipts" and, collectively with the ACG Subscription Receipts, the "Subscription Receipts") at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,450.

Upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement (the "Subscription Receipt Agreement") between ACG, Stifel Nicolaus Canada Inc. and Clarus Securities Inc. (the "Co-Lead Agents" in the Concurrent Financings) and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the Concurrent Financings, the net proceeds from the sale of the ACG Subscription Receipts will be released to the Company and each ACG Subscription Receipt will automatically convert, without any further action or payment of any additional consideration therefor, and subject to adjustments in certain events, into one ACG Unit, being comprised of one common share of ACG (an "ACG Share") and one ACG Share purchase warrant (an "ACG Warrant"). Each ACG Share and ACG Warrant will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one common share (a "Resulting Isser Share") of Core (as Core will be constituted completion of the consolidation of its shares on an 8.5:1 basis and name change to "Arizona Eagle Mining Corp.") (the "Resulting Issuer") and one Resulting Issuer Share purchase warrant (a "Resulting Issuer Warrant"), respectively. Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share (a "Resulting Issuer Warrant Share") at an exercise price of 1.50 per Resulting Issuer Warrant Share for a period of three years following the closing date of the Concurrent Financings.

Upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between Core, Stifel Nicolaus Canada Inc. and Clarus Securities Inc. (the "Co-Lead Agents" in the

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Concurrent Financings) and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the Concurrent Financings, the net proceeds from the sale of the Core Nickel Subscription Receipts will be released to Core and each Core Subscription Receipt will automatically convert, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one (post-Consolidation) Resulting Issuer Unit. Each Resulting Issuer Unit shall be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant.

Property acquisitions

Subsequent to September 30, 2025, the Company completed the acquisitions of several parcels comprising patented mining claims and adjacent real property within the Eagle Project area in Yavapai County, Arizona, for aggregate consideration of approximately \$2,309,639. These purchases were negotiated at arm's length, closed between October 2025 and January 2026, and did not involve the acquisition of operating businesses or the assumption of liabilities.

As at the date of approval of this MD&A, the Company has also entered into conditional purchase agreements for three additional adjacent parcels of real property for aggregate consideration of approximately US\$631,000, with scheduled closings in February and March 2026, each subject to completion of due diligence, title review and other customary closing conditions. Earnest money deposits have been paid under these agreements and, while management expects each transaction to close on the stated timelines, there can be no assurance that the acquisitions will be completed as contemplated.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical Accounting Estimates

Share-Based Payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Income, Value Added, Withholding and Other Taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The

Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Decommissioning Provision

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value using the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

Critical Judgments in Applying Accounting Policies

Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements.

New Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments - Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 - Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

Risk Factors

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 section entitled "Risk Factors" in the Company's Annual MD&A for year ended December 31, 2024.

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, evaluated the design and operating effectiveness of the Company's disclosure controls and procedures as at September 30, 2025. Based on that evaluation, the CEO and the CFO concluded that the design and operation of these disclosure controls and procedures were effective as at September 30, 2025 to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, would be made known to them by others within those entities and that information required to be disclosed by the Company in its annual and interim filings and other reports submitted under securities legislation was recorded, processed, summarized and reported within the periods specified in securities legislation.

Internal Controls over Financial Reporting

The CEO and the CFO, with the assistance of management, conducted an evaluation of the effectiveness of the Company's internal controls over financial reporting as at September 30, 2025. Based on the evaluation, the CEO and the CFO have concluded that as at September 30, 2025, the Company's internal control over financial reporting is effective, based on the criteria set forth in the Internal Control – Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission on Internal Control.

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected. Therefore, no matter how well-designed, ICFR has limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

The Company assesses internal controls over financial reporting on an ongoing basis and, where determined appropriate, proactively implements enhancements to the design of controls required to support anticipated changes to and growth of the business. Due to operational, financial and administrative changes which may occur as the Company evolves beyond an early-stage exploration company, changes will be required to the Company's internal controls over financial reporting in order to maintain reasonable assurance regarding the reliability of the Company's financial reporting and preparation of financial statements.

As at the end of the period covered by this MD&A and the Financial Statements, the Company's management evaluated the effectiveness of its disclosure controls. Based on that evaluation, the CEO and the CFO concluded that the Company's disclosure controls and procedures and internal controls over financial reporting, provide reasonable assurance that they were effective for the covered period. There have been no changes in our internal control over financial reporting during the year ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Forward-Looking Statements

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws, which include, but are not limited to, statements or information concerning: future financial or operating performance of the Company and its business, operations, properties and the future price of copper, gold and other metal prices; the potential quantity and/or grade of minerals; the potential size of a mineralized zone or potential expansion of mineralization; proposed exploration and development of the Company’s exploration property interests including potential size of budget and type of exploration being conducted; the timing and amount of estimated future production, the interpretation and actual results of historical production and drill results at certain of our exploration properties, and the reliance on technical information provided by third parties; the timing and amount of estimated capital, operating and exploration expenditures, costs and timing of the development of new deposits and of future exploration, acquisition and development activities, estimated exploration budgets and timing of expenditures and community relations activities, requirements for additional capital; government regulation of exploration and mining operations; permitting requirements and timing, environmental risks and reclamation expenses, other claims or existing, pending or threatened litigation or other proceedings; title disputes; the ability to continue exploration in accordance with the requirements of applicable mining laws in Arizona; limitations of insurance coverage, future issuances of common shares to satisfy obligations under any option and other equity compensation agreements or the acquisition of exploration properties or other land acquisitions, and the timing and possible outcome of regulatory and permitting matters; and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, performance or achievements.

Forward-looking statements and information involves known and unknown risks, uncertainties and other factors which may cause the actual plans, intentions, activities, results, performance or achievements of the Company to be materially different from any future plans, intentions, activities, results, performance or achievements expressed or implied by such forward-looking statements and information. Except for statements of historical fact, information contained herein or incorporated by reference herein constitutes forward-looking statements and forward-looking information. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “will”, “projects”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including among other things, assumptions about future prices of copper, gold and other metal prices, changes in the worldwide price of other commodities such as coal, fuel and electricity fluctuations in resource prices, currency exchange rates and interest rates, favourable operating conditions, political stability, obtaining governmental approvals and financing on time, obtaining renewals for existing licenses and permits and obtaining required licenses and permits, labour stability, stability in market conditions, stability of relationship with joint venture partners; stability of relationship with local stakeholders;; availability of equipment, accuracy of any mineral resources, anticipated costs and expenditures. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Furthermore, such forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or

achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or forward-looking information. Such factors include, among others; general business, economic, competitive, political, regulatory and social uncertainties; disruptions or changes in the credit or securities markets and market fluctuations in prices for the Company's securities; judgement of management when exercising discretion in their use of proceeds from a financing; potential dilution of common share voting power or earnings per common share as a result of the exercise of stock options, future financings or future acquisitions financed by the issuance of equity; campaigns by investors to effect changes in management; discrepancies between actual and estimated mineral resources; discrepancies between actual and assumed or estimated mineral grades or recovery rates; the Company is an exploration stage company with no history of pre-tax profit and no income from its operations and there can be no assurance that the Company's operations will be profitable in the future; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental risks and hazards, cave-ins, pitwall failures, flooding, rock bursts and other acts of God or natural disasters or unfavourable operating conditions and losses; political instability, hostilities, insurrection or acts of war or terrorism; the speculative nature of mineral exploration and development, including the risk of diminishing quantities or grades of mineralization; the Company's ability to renew existing permits or obtain required permits; changes in government legislation and regulation; fluctuations in commodity prices; requirements for future funding to satisfy contractual obligations and additional capital needs generally; changes or disruptions in market conditions; market price volatility; increased infrastructure and/or operating costs; reclamation costs; the Company has limited operating history and no history of earnings; reliance on a finite number of properties; limits of insurance coverage and uninsurable risk; contests over title to properties; environmental risks and hazards; limitations on the use of community water sources; the need to obtain and maintain licenses and permits and comply with laws and regulations or other regulatory requirements; competitive conditions in mineral exploration and mining business; the ability of the Company to retain its key management employees and shortages of skilled personnel and contractors; potential acquisitions and their integration with the Company's current business; influence of third party stakeholders; risks of litigation; the Company's system of internal controls; conflicts of interest; credit and/or liquidity risks; and the risks involved in the exploration, development and mining business generally. Although we have attempted to identify important factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those described in forward looking statements or forward-looking information, there may be other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended.

Forward-looking statements and forward-looking information contained herein are made as of the date of this MD&A and we disclaim any obligation to update or revise any forward-looking statements or forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by applicable law. There can be no assurance that forward-looking statements or forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information. All forward-looking statements and forward-looking information attributable to us is expressly qualified by these cautionary statements.

Schedule "I"

Arizona Eagle Mining Corp.

Unaudited Pro Forma Financial Statements

(Expressed in Canadian Dollars)

Arizona Eagle Mining Corp.
Pro Forma Consolidated Statement of Financial Position
As at October 31, 2025
(Unaudited - Expressed in Canadian Dollars)

	Core Nickel Corp.	Arizona Copper and Gold Ltd.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	(As at October 31, 2025)	(As at September 30, 2025)			
	\$	\$		\$	\$
Assets					
Current assets					
Cash	714,763	5,624,698	3(c) 3(d) 3(e) 3(h) 3(i)	3,039,827 (2,309,639) 10,500 (878,415) (240,000)	5,961,734
Sales tax receivables	15,824	17,584			33,408
Prepaid expenses	13,236	55,972			69,208
Total current assets	743,823	5,698,254		(377,727)	6,064,350
Equipment	-	98,985			98,985
Mineral interests	1,153,804	-	3(a)	(1,153,804)	-
Total assets	1,897,627	5,797,239		(1,531,531)	6,163,335
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	56,735	160,183			216,918
Total liabilities	56,735	160,183		-	216,918
Shareholders' Equity					
Share capital	4,643,402	11,129,885	3(a) 3(b) 3(c) 3(e)	5,765,809 (4,643,402) 2,181,944 10,500	19,088,138
Reserves	1,416,329	493,562	3(a) 3(a) 3(b) 3(c)	263,828 23,338 (1,416,329) 857,883	1,638,611
Deficit	(4,218,839)	(5,986,391)	3(a) 3(b) 3(d) 3(h) 3(i)	(5,365,887) 4,218,839 (2,309,639) (878,415) (240,000)	(14,780,332)
Total shareholders' equity	1,840,892	5,637,056		(1,531,531)	5,946,417
Total shareholders' equity and liabilities	1,897,627	5,797,239		(1,531,531)	6,163,335

See accompanying notes to the unaudited pro-forma financial statements.

Arizona Eagle Mining Corp.
Pro Forma Consolidated Statement of Income and Comprehensive Income
For the year ended April 30, 2025
(Unaudited - Expressed in Canadian Dollars)

	Core Nickel Corp.	Arizona Copper and Gold Ltd.	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
	(Year Ended April 30, 2025)	(Year Ended December 31, 2024)			
	\$	\$		\$	\$
Expenses					
Exploration and evaluation expenditures	2,227,005	301,357	3(d) 3(h)	2,309,639 878,415	5,716,416
Office and general	27,268	7,324		-	34,592
Professional fees	186,995	34,286		-	221,281
Share-based payments	434,187	-		-	434,187
Shareholder information	144,303	-		-	144,303
Depreciation	-	-		-	-
Insurance	26,871	-		-	26,871
Management fees	221,500	-		-	221,500
Regulatory and transfer agent fees	102,224	-		-	102,224
Rent	28,077	-		-	28,077
Travel and accommodations	20,100	-		-	20,100
Wages and benefits	62,508	-		-	62,508
Operating loss before the following items	(3,481,038)	(342,967)		(3,188,054)	(7,012,059)
Interest income	53,605	-		-	53,605
Flow through recovery	937,500	-		-	937,500
Listing expense	-	-	3(a)	(5,365,887)	(5,365,887)
Transaction closing costs	-	-	3(i)	(240,000)	(240,000)
Net loss and comprehensive loss for the period	(2,489,933)	(342,967)		(8,793,941)	(11,626,841)
Weighted average number of common shares outstanding					
- basic and diluted (note 4)	42,005,445 ⁽¹⁾	6,732,440 ⁽²⁾	2(a) 3(c)	(37,063,628) 2,659,542	14,333,799
Loss per share - basic and diluted	(0.06)	(0.05)			(0.81)

(1) Weighted average number of Core Nickel for the year ended April 30, 2025

(2) Weighted average number of ACG for the year ended December 31, 2025

See accompanying notes to the unaudited pro-forma financial statements.

Arizona Eagle Mining Corp.
Pro Forma Consolidated Statement of Income and Comprehensive Income
For the six months ended October 31, 2024
(Unaudited - Expressed in Canadian Dollars)

	Core Nickel Corp. (Six Months Ended October 31, 2025 \$	Arizona Copper and Gold Ltd. (Nine Months Ended September 30, 2025) \$	Note Ref.	Pro Forma Adjustments \$	Pro Forma Consolidated \$
Expenses					
Exploration and evaluation expenditures	566,141	4,861,166	3(d) 3(h)	2,309,639 878,415	8,615,361
Office and general	13,403	116,507		-	129,910
Professional fees	194,422	172,992		-	367,414
Share-based payments	-	493,562		-	493,562
Shareholder information	26,506	5,588		-	32,094
Depreciation		8,026		-	8,026
Insurance	10,341	-		-	10,341
Management fees	173,005	-		-	173,005
Regulatory and transfer agent fees	22,693	-		-	22,693
Rent	9,386	-		-	9,386
Travel and accommodations	4,392	-		-	4,392
Wages and benefits	20,085	-		-	20,085
Operating loss before the following items	(1,040,374)	(5,657,841)		(3,188,054)	(9,886,269)
Interest income	12,270	14,417		-	26,687
Flow through recovery	-	-		-	-
Listing expense	-	-	3(a)	(5,365,887)	(5,365,887)
Transaction closing costs	-	-	3(i)	(240,000)	(240,000)
Net loss and comprehensive loss for the period	(1,028,104)	(5,643,424)		(8,793,941)	(15,465,469)
Weighted average number of common shares outstanding					
- basic and diluted (note 4)	53,331,197 ⁽¹⁾	27,547,496 ⁽²⁾	2(a) 3(c)	(47,056,939) 2,659,542	36,481,296
Loss per share - basic and diluted	(0.02)	(0.20)			(0.42)

(1) Weighted average number of Core Nickel for the six months ended October 31, 2025

(2) Weighted average number of ACG for the for the nine months ended September 30, 2025

See accompanying notes to the unaudited pro-forma financial statements.

Arizona Eagle Mining Corp.
Notes to the Unaudited Pro Forma Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

1. Basis of presentation

The accompanying unaudited pro forma consolidated financial statements of Arizona Eagle Mining Corp. has been prepared by the management to reflect the amalgamation of Arizona Copper and Gold Ltd. (“ACG”) with Core Nickel Corp. (“**Core Nickel**”) after giving effect to the proposed transaction (the “**Transaction**”) as described in note 2.

The unaudited pro forma consolidated financial statements has been compiled from and include:

- An unaudited pro forma consolidated statement of financial position as at October 31, 2025, which combines the unaudited interim condensed statement of financial position of Core Nickel as at October 31, 2025 and the unaudited interim condensed consolidated statement of financial position of ACG as at September 30, 2025, giving effect to the Transaction as if it had occurred on October 31, 2025;
- An unaudited pro forma consolidated statement of loss and comprehensive loss for the year ended April 30, 2025, which combines the audited statement of loss and comprehensive loss of Core Nickel for the year ended April 30, 2025 and the audited consolidated statement of loss and comprehensive loss of ACG for the year ended December 31, 2024, giving effect to the Transaction as if it had occurred on May 1, 2024; and
- An unaudited pro forma consolidated statement of loss and comprehensive loss for the six months ended October 31, 2025, which combines the unaudited interim condensed statement of loss and comprehensive loss of Core Nickel for the three and six months ended October 31, 2025 and the unaudited interim condensed consolidated statement of loss and comprehensive loss of ACG for the three and nine months ended September 30, 2025, giving effect to the Transaction as if it had occurred on May 1, 2024.

The unaudited pro forma statement has been prepared for illustration purposes only and may not be indicative of the combined results or financial position had the Transaction been in effect at the dates indicated. The unaudited pro forma consolidated financial information should be read in conjunction with other information contained in the Circular.

Completion of the transaction is subject to a number of conditions including but not limited to shareholder approval and the TSX Venture Exchange acceptance. There can be no assurance that the transaction will be completed as proposed or at all.

Although Core Nickel is the legal acquirer, the former shareholders of ACG will obtain control of the resulting issuer. Accordingly, the Transaction represents a reverse takeover for accounting purposes, with ACG identified as the accounting acquirer and Core Nickel as the legal acquirer.

Arizona Eagle Mining Corp.
Notes to the Unaudited Pro Forma Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

1. Basis of presentation (continued)

The ACG's acquisition of Core Nickel constitutes an asset acquisition as the Core Nickel did not meet the definition of a business, as defined in IFRS 3 – Business Combinations. The Transaction has been accounted for as an asset acquisition in accordance with IFRS 2 – Share-Based Payments.

The unaudited pro forma statement of financial position has been prepared using accounting policies and practices consistent with those used in the preparation of ACG's and Core Nickel's recent financial statements. The pro forma consolidated financial statements include adjustments to account for change in accounting policy of Core Nickel which includes capitalization of certain costs of mineral property interest to be expensed in order to match the accounting policy of ACG. See Note 3(a).

Certain significant estimates have been made by management in preparation of these pro forma financial statements, in particular, the determination of the fair value of Core Nickel's assets and liabilities acquired and the fair value of the consideration given by ACG. The actual fair values of the assets and liabilities will be determined as of the effective date of the Transaction and may differ materially from the amounts disclosed in the assumed pro forma purchase price allocation because of changes in fair value of the assets and liabilities up to the date of effective date of the Transaction, and as further analysis is completed

2. The Transaction

On September 15, 2025, ACG and Core Nickel entered into a non-binding letter of intent, pursuant to which ACG and Core Nickel agreed to negotiate a definitive agreement. On February [●] ACG and Core Nickel entered into the definitive arrangement agreement (the "Arrangement Agreement") pursuant to which the parties agreed to complete the Transaction by way of a plan of arrangement under section 180 of the *Business Corporations Act* (Ontario).

Prior to consummation of the Transaction,

- (a) Core Nickel common shares ("Core Nickel Shares") shall be consolidated (the "Consolidation") at a ratio ("Consolidation Ratio") of 8.5 pre-consolidation Core Nickel Shares for every 1 post-consolidation Core Nickel Share (each a "Post-Consolidation Core Nickel Share").
- (b) Core Nickel will change its name to "Arizona Eagle Mining Corp.", and Core Nickel, after giving effect to the Consolidation and the change of name, and the completion of the Transaction, is hereinafter referred to as the "Resulting Issuer".

Arizona Eagle Mining Corp.

Notes to the Unaudited Pro Forma Financial Statements

(Expressed in Canadian dollars)

(Unaudited)

2. The Transaction (continued)

(c) In connection with the Transaction, Core Nickel and ACG completed concurrent brokered private placements (the “Concurrent Financings”) of an aggregate of 2,659,542 subscription receipts (the “Subscription Receipts”) comprised of 1,297,168 subscription receipts of ACG (the “ACG Subscription Receipts”) and 1,362,374 subscription receipts of Core Nickel (the “Core Nickel Subscription Receipts”) at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,450, pursuant to the terms and conditions of an agency agreement between ACG, Core Nickel and Stifel Nicolaus Canada Inc. and Clarus Securities Inc. (the “Co-Lead Agents”) and PowerOne Capital Markets Limited (collectively with the Co-Lead Agents, the “Agents”). (see note 3(c)).

(d) there will be approximately 49,006,929 Resulting Issuer Shares issued and outstanding following completion of the Transaction; former ACG Shareholders will exchange their ACG Shares for an aggregate of 41,166,118 Resulting Issuer Shares, representing approximately 84% of the outstanding Resulting Issuer Shares (inclusive of the ACG Shares underlying the ACG Subscription Receipts); and former Core Nickel Shareholders will hold 7,840,811 Resulting Issuer Shares representing approximately 16% of the outstanding Resulting Issuer Shares (inclusive of the Core Nickel Shares underlying the Core Nickel Subscription Receipts).

Pursuant to the Arrangement Agreement between Core Nickel and ACG dated February [•], 2026,

- (a) Core Nickel will receive all of the ACG Shares in exchange for Post-Consolidation Core Nickel Shares issued from treasury;
- (b) Holders of ACG Shares will receive one Post-Consolidation Core Nickel Share for each one ACG Share held.

Pursuant to the rules and policies of the TSX Venture Exchange, the Transaction is considered a non-arm’s length transaction due to common directors, officers and significant shareholders.

3. Pro forma assumptions and adjustments

- (a) The following table summarizes the fair value of considerations paid on the acquisition and the allocation of purchase price to the assets and liabilities acquired. The fair value of the Core Nickel’s net assets acquired by ACG and the aggregate considerations given are as follows:

Arizona Eagle Mining Corp.**Notes to the Unaudited Pro Forma Financial Statements****(Expressed in Canadian dollars)****(Unaudited)**

3. Pro forma assumptions and adjustments (continued)

Issuance of common shares	\$	5,765,809
Issuance of warrants		263,828
Issuance of options		23,338
Total consideration paid	\$	<u>6,052,975</u>
Cash	\$	714,763
Sales tax receivables		15,824
Prepaid expenses		13,236
Accounts payable and accrued liabilities		(56,735)
Net assets received	\$	<u>687,088</u>
Listing expense	\$	<u>5,365,887</u>

The 6,478,437 Post-Consolidation Core Nickel Shares of former Core Nickel shareholders have been assigned a value of \$0.89 per share based on the fair value of the Resulting Issuer Share (defined in note 3(c)) to be issued in connection with Concurrent Financing.

The 1,912,185 warrants were assigned a grant date value of \$263,828 as estimated using the Black-Scholes valuation model with the following weighted average assumptions: exercise price of \$2.05, share price of \$0.89, expected dividend yield of 0%, expected volatility of 51%, risk-free rate of return of 2.47%, and an expected maturity of 1.95 years.

The 137,647 stock options were assigned a grant date value of \$23,338 as estimated using the Black-Scholes valuation model with the following weighted average assumptions: exercise price of \$1.53, share price of \$0.89, expected dividend yield of 0%, expected volatility of 58%, risk-free rate of return of 2.47%, and an expected maturity of 2.2 years.

In determining the identifiable net assets, the management has assigned a \$nil value to Core Nickel's mineral property interests to align with the resulting issuer's accounting policy to expense all exploration and evaluation expenditures as incurred until technical feasibility and commercial viability are established.

(b) Book values of Core Nickel's capital share, reserves and deficit are eliminated on closing.

Arizona Eagle Mining Corp.**Notes to the Unaudited Pro Forma Financial Statements****(Expressed in Canadian dollars)****(Unaudited)**

3. Pro forma assumptions and adjustments (continued)

- (c) On November 25, 2025, Core Nickel and ACG completed the Concurrent Financings of 1,297,168 ACG Subscription Receipts and 1,362,374 Core Nickel Subscription Receipts at a price of \$1.20 per Subscription Receipt for aggregate gross proceeds of \$3,191,450.

Each ACG Subscription Receipt will automatically convert, upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between ACG, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, on or prior to the date which is 120 days following the closing of the Concurrent Financings, without any further action or payment of any additional consideration therefor, and subject to adjustments in certain events, into one ACG Unit, being comprised of one common share of ACG (an "ACG Common Share") and one ACG Share purchase warrant (an "ACG Warrant"). Each ACG Share and ACG Warrant will then be immediately and automatically exchanged, without any further action or payment of additional consideration therefor in connection with the completion of the Transaction, for one post- common share of the Resulting Issuer (a "Resulting Isser Share") and one Resulting Issuer Share purchase warrant (a "Resulting Issuer Warrant"), respectively. Each Resulting Issuer Warrant will entitle the holder thereof to acquire one Resulting Issuer Share (a "Resulting Issuer Warrant Share") at an exercise price of 1.50 per Resulting Issuer Warrant Share for a period of three years following the closing date of the Concurrent Financings.

The Core Nickel Subscription Receipts will automatically convert upon satisfaction of certain escrow release conditions set out in the subscription receipt agreement between Core Nicle, the Co-Lead Agents and Olympia Trust Company, as subscription receipt agent, , on or prior to the date which is 120 days following the closing of the private placement, without any further action or payment of any additional consideration therefor and subject to adjustments in certain events, into one (post-Consolidation) Resulting Issuer Unit. Each Resulting Issuer Unit shall be comprised of one Resulting Issuer Share and one Resulting Issuer Warrant.

The 2,659,542 Resulting Issuer Shares were assigned a grant date value of \$2,358,266 or \$0.89 per share, and the 2,659,542 Resulting Issuer Warrants were assigned a grant date value of \$833,184 or \$0.31 per warrant as estimated using the Black-Scholes valuation model with the following assumptions: exercise price of \$1.20, share price of \$0.89, expected dividend yield of 0%, expected volatility of 63%, risk-free rate of return of 2.40%, and an expected maturity of 3 years.

Arizona Eagle Mining Corp.**Notes to the Unaudited Pro Forma Financial Statements****(Expressed in Canadian dollars)****(Unaudited)**

3. Pro forma assumptions and adjustments (continued)

In connection with the Concurrent Financing, ACG and Core Nickel paid an aggregate cash finders' fees of \$151,623 to the Agents and shall issue to the Agents, upon satisfaction (or waiver) of the escrow release conditions, the conversion of the Subscription Receipts into ACG Units and Core Nickel Units and the release of the escrowed subscription receipt proceeds from escrow (the "Escrow Release Date"), and the completion of the Transaction, an aggregate of 126,352 broker warrants. Each broker warrant will entitle the holder thereof to acquire one Resulting Issuer Share at an exercise price of \$1.20 per share for a period of 1 year following the Escrow Release Date.

The 126,352 broker warrants were assigned a grant date value of \$24,699 as estimated using the Black-Scholes valuation model with the following assumptions: exercise price of \$1.20, share price of \$0.89, expected dividend yield of 0%, expected volatility of 80%, risk-free rate of return of 2.40%, and an expected maturity of 1 year.

- (d) Subsequent to September 30, 2025, the Company completed the acquisitions of several parcels comprising patented mining claims and adjacent real property within the Eagle Project area in Yavapai County, Arizona, for aggregate consideration of approximately \$2,309,639. These purchases were negotiated at arm's length, closed between October 2025 and January 2026, and did not involve the acquisition of operating businesses or the assumption of liabilities.
- (e) Subsequent to October 31, 2025, 75,000 pre-consolidation Core Nickel warrants were exercised for gross proceeds of \$10,500.
- (f) Subsequent to October 31, 2025, 2,492,319 pre-consolidation Core Nickel warrants expired unexercised.
- (g) Subsequent to October 31, 2025, 2,320,000 pre-consolidation Core Nickel stock options were cancelled.
- (h) Subsequent to October 31, 2025, the Company has also entered into conditional purchase agreements for three additional adjacent parcels of real property for aggregate consideration of approximately US\$631,000, with scheduled closings in February and March 2026, each subject to completion of due diligence, title review and other customary closing conditions. Earnest money deposits have been paid under these agreements and, while management expects each transaction to close on the stated timelines, there can be no assurance that the acquisitions will be completed as contemplated.
- (i) Upon completion of the Transaction, the Resulting Issuer is expected to incur approximately \$240,000 of closing costs.

Arizona Eagle Mining Corp.
Notes to the Unaudited Pro Forma Financial Statements
(Expressed in Canadian dollars)
(Unaudited)

4. Pro forma share capital

The following table summarizes the pro-forma share capital:

Common shares

	Note	Number	Amount
ACG Shares issued and outstanding September 30, 2025		39,868,950	\$ 11,129,885
Core Nickel Shares issued and outstanding October 31, 2025		54,991,718	4,643,402
Core Nickel Warrants exercised	3(e)	75,000	10,500
Core Nickel share consolidation	2(a)	(48,588,281)	
Issuance of shares on acquisition	3(a)	6,478,437	5,765,809
Elimination of Core Nickel Shares pursuant to the acquisition	3(b)	(6,478,437)	(4,643,402)
Concurrent Financing	3(c)	2,659,542	2,358,266
Concurrent Financing - Issuance costs	3(c)		(176,322)
		<u>49,006,929</u>	<u>\$ 19,088,138</u>

Warrants

	Note	Number	Exercise price
ACG Warrants issued and outstanding September 30, 2025		-	\$ -
Core Nickel Warrants issued and outstanding October 31, 2025		18,820,891	0.23
Core Nickel Warrants exercised	3(e)	(75,000)	0.14
Core Nickel Warrants expired	3(f)	(2,492,319)	0.14
Core Nickel share consolidation	2(a)	(14,341,387)	
Issuance of warrants on acquisition	3(a)	1,912,185	2.05
Elimination of Core Nickel Warrants pursuant to the acquisition	3(b)	(1,912,185)	(1.96)
Concurrent Financing	3(c)	2,659,542	1.20
Concurrent Financing - Broker warrants	3(c)	126,352	1.20
		<u>4,698,079</u>	<u>\$ 1.55</u>

Stock options

	Note	Number	Exercise price
ACG Stock Options issued and outstanding September 30, 2025		2,500,000	\$ 0.50
Core Nickel Stock Options issued and outstanding October 31, 2025		3,490,000	0.19
Core Nickel Stock Options cancelled	3(g)	(2,320,000)	0.19
Core Nickel share consolidation	2(a)	(1,032,353)	
Issuance of stock options on acquisition	3(a)	137,647	1.53
Elimination of Core Nickel Stock Options pursuant to the acquisition	3(b)	(137,647)	(1.62)
		<u>2,637,647</u>	<u>\$ 0.55</u>

FAIRNESS OPINION

Proposed Transaction between



Core Nickel Core (“CNCO”) and Arizona Copper and Gold Ltd. (“ACG”)

**Prepared for:
Special Committee to the Board of Core Nickel Corp.**

February 2, 2026



RwE GROWTH PARTNERS, INC.

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APPENDICES AND SCHEDULES

Appendix 1.0	– Arrangement Agreement between CNCO and ACG (available from CNCO)
Appendix 2.0	– Financial Statements of CNCO as at April 30, 2025 & October 31, 2025
Appendix 3.0	– Draft Financial Statements of AGC as at December 31, 2024 & September 30, 2025
Schedule 1.1	– Allocation of Adjusted Net Assets – ACG
Schedule 2.1	– Allocation of Adjusted Net Assets – CNCO
Schedule 3.1	– Proforma Combination of ACG & CNCO (Arizona Eagle Mining Corp.)
Schedule 4.1	– Fairness Calculation



1.0 ASSIGNMENT AND PROPOSED TRANSACTION

Assignment

RwE Growth Partners, Inc. (“RwE” or the “authors of the Report”) was engaged by the Special Committee to the Board of Directors (the “Board”) of Core Nickel Corp. (“Core Nickel”, “CNCO” or the “Public Company”) (TSX-V: CNCO) to prepare this Fairness Opinion (the “Report”) regarding CNCO’s proposed transaction with Arizona Copper and Gold Ltd. (“Arizona Copper and Gold”, “ACG” or the “Company”), a private U.S. firm. ACG’s principal asset is the “Eagle Project” (sometimes called the Eagle Property) in Yavapai County, Arizona.

Proposed Transaction

On September 15, 2025, Core Nickel and Arizona Copper and Gold Inc. entered into a non-binding Letter of Intent (“LOI”) under which CNCO will acquire all of ACG’s issued and outstanding securities, resulting in a reverse takeover (“RTO”) of CNCO by ACG shareholders (the “Resulting Issuer”).

RwE, found on CNCO’s (obtain from CNCO - Arrangement Agreement between CNCO and ACG) website the following (all in *Italics*):

November 24, 2025 – Arizona Copper and Gold Ltd. (the “Company” or “ACG”) and Core Nickel Corp. (TSXV: CNCO) (“Core Nickel”, and together with ACG, the “parties”) are pleased to provide an update to their previously announced concurrent brokered private placements and proposed business combination pursuant to which Core Nickel will acquire all of the issued and outstanding securities of ACG resulting in a reverse takeover of Core Nickel by ACG’s shareholders (the “Proposed Transaction”).

The Concurrent Financing

The parties are pleased to announce that the concurrent brokered private placements of Core Nickel (the “Core Nickel Offering”) and ACG (the “ACG Offering” and, together, the “Concurrent Offerings”), previously disclosed in press releases dated October 2, 2025 and October 20, 2025, are scheduled to close on November 25, 2025 (the “Closing Date”). The parties expect to issue an aggregate of 2,659,542 subscription receipts of ACG (the “ACG Subscription Receipts”) and Core Nickel (the “Core Nickel Subscription Receipts” and, together with the ACG Subscription Receipts, the “Subscription Receipts”) at a price of \$1.20 per Subscription Receipt (which, for greater certainty, is on a post-Consolidation (as defined below) basis in respect of the Core Nickel Subscription Receipts), for aggregate gross proceeds of \$3,191,450 from the Concurrent Offerings.

Stifel Canada and Clarus Securities Inc. (together, the “Co-Lead Agents”) are acting as co-lead agents and joint bookrunners on behalf of a syndicate of agents which includes



PowerOne Capital Markets Limited, on a “best efforts” basis in connection with the Concurrent Offerings.

Each ACG Subscription Receipt will be deemed to be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit in the capital of ACG (each, an “ACG Unit”), subject to adjustment in certain events, immediately before the closing of the Proposed Transaction, upon the satisfaction and/or waiver of certain escrow release conditions (as will be set out in the ACG Subscription Receipt Agreement (as defined below)) at or before the date that is 120 days from the Closing Date (the “Escrow Release Deadline”).

Each ACG Unit shall consist of one common share (an “ACG Share”) in the capital of ACG and one ACG Share purchase warrant (an “ACG Warrant”). It is expected that immediately after conversion of the ACG Subscription Receipts into ACG Shares and ACG Warrants, and upon completion of the Proposed Transaction, for no additional consideration and without any further action by the holders thereof:

- i) each ACG Share shall be exchanged for one post-Consolidation common share (a “Resulting Issuer Share”) of Core Nickel, as it will exist after the completion of the Proposed Transaction (the “Resulting Issuer”), and*
- ii) each ACG Warrant shall be immediately exchanged for one post-Consolidation warrant of the Resulting Issuer (a “Resulting Issuer Warrant”). Each Resulting Issuer Warrant will be exercisable for one Resulting Issuer Share for a period of three years from the Closing Date at an exercise price of \$1.50 per Resulting Issuer Share.*

Each Core Nickel Subscription Receipt will be deemed to be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit in the capital of Core Nickel (each, a “Core Nickel Unit”), subject to adjustment in certain events, immediately before the closing of the Proposed Transaction, upon the satisfaction and/or waiver of certain escrow release conditions (as will be set out in the Core Nickel Subscription Receipt Agreement (as defined below)) at or before the Escrow Release Deadline. Each Core Nickel Unit shall consist of one post-Consolidation Resulting Issuer Share and one post-Consolidation Resulting Issuer Warrant.

The Core Nickel Subscription Receipts are being issued on a post-Consolidation basis at a post-Consolidation price of \$1.20 per Core Nickel Subscription Receipt (or \$0.14 per subscription receipt if calculated on a pre-Consolidation basis).

In consideration for their services in connection with the Concurrent Offerings, the parties have agreed to pay the Agents a cash fee (the “Agents’ Fee”) of up to 6.0% of the gross proceeds from the sale of the Subscription Receipts, of which 50% of the Agents’ Fee will be paid on the Closing Date and the remaining 50% of the Agents’ Fee will be deposited in escrow and released to the Agents in connection with the conversion of the Subscription Receipts.



As additional consideration for the services of the Agents, the Agents will be granted broker warrants of the Resulting Issuer (the “Broker Warrants”) in such number as is equal to up to 6.0% of the number of Subscription Receipts sold in the Concurrent Offerings. Each Broker Warrant shall be exercisable to acquire one Resulting Issuer Share at a price of \$1.20 for a period of 12 months following the escrow release and conversion of the Subscription Receipts. The Broker Warrants shall be issued to the Agents upon release of the escrowed funds and conversion of the Subscription Receipts.

The Core Nickel Subscription Receipts will be created and issued pursuant to a subscription receipt agreement (the “Core Nickel Subscription Receipt Agreement”) to be dated as of the Closing Date, among Core Nickel, the Co-Lead Agents and Olympia Trust Company (the “Subscription Receipt Agent”), appointed as subscription receipt agent for the Core Nickel Subscription Receipts pursuant to the terms of the Core Nickel Subscription Receipt Agreement.

The ACG Subscription Receipts will be created and issued pursuant to a subscription receipt agreement (the “ACG Subscription Receipt Agreement”, and together with the Core Nickel Subscription Receipt Agreement, the “Subscription Receipt Agreements”) to be dated as of the Closing Date, among ACG, the Co-Lead Agents and the Subscription Receipt Agent, appointed as subscription receipt agent for the ACG Subscription Receipts pursuant to the terms of the ACG Subscription Receipt Agreement.

The net proceeds of the Concurrent Offerings are expected to be used by the Resulting Issuer to fund exploration activity at its Eagle Project as well as for working capital and general corporate purposes. All other details of the Concurrent Offerings are included in the press releases of ACG and Core Nickel, dated October 2, 2025 and October 20, 2025.

Proposed Transaction Summary

Further to the parties joint press release of September 16, 2025, it is intended that ACG and Core Nickel will complete the Proposed Transaction by way of a court approved plan of arrangement (the “Arrangement”) under Section 182 of the Business Corporations Act (Ontario) on terms and conditions to be set out in the definitive arrangement agreement to be entered into between the parties (the “Definitive Agreement”).

Under the Proposed Transaction, the holders of ACG Shares, including those ACG Shares acquired in the ACG Offering, will receive Resulting Issuer Shares in exchange for their ACG Shares upon completion of the Arrangement.

In addition, upon the completion of the Arrangement, all of ACG’s securities exercisable or exchangeable for, or convertible into, or other rights to acquire ACG securities outstanding at completion of the Proposed Transaction, including all outstanding stock options of ACG (the “ACG Options”) and ACG Warrants (collectively, with the ACG Options and ACG Shares, the “ACG Securities”) will be replaced with or exchanged for securities exercisable or exchangeable for, or convertible into, rights to acquire Resulting



Issuer Shares, on the same economic terms and conditions as such original outstanding securities.

In connection with the Proposed Transaction, Core Nickel will consolidate its shares on an 8.5 to 1 basis immediately prior to the closing of the Proposed Transaction (the “Consolidation”). Following completion of the Consolidation, the outstanding ACG Securities will be exchanged for equivalent securities of the Resulting Issuer on a 1 for 1 basis (the “Exchange Ratio”) pursuant to the Arrangement reflecting a deemed price (on a post-Consolidation basis) of \$1.20 per Core Nickel Share for each ACG Share.

Based on the foregoing, the aggregate deemed price for the ACG Shares is expected to be approximately \$47,842,740 (not including the Concurrent Offerings).

The Proposed Transaction will result in the “reverse takeover” (as defined in TSX Venture Exchange (“TSXV”) Policy 5.2) of Core Nickel by ACG shareholders.

The business of the Resulting Issuer will be primarily focused on the exploration and development of ACG’s Eagle Project in Yavapai County, Arizona. While the Resulting Issuer’s focus will be on exploration and development of the Eagle Project, it will continue to own Core Nickel’s land portfolio in the Thompson Nickel Belt of northern Manitoba, including the Mel deposit. It is expected that the Resulting Issuer will be classified as a Tier 2 Mining Issuer.

Name Change

It is the parties’ intention that the Resulting Issuer Shares will be listed on the TSXV following the closing of the Proposed Transaction. Core Nickel intends to change its name to “Arizona Eagle Mining Corp.”, or such other name designated by ACG and that is acceptable to the regulatory authorities (the “Name Change”).

Continuance

Core Nickel shall also seek regulatory and shareholder approval to continue out of the Business Corporations Act (British Columbia) and into the jurisdiction of Ontario, under the Business Corporations Act (Ontario).

Closing Conditions

Completion of the Proposed Transaction is subject to a number of conditions, including, but not limited to, the parties entering into the Definitive Agreement, the receipt of required regulatory approvals, including the approval of the TSXV, completion of the Concurrent Offerings, the receipt of the requisite Core Nickel shareholder approval for the Proposed Transaction, the Consolidation, the Name Change, the Continuance and the election of directors of the Resulting Issuer, the receipt of the requisite approval of ACG shareholders for the Proposed Transaction, court approval of the Arrangement, and certain standard



closing conditions, including there being no material adverse change in the business of ACG or Core Nickel prior to completion of the Proposed Transaction.

Capitalization of the Resulting Issuer

Pre-Closing Capitalization of Core Nickel

As of the date hereof, Core Nickel has 54,991,718 common shares (“Core Shares”) issued and outstanding, 18,820,891 common share purchase warrants (“Core Warrants”) outstanding and 3,490,000 incentive stock options (“Core Options”) outstanding. The Core Shares are currently listed on the TSXV under the symbol “CNCO”.

Prior to closing of the Proposed Transaction, and subject to Core Nickel shareholder approval, it is intended that Core will undertake the Consolidation on the basis of 1 post-consolidation Core Share for every 8.5 pre-consolidation Core Shares.

Pre-Closing Capitalization of the Company

As of the date hereof, ACG has 39,868,950 ACG Shares issued and outstanding and 2,500,000 ACG Options outstanding. The ACG Shares and ACG Options issued and outstanding at the closing time of the Proposed Transaction will be exchanged for Resulting Issuer Shares and Resulting Issuer Options at the Exchange Ratio.

Concurrent Financings.

It is anticipated that the parties will issue 2,659,542 Subscription Receipts in the Concurrent Offerings, which will result in the issuance of an aggregate of a 2,659,542 Resulting Issuer Shares and 2,659,542 Resulting Issuer Warrants pursuant to the Proposed Transaction.

Capitalization of the Resulting Issuer

Without giving effect to the closing of the Concurrent Offerings as described above, upon completion of the Proposed Transaction (and on a post-Consolidation basis), the current shareholders of ACG will own 39,868,950 Resulting Issuer Shares, representing approximately 86% of the Resulting Issuer Shares and the current shareholders of Core Nickel will own 6,469,614 Resulting Issuer Shares representing approximately 14% of the outstanding Resulting Issuer Shares.

Trading

Trading in the Core Shares is currently halted in accordance with TSXV policies, and will remain halted until completion of the Proposed Transaction. Core intends to apply to the TSXV for reinstatement of trading of the Resulting Issuer Shares when permitted pursuant to TSXV policies.



RwE has been advised that the Proposed Transaction is not an arm's length transaction as some principals of ACG are also shareholders of CNCO. It may be that the Proposed Transaction will be guided by Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101").

This instrument (also referred to as "Regulation 61-101" in some jurisdictions) is a national instrument adopted by the Canadian securities regulators (the Canadian Securities Administrators / CSA) that governs certain transactions involving "related parties" (which inevitably overlaps with non-arm's-length concepts).

The Report opines as to the fairness of the Proposed Transaction from a financial point of view to the shareholders of CNCO.

Given all of the above, the Special Committee of the Board is interested in obtaining an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view to CNCO near to the date of a Definitive Agreement related to the Proposed Transaction.

CNCO paid RwE a fixed professional fee, plus applicable taxes to prepare this Report.

RwE, its principals and partners, staff and associates, do not assume any type of responsibility and/or business/financial liability for losses incurred by CNCO, ACG, and/or any related shareholders or securityholders, CNCO / ACG (the "Parties") directors and/or its management, and/or any regulatory bodies and/or other parties as a result of the circulation, publication, reproduction, or use of the Report as well as any as any use contrary to the provisions of the Report and our engagement letter.

The Report is based on the scope of work that has been undertaken, the data and information provided by the Parties and the assumptions made.

RwE has not audited the information and data provided by the Parties, nor has it performed any forensic review, nor can it be expected to catch or identify any fraud and/or misleading data or information from the Parties.

Instead, RwE has relied on the fact that the Parties have provided accurate and reliable data.

RwE also reserves the right to review all calculations included or referred to in the Report and, if RwE considers it necessary, to revise the Report in light of any information existing at the review date, referred to as the Valuation Date (i.e., as at or near January 31, 2026) which becomes known to RwE after the date of the Report.

RwE has assumed that all materials provided to it by CNCO and ACG are free from material misstatement, and there are no unrecorded commitments or contingencies. Unless otherwise indicated, all monetary amounts are stated in Canadian dollars (C\$).

2.0 BRIEF BACKGROUND

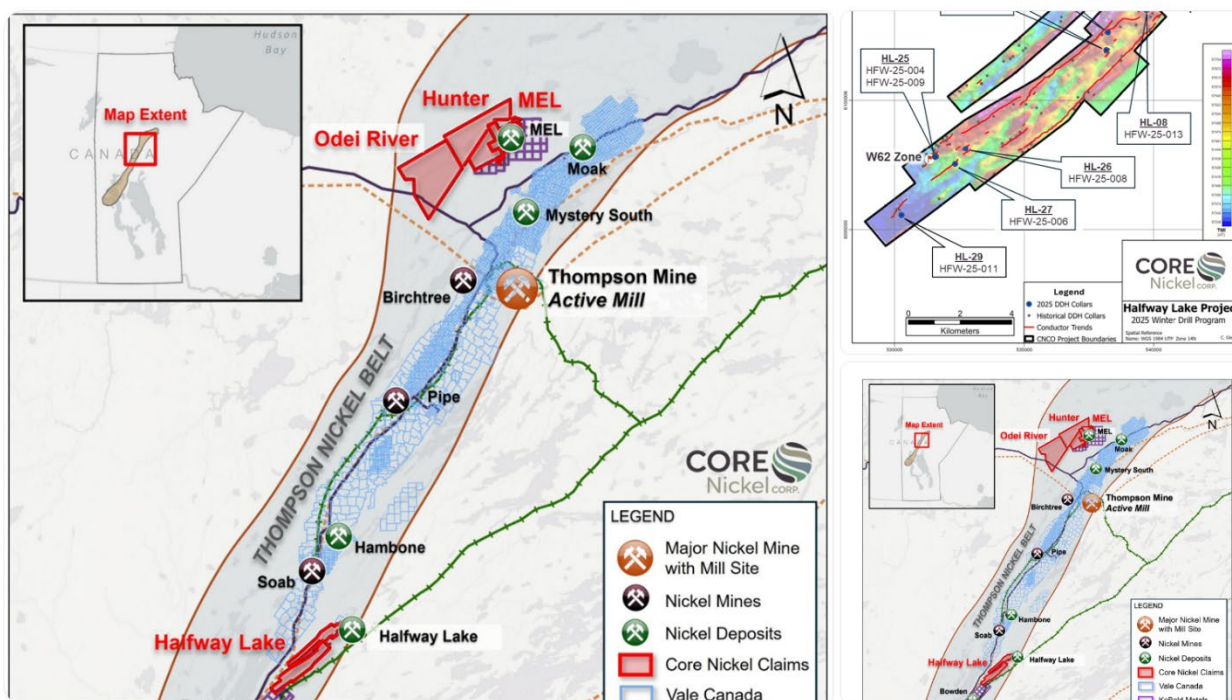
RwE has reviewed all of the materials that was provided from CNCO and ACG.

Core Nickel Corp.

Readers should obtain a description from CNCO and its mineral property assets. This can be best found here: <https://www.corenickel.com/>. Readers should note that CNCO's presentation/corporate deck can be found on its website.

Readers should review the <https://www.corenickel.com/projects/mel-project/> Mel Project web page as it is the flagship project of CNCO.

Mel Project (Thompson Nickel Belt, Manitoba)



The Mel Project is 100% owned by Core Nickel. It sits in the northern part of the Thompson Nickel Belt (TNB) of northern Manitoba, Canada. The Mel Project comprises one mineral lease and ten mineral claims covering ~2,613 ha (26.13 km²) for the Mel claim portion. Location: ~20–25 km north-west of the town of Thompson, Manitoba and adjacent to existing milling/infrastructure. The Mel Project is near major infrastructure: provincial highway, railway (HBR/OmniTrax line), major hydroelectric transmission — provides favourable access.

The Mel Deposit was discovered in 1961 by Canadian Nickel Company Ltd. (a subsidiary of Inco). A historic NI 43-101 style technical report (“Technical Report on the Mel



Deposit”, Wardrop/ Naccashian, March 9, 2007) – not compliant under a modern NI 43-101 standard - for Victory Nickel Inc. estimated Indicated: ~4,279,000 tons (~3.88 Mt) grading ~0.875% Ni.

The historical resource (4.28 Mt at 0.875% Ni) is on the modest side for a commercial nickel mine. Unless the size can be expanded significantly (more tonnage, thicker zones, higher continuity) the project may struggle to support large-scale mining. While grades are decent, the cut-off and actual economic recoveries, metallurgy, mining method, and infrastructure/operating cost will determine viability—which are not yet fully detailed. A lot of the work still lies ahead: updated resource estimate, detailed drilling, metallurgy, geotechnical work, permitting, etc. Without that, the risk profile remains higher. The depth potential is noted (“compelling potential below 200 m”) but this is speculative to date. Inferred: ~1,010,000 tons (~0.92 Mt) grading ~0.839% Ni. Cut-off used: ~0.5% Ni. Recently (April 2025) Core Nickel re-assayed 12 historic drill holes and reported results such as:

Arizona Copper and Gold Ltd.

Readers can obtain a description from ACG and its mineral property assets. This can be best found by examining ACG’s September 2025 Presentation (available from the ACG). Arizona Eagle Mining Corp. (“AEM”) is referred to in the ACG Presentation – which RWE understands is the legal name that ACG is considering changing the name to of the Resulting Issuer post close of the Proposed Transaction.

ACG is a private company that owns 100% of the Eagle Project in Yavapai County, Arizona which is located on 239 unpatented BLM mining claims totaling 4,544 acres that are not subject to any royalties, and 203 acres of patented lands.

The Eagle Project claims host at least 12 past-producing gold mines. The Eagle Project also includes 203 acres of patented mining claims, which host the past-producing McCabe mine. Approximately US\$35 million was spent from 1981 to 1986 (~CDN\$110 million in 2025 dollars) to define and put the McCabe mine into production. A historic estimate in 19841 calculated total reserves of 877,617 ounces of gold at a grade of 11.7 g/t as well as 5,119,169 ounces of silver at a grade of 69 g/t. (the "Historical Estimate"). Approximately 80,000 ounces of gold were recovered from the mine before its closure in 1987.

ACG acquired 238 unpatented mining claims through its wholly-owned subsidiary company, Arizona Desert Land Holdings Corp., by staking (April 24-30; May 1-5; June 18) and filing with the Bureau of Land Management on July 17, 2024. These claims cover a total area of 4,543.6 acres (1,838.7 hectares; 18.38 km²). In addition, ACG has acquired, through Arizona Desert Land Holdings Corp., the following patented claims through purchases:

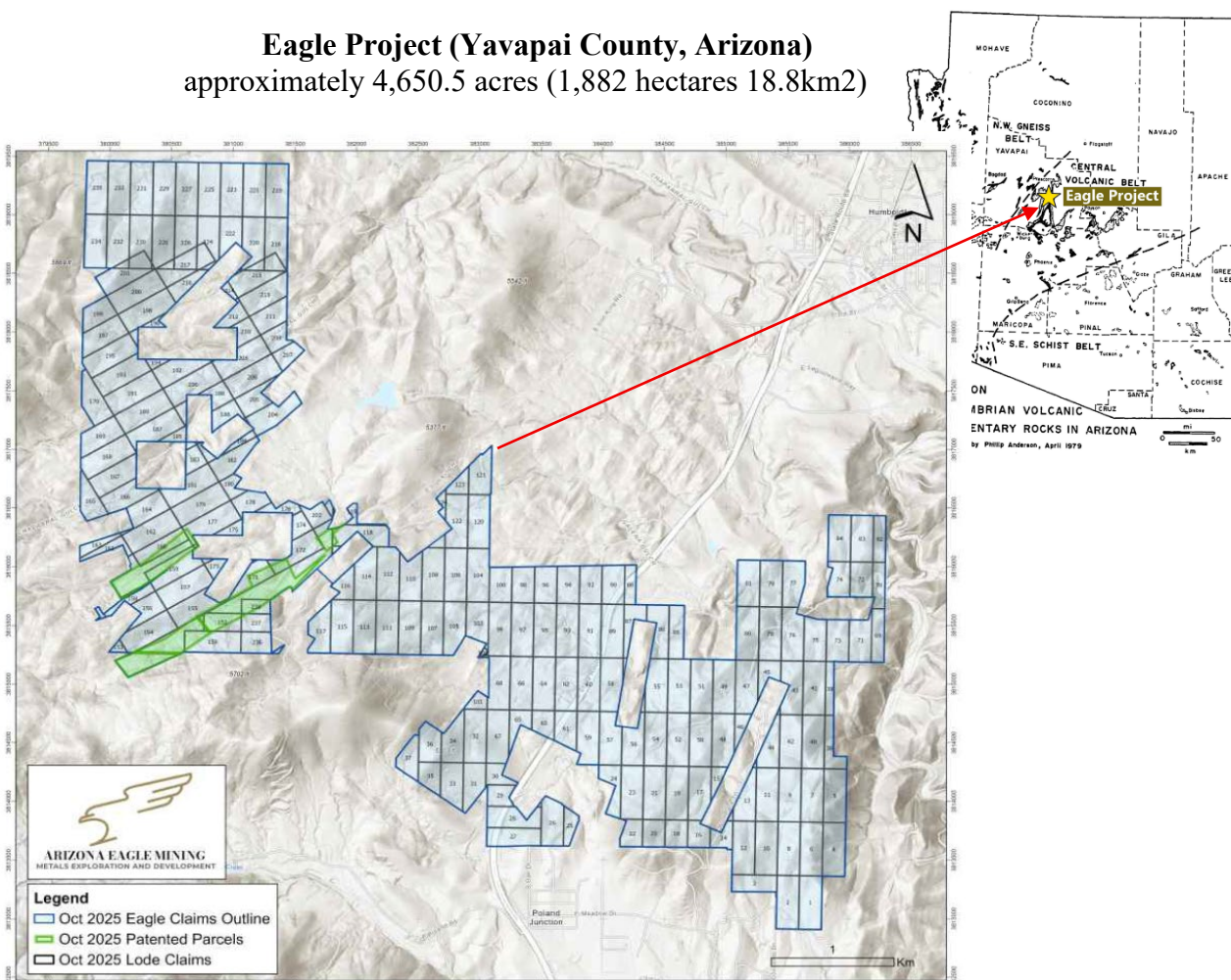
- On February 19, 2025, the company purchased eight patented mining claims from Big Bug Gravel & Gold, LLC, of Elko, NV, totaling approximately 87.44 acres

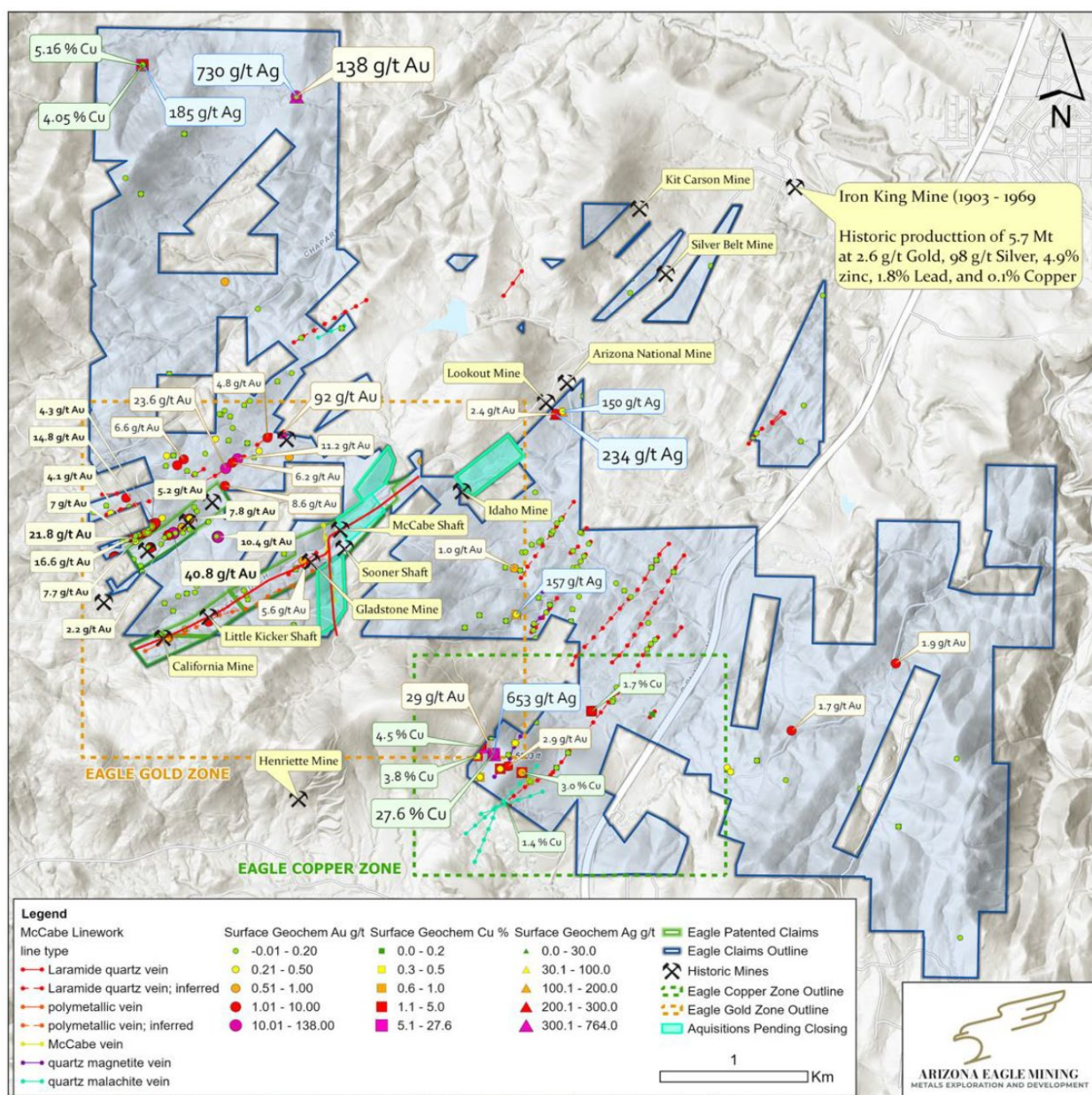


(35.3 hectares; 0.36 km²) in Sections 15-16, 19-21, and 29-32, Township 13 North, Range 1 East, Yavapai County, Arizona. The eight claims include the Gladstone, Gladstone Westerly Extension, Sink to Rise, Monopolist, Little Kicker, Rebel, McCabe, and Columbus claims. The full purchase price was US\$2,000,000.00, plus the buyer's closing costs, plus a 2% NSR to the seller (with the option for ACG to purchase 1% for US\$1 million).

- On February 9, 2025, ACG purchased three patented mining claims from Charles & Coral J.T. Freeman totaling 31.64 acres in the Big Bug District, Yavapai County, Arizona. The three claims include Palo Alto, Sunol, and Columbia. As part of this agreement, the company also acquired two unpatented mining claims named Independent No. 2 and Freedom 2 totaling approximately 40 acres. The total area acquired is approximately 71.64 acres (29 hectares; 0.29 km²). The full purchase price was US\$700,000.00.
- Additional parcels of land were acquired by ACG over the course of 2025 for an aggregate purchase price of \$1,465,083 (US\$1,000,000).

Eagle Project (Yavapai County, Arizona)
approximately 4,650.5 acres (1,882 hectares 18.8km²)





The Eagle Project NI 43-101 Report (refer to next page) notes that, “to its knowledge, no exploration work had been completed on the Eagle Project by prior owners since the early 1990s. ACG began conducting exploration work on the Eagle Project in 2024, and the sampling program completed by ACG in 2024 identified at least 12 mineralized zones and structures which have not been tested with modern exploration methods (including geophysics or drill testing). Exploration on the Eagle Project was carried out by Ethos Geological during 2024 and 2025, with a focus on geological mapping and systematic sampling of mineralized outcrops, mine dumps, and historical workings. A total of 312 grab and channel samples were collected and submitted for analysis. Of these, 47 samples returned >1.0 g/t Au (up to 92.0 g/t), 27 samples >50 g/t Ag up to 764 g/t), and 17 samples >0.5% copper (Cu) (up to 27.6%). Five NE-striking zones of gold mineralization—collectively termed the Gold Zones—were mapped and sampled across a 2.17 mi (3.5 km)



trend. The most notable results include 16 gold assays in the Sunol Extension Zone exceeding 1.0 g/t Au, with peak values of 23.6 and 92.0 g/t Au. Channel samples from quartz veins returned up to 14.8 g/t Au, and mineralized veins were observed to crosscut all rock units, including Cretaceous tonalite, supporting a Laramide-age classification for the McCabe-type vein system. To the south, a distinct Copper Zone was delineated, with high-grade copper assays up to 27.6% Cu, along with associated anomalous gold (up to 29.4 g/t Au) and silver (up to 653 g/t Ag)². The copper mineralization is hosted in black, Fe-oxide and copper oxide-stained quartz-magnetite-pyrite-specularite rocks interpreted as exhalites, indicative of VMS-related processes. Additional sampling of Fe-oxide gossans southwest of the Iron King Mine revealed structural features and metal associations consistent with Iron King-style VMS lenses, highlighting the potential for both structurally controlled vein-hosted and stratiform sulfide mineralization across the project area. The strongly anomalous copper, gold, and silver results on samples of this type indicate impressive potential for volcanogenic massive sulphide ("VMS") mineralization within the area sampled and in surrounding areas. Based on strong similarities with Iron King VMS ore, the Eagle Copper Zone represents a target that requires detailed exploration as a potential similar deposit. An airborne geophysical survey carried out by Geotech Ltd. in April 2025 collected versatile time-domain electromagnetics (VTEM), magnetic, and radiometric data on 50-meters (m) spaced stations on 699-line kilometers over the Project area.

Subject to completion of the Proposed Transaction, the Resulting Issuer intends to commence a diamond core drilling program is recommended to expand the known mineralized zones and test new exploration targets. The proposed program includes drilling 16,800 meters across 56 drill holes, targeting known high-grade McCabe Au-Ag vein-type mineralization, as well as new targets identified through mapping and geophysical surveys. The program is designed to test and confirm mineralization reported in historical records, as well as assess broader exploration potential. The drilling program is intended to be supported by geological mapping, geophysical surveys, and geochemical surveys to enhance the overall understanding of the deposit and guide future exploration.

Phase 1 of the proposed drill program is expected to focus on the McCabe-Rebel zone, including 21 holes to a depth of approximately 300 m, totaling 6,300 m. These holes may be arranged along three NE-SW-trending segments totaling 2,000 m in length, comprising 990 m within the central historic McCabe-Gladstone-Sooner mine area, 750 m between the McCabe and Rebel areas to the southwest, and 260 m northeast of the McCabe area. ACG expects that the net proceeds from the Concurrent Offerings will be used by the Resulting Issuer to complete phase 1 of the proposed exploration program and for general working capital purposes."

In October of 2025 a National Instrument 43-101 Technical Report on the Eagle Project (referred to as the "Eagle Project NI 43-101 Report"), Yavapai County, Arizona was prepared by Ethos Geological, 902 N Wallace Ave, Bozeman MT 59718 and the Qualified Person ("QP") was Benjamin Soms, CPG. Readers can obtain the Eagle Project NI 43-101 Report from ACG directly.



3.0 SCOPE OF THE WORK

RwE has relied on the following documents and information:

- Interviews of certain financial and business management and Board members of ASC and Special Committee members of CNCO.
- Obtained data on the CNCO Mel Project and other Public Company projects. RwE found that good technical work has been done on CNCO's mineral projects. Found that the Mel Project is reasonably encouraging. The grades (1.7–2.8% Ni in select intercepts) are certainly promising and better than many low-grade nickel deposits. The proximity to infrastructure is a big plus — lowering some of the cost risk. However, the scale is modest to date; reliability of the historical resource still needs upgrading; many steps remain until development.
- Interviewed Matt Batty, MSc, P.Geo, Geostatistician and Owner of Understood Mineral Resources Ltd. He had been assisting Core Nickel getting the Mel Project into a modern NI 43-101 Report and resource estimate. RwE assessed him to be very knowledgeable and insightful into the CNCO projects – especially the Mel Project. He provided a balanced look at the status of the CNCO projects – but did indicate a true believe in the upside of the Mel Project et al. Provided RwE comfort that maintaining ownership of the mineral rights related to these CNCO nickel projects is logical and appropriate when nickel prices return to higher economic levels.
- Interviewed Benjamin Soms, CPG who prepared the Eagle Project NI 43-101 Technical Report. Found some key findings:
 - Preliminary exploration completed by Ethos Geological on behalf of ACG supports the presence of both epigenetic Au-Ag quartz-sulfide veins of probable Laramide age and stratiform Proterozoic VMS-style mineralization within the Project area. Analytical results from grab and channel samples demonstrate locally high concentrations of gold, silver, copper, lead, and zinc mineralization, with multiple samples returning grades well above economic thresholds.
 - To further advance the Eagle Project, a diamond core drilling program is recommended to expand the known mineralized zones and test new exploration targets. The proposed program includes drilling 16,800 meters across 56 drill holes, targeting known high-grade McCabe Au-Ag vein-type mineralization, as well as new targets identified through mapping and geophysical surveys. The program is designed to test and confirm mineralization reported in historical records, as well as assess broader exploration potential.
 - It is recommended that diamond core drilling be conducted in two phases: Phase 1: Focused on the McCabe-Rebel zone, including 21 holes to a depth of approximately 300m, totaling 6,300m. These holes may be arranged along three



NE–SW trending segments totaling 2,000 m in length, comprising 990 m within the central historic McCabe–Gladstone–Sooner mine area, 750 m between the McCabe and Rebel areas to the southwest, and 260 m northeast of the McCabe area. Phase 2: An additional 35 holes totaling approximately 10,500 m allocated to targets developed within the four gold-mineralized intervals of the Gold Zones to the north of the McCabe–Rebel zone and/or additional targets identified within the Copper Zone.

- No drilling or ground-disturbing exploration activities have been conducted by ACG on the Eagle Project. As such, no exploration permits have yet been required or obtained. Future drilling or trenching programs will necessitate the acquisition of appropriate permits from the relevant regulatory authorities, including those governing surface disturbance and water use, prior to the commencement of such activities. This finding highlights the early stage of exploration of this project and the material risk as to whether the expected ACG’s prospects (per its presentation) will materialize.
- Historically, production occurred from two different NE-striking, steeply dipping deposit types in the Eagle Project area: the McCabe Au-Ag vein type and the Iron King Au-Ag-Cu-Pb-Zn volcanogenic massive sulfide (VMS) type. Five discrete NE-trending gold-mineralized zones—collectively termed the Gold Zones—have been identified across a 3.5 km corridor north of the McCabe-Rebel system. The Copper Zone in the southern Eagle Project area extends over an approximately 1 km NE-trending corridor, with mineralized widths of 1 to 4 m observed in outcrop and historical workings. Depth potential remains untested by modern exploration methods.
- The Eagle Project includes two deposit types: the McCabe Au-Ag vein type and the Iron King Au-Ag-Zn-Pb-Cu volcanogenic massive sulfide (VMS) type.
- Ethos Geological Inc., under contract to ACG, conducted geological mapping and systematic sampling programs on the Eagle Project between September 2024 and March 2025. A total of 312 grab and channel samples were collected from mineralized outcrops, float, and historical mine dumps across the Eagle Project property.
- An airborne geophysical survey carried out by Geotech Ltd. in April 2025 collected VTEM, magnetic, and radiometric data on 50-meter spaced stations on 699-line-kilometers over the Eagle Project property.
- No drilling has been conducted by ACG on the Eagle Project.
- Based on review of sample collection procedures, security protocols, analytical methods, and quality control results, it is the Qualified Person’s opinion that sample preparation, security, and analytical procedures employed during the 2024–2025 exploration program are adequate and suitable for use in this



Report. The analytical data are considered reliable for evaluating mineralization on the Eagle Project and guiding future exploration. Based on the author's review of field procedures, chain-of-custody documentation, verification of select sampling locations, and direct examination of analytical data, it is the author's opinion that the data are reliable and suitable for inclusion in this Technical Report.

Gold: 47 samples >1.0 g/t Au, ranging up to 91.7 g/t Au.
Silver: 27 samples >50 g/t Ag, ranging up to 764 g/t Ag.
Copper: 17 samples >0.5% Cu, ranging up to 27.6% Cu.
Lead: eight samples >1.0% Pb, ranging up to 10.0% Pb.
Zinc: eight samples >1.0% Zn, ranging up to 10.8% Zn.

- Although there are several properties in the area of the Eagle Project properties, it is the author's opinion that none are essential to an understanding of the Eagle Project properties.
- Historic production in the district has totaled more than 947,000 ounces gold, 23 million ounces silver, 22 million pounds copper, 295 million pounds lead, and 838 million pounds zinc (Creasey, 1951; Warnock, 1990).
- The ACG Eagle Project properties exhibit favorable geological characteristics for discovery of both McCabe Au-Ag vein type and Iron King Au-Ag-Zn-Pb-Cu VMS type deposits.
- The estimated budget for the proposed drilling (in two phases) is below:

Item	Description	Quantity	Unit Cost	Total (C\$)
Drilling (HQ core)	21 holes × 300 m each. US\$38/ft, doubled for inputs, +15% contingency, × 1.4 FX (CAD/USD) → C\$400/m	6,300 m	C\$400/m	2,520,000
Assays and Laboratory	70 m sampled per 300 m hole (0.233 sampled m/m drilled); US\$45/sample × 1.4 FX → C\$63/sample for 1,468 samples.	1,468 samples	C\$63/sample	92,000
Mobilization / Demobilization	Transport and setup of drill and support gear	1 lump sum	—	45,000
Road Building and Pad Construction	Road and drill pad construction	1 lump sum	—	90,000
Logistics and Supplies	Fuel, camp, consumables	1 lump sum	—	75,000
Permitting and Environmental	Permitting fees and monitoring	1 lump sum	—	30,000
Personnel	Field and technical staff (6 months estimate)	—	—	100,000
Contingency (non-drilling)	15% on non-drilling items (drilling contingency included in rate)	—	—	50,000
Total Estimated Cost				3,000,000

Item	Description	Quantity	Unit Cost	Total (C\$)
Drilling (HQ core)	35 holes × 300 m each. Same assumptions as Phase 1 (C\$400/m)	10,500 m	C\$400/m	4,200,000
Assays and Laboratory	0.233 sampled m per m drilled → 2,447 samples at C\$63/sample	2,447 samples	C\$63/sample	154,161
Mobilization / Demobilization	Transport and setup of drill and support gear	1 lump sum	—	75,000
Road Building and Pad Construction	Road and drill pad construction	1 lump sum	—	150,000
Logistics and Supplies	Fuel, camp, consumables	1 lump sum	—	125,000
Permitting and Environmental	Permitting fees and monitoring	1 lump sum	—	50,000
Personnel	Field and technical staff (8 months estimate)	—	—	120,000
Contingency (non-drilling)	15% on non-drilling items (drilling contingency included in rate)	—	—	75,000
Total Estimated Cost				5,000,000



- RWE has assessed that Arizona is mining-friendly, infrastructure present. The Eagle Project combines both gold-silver and base-metal (Cu, Zn, Ag) potential (multi-metal system). Past production and high-grade historic numbers give a “proof of concept” for a mineralized system. ACG has identified a “Copper Zone” with sample grades like 27.6% Cu + 653 g/t Ag, and a “Gold Zone” with sample grades 92 g/t Au etc. Many of the identified veins/zones “un-tested with modern exploration methods” (geophysics + drill) meaning that continuity, depth, width, and tonnage remain unproven. The VMS-style mineralization is documented as: “Brecciated... dismembered into separate lenses by left-lateral strike-slip faulting” with multiple separate lenses, variable contacts, and sheared zones. Mineralization could be discontinuous, compartmentalized, or offset. Significant geological interpretation risk in defining minable zones. There is some probability that tonnage and continuity may reduce when fully modelled.
- Collected data on the Project and reviewed the NI 43-101 Report’s stated opportunities and challenges facing the Project in understanding the efforts related to exploring the Project going forward. No Mineral Reserves have yet to be identified.
- Discussed with the QP and with ACG management the: (1) Purchase and Sale Agreement dated February 19, 2025, between Arizona Desert Land Holdings Corp. and Big Bug Gravel & Gold, LLC, covering eight patented mining claims (Gladstone, Gladstone Westerly Extension, Sink to Rise, Monopolist, Little Kicker, Rebel, McCabe, and Columbus) totaling approximately 87.44 acres; (2) the Purchase and Sale Agreement dated February 9, 2025, between Arizona Desert Land Holdings Corp. and Charles & Coral J.T. Freeman, covering three patented mining claims (Palo Alto, Sunol, and Columbia) and two unpatented mining claims (Independent No.2 and Freedom 2) totaling approximately 71.64 acres; and (3) Bureau of Land Management claim filing records dated July 17, 2024, for 238 unpatented mining claims staked by Arizona Desert Land Holdings Corp. between April 24 and June 18, 2024.
- Also collected general business data from Bloomberg, Reuters, Capital IQ, Bank of Canada, Toronto Dominion Bank, Scotiabank, Moodys, Financial Week, Barrons, Globe and Mail, mergermarket, TD Securities, BMO Capital Markets, CIBC World Markets, National Bank, Economist, Morningstar Dividend Investor & Standard Bank.
- Reviewed financial statements of CNCO for the periods ended April 30, 2025 and October 31, 2025 and for ACG the DRAFT ACG financials for the periods ended December 31, 2024 and September 20, 2025. Refer to Appendices 2.0 and 3.0.
- Reviewed CNCO’s available historical financial statements and information as available on SEDARPLUS.
- Reviewed the latest Balance Sheet of CNCO on SEDARPLUS. The latest statements of CNCO showed no material evidence to suggest that the Mel Project or other should be materially written down as at the Valuation Date from the amounts shown on its



financial statements. There is still real potential with the CNCO projects – but patience and capital will be needed to work through the exploration stages.

- Nickel futures in the UK sank to \$14,550 per ton in November, the lowest since the four-year low of \$13,900 touched in April and significantly underperforming other base metals due to mounting oversupply. Output remained ample amid the over-expansion of Indonesia's nickel sector since the country blocked the export of ores in 2020. This drove the largest nickel consumers to establish refiners within Indonesia and capacity soared, leading to supply surpluses.

The Indonesian government reduced nickel mining quotas by 120 million tons to 150 million this year, cutting global supply by 35% from current levels, although soft bidding prices throughout the year indicated that markets don't see constraints dampening the oversupplied backdrop. Nickel stockpiles at LME warehouses rose by 90,000 tons this year to over 250,000. On the demand front, muted purchasing levels of stainless steel globally were offset by the higher usage of nickel in electric vehicles.

- Review of some partially comparable projects to the Eagle Project

Project	Stage	Contained Resource (Indicative)	Approx. Expenditures to Date
Kay Mine (Arizona Metals)	Advanced exploration / defined MRE	~9.3 Mt @ ~3.2% CuEq (~650M lbs CuEq Indicated)	Estimated US \$30–50M+ (drilling ~130,000 m)
Estrades (Galway Metals)	Advanced exploration → moving toward PEA	Polymetallic VMS (Au–Ag–Zn–Pb–Cu), historic+updated resource	~CA \$20M historic investment + additional drilling
Copperstone Gold (Sabre Gold)	Advanced underground gold (pre-production/development)	~200–250 koz Au (Indicated/Inferred)	US \$30M+ cumulative development & exploration
Platosa Mine (Excellon Resources)	Past producer / high-grade CRD	Very high-grade Ag–Pb–Zn mantos	CA \$100M+ historic development & sustaining capital
Moss Mine (Elevation Gold)	Producing open-pit	255 koz Au + 4.7 Moz Ag (Proved & Probable)	Significant cumulative capex (estimated US \$40M+)
Tombstone Project (Aztec Minerals)	Exploration-stage (high-grade district-scale)	No compliant resource yet (surface/high-grade sampling)	Early-stage, estimated US \$5–10M
La Colorada (Pan American Silver)	Producing underground (large-scale CRD/skarn)	Large established reserve/resource portfolio	Significant cumulative investment (>US \$300M historically)
Cinco de Mayo (Apollo Silver)	Exploration CRD (historic resources)	Oxide & sulphide Pb–Zn–Ag mantos	Historical expenditures estimated US \$15–20M



4.0 **CONDITIONS AND RESTRICTIONS OF THE REPORT**

- The Report is for the Special Committee of CNCO and the Board of the Public Company and for their use for internal circulation purposes and only the final signed Report can be relied on by CNCO's Board and related regulatory bodies.
- RWE understands that a summary of the signed Report may be included in the documentation advising only CNCO's Board of such findings.
- The signed Report may be included in public disclosure documents related to the ACG/CNCO Proposed Transaction. RWE will require that it review public disclosure documents in order to ensure accuracy and consistency with the Report. Such consent will not be unreasonably withheld.
- The Report cannot be submitted to any non-North American or international stock exchanges and or foreign regulatory authorities.
- The Report cannot be submitted to the CRA or the IRS.
- RWE did apply generally accepted CICBV valuation principles to the financial information it received from the Company and followed valuation standards.
- RWE has assumed that the information, which is contained in the Report, is 100% accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Report that the Company, or their representatives, are aware of.
- RWE did not attempt to audit the accuracy or completeness of the financial, technical, exploration, development and business data and information provided to it.
- This Report contains conclusions on fair value and on the fair market value of the Parties based on the work in the Report only.
- This Report has been prepared in light of those standards of the Canadian Institute of Chartered Business Valuators and the American Society of Appraiser (both of which Richard W. Evans is a member in good standing).
- Should the assumptions used in the Report be found to be incorrect, then the valuation and conclusions may be rendered invalid and would likely have to be reviewed in light of correct and/or additional information.
- The Report, and more specifically the assessments and views contained therein, is meant as independent review of the Proposed Transaction as at the Valuation Date respecting the scope outlined above.



- The authors of the Report make no representations, conclusions, or assessments, expressed or implied, regarding ACG and/or CNCO, or either of them as investments.
- The information/assessments contained in the Report pertain only to the conditions prevailing at the time the Report was completed in October to November of 2025.
- RWE denies any responsibility, financial or legal or otherwise, for any use and/or improper use of the Report however occasioned.
- Any legal disputes or legal action against RWE Growth Partners, Inc. as a result of the Report, or any other matter, is agreed by CNCO and their management, officers, directors and their respective shareholders are agreed to be settled only in a Canadian court of law.
- RWE as well as all of its principals, partner, staff or associates' total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by RWE, its principals, partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Report and Summary.
- No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Report and Summary.

5.0 ASSUMPTIONS OF THE REPORT

The authors of the Report have made the following assumptions in completing the Report:

- (1) As at the Valuation Date all assets and liabilities in respect of CNCO and ACV have been recorded in their provided financial statements and follow IFRS standards. An audit of the provided CNCO and AGC financial statements as at the dates provided and as at the Valuation Date would not result in any material change to their financial data and statements contained in the RWE Report's Schedules.
- (2) The Report's Schedules are compiled from financial statements and management of CNCO and AGC and are assumed to be accurate. There is concern regarding the current financial position of AGC as the latest provided financial statements are September 30, 2025. RWE has been asked to assume that AGC's financial position has not materially changed as outlined in Schedule 2.1. This is a critical assumption.
- (3) RWE has assumed that the provided CNCO and AGC's financial statements and position would not change materially to the closing of the Proposed Transaction.



- (4) CNCO and AGC and all of their related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Report that would affect the evaluation or comments on the Proposed Transaction and the Parties.
- (5) All of the share issuances and conditions of the Proposed Transaction as is set out by CNCO and AGC to RWE and is outlined in Schedule 4.1 are assumed to 100% accurate as to the closing of the Proposed Transaction. This is a critical assumption.
- (6) CNCO will complete the Proposed Transaction without any material change / concern / addition / deletion to the consideration issued/received as per Schedule 4.1.
- (7) There are no other dilutive events to CNCO and/or ACG at the close of the Proposed Transaction other than what has been disclosed by CNCO's Board in the Report and set out in Schedule 4.1.
- (8) There will be no unforeseen and/or material negative tax consequences to CNCO's shareholders and/or securityholders through the closing of the Proposed Transaction.
- (9) The CNCO Special Committee has noted to RWE that it is not aware of any other facts or data involving the Proposed Transaction and/or other matter that would have any material effect on the conclusions in the Report that has not been provided to RWE.

RWE reserves the right to review all information and calculations included or referred to in this Report and, if it considers it necessary, to revise its views in the light of any information which becomes known to it during or after the date of this Report.

6.0 DEFINITION OF FAIR VALUE AND FAIR MARKET VALUE

For the Report, fair value is set out in International Financial Reporting Standards (IFRS) 13 Fair Value Measurement.

This applies to IFRS that require or permit fair value measurements or disclosures and provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement.

The standard defines fair value on the basis of an 'exit price' notion and uses a 'fair value hierarchy', which results in a market-based, rather than entity-specific, measurement. IFRS 13 was originally issued in May 2011 and applies to annual periods beginning on or after January 1, 2013 on a forward basis.

Fair Value is the method of valuing business assets (and liabilities) for financial reporting in line with accounting practices as established by the Financial Accounting Standards



Board (FASB). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair Value is also defined as “the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm’s-length transaction” in the International Valuation Standards, 2007, p. 88 by the International Valuation Standards Council. IFRS uses this definition. In conducting this assignment, sufficient information, and due diligence investigations regarding the background of the Parties, operations, future plans, the industry and markets and major risk factors must be researched, reviewed, and analyzed.

This information and our assessments of these areas will be incorporated into the Report. In this Report, fair market value is the price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arms-length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. In Canada, the term “price” should be replaced with the term “highest price”. This definition is set out in: <https://cbvinstitute.com/wp-content/uploads/2020/02/Practice-Bulletin-No.-2-E.pdf>.

With respect to the market for the shares of a company viewed “en bloc” there are, in essence, as many “prices” for any business interest as there are purchasers and each purchaser for a particular “pool of assets”, be it represented by overlying shares or the assets themselves, can likely pay a price unique to it because of its ability to utilize the assets in a manner peculiar to it. In any open market transaction, a purchaser will review a potential acquisition in relation to what economies of scale (e.g., reduced or eliminated competition, ensured source of material supply or sales, cost savings arising on business combinations following acquisitions, and so on), or “synergies” that may result from such an acquisition.

Theoretically, each corporate purchaser can be presumed to be able to enjoy such economies of scale in differing degrees and therefore each purchaser could pay a different price for a particular pool of assets than can each other purchaser.

Based on the authors of the Report’s experience, it is only in negotiations with such a special purchaser that potential synergies can be quantified and even then, the purchaser is generally in a better position to quantify the value of any special benefits than is the vendor.

In this engagement RWE was not able to expose CNCO or AGC for sale in the open market and were therefore unable to determine the existence of any special interest purchasers who might be prepared to pay a price equal to or greater than the fair value or fair market value outlined in the Report.

RWE should note that it is possible that a special interest purchaser may pay a price that is higher than fair market value (i.e., the special purchaser price). The reason for this may be synergistic reasons known only to them.



RwE has not factored in any likely special purchaser consideration for the reasons that valuers cannot reasonably quantify such synergies, and valuation literature supports that unless such synergies can be quantified and proven (though multiple written bids, etc.) they cannot be included.

7.0 VALUATION METHODOLOGIES

7.1 Overview

In valuing an asset and/or a business, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case. Valuation approaches are primarily income-based or asset-based. Income-based approaches are appropriate where an asset and/or enterprise's future earnings are likely to support a value in excess of the value of the net assets employed in its operation.

Commonly used income-based approaches are the Capitalization of Indicated Earnings or Capitalization of Maintainable Cash Flows or a Discounted Cash Flow. Asset-based approaches can be founded on either going concern assumptions (i.e. an enterprise is viable as a going concern but has no commercial goodwill) or liquidation assumptions (i.e. an enterprise is not viable as a going concern, or going concern value is closely related to liquidation value). Standard valuation methods applicable to determining value can be grouped into five general categories:

- (1) Cost approach;
- (2) Market approach (or sales comparison approach);
- (3) Income-based approach;
- (4) Rules-of-Thumb approach; and
- (5) Combination of any of the above approaches.

As there are many definitions of cost, the Cost approach generally reflects the original cost of the assets and/or business in question or the cost to reproduce the intangible assets of the business itself. This approach is premised on the principle that the most a notional purchaser and/or an investor will pay for an investment is the cost to obtain an investment of equal utility (whether by purchase or reproduction).

The Market or Sales Comparison approach uses the sales price of comparable assets as the basis for determining value. If necessary, the market transaction data is adjusted to improve its comparability and applicability to the asset being valued.

The Income-Based Approach considers the earnings to be derived through the use of the asset. The capitalized value of the Company's earnings or cash flows is determined with the application of a capitalization rate, reflecting an investor's required rate of return on such an investment.



The Rules-of-Thumb approach can be applied to certain assets to serve as a useful determination of value when industry professionals provide specific information as to standard industry characteristics and/or acknowledged and accepted rules. Rules-of-Thumb often involve the input of specific industry competitors and professionals to indicate certain measurable criteria that can be assessed and applied to as indications of value.

Lastly, a combination of the above approaches may be necessary to consider the various elements that are often found within specialized companies and/or are associated with various forms of intangible assets.

8.0 VALUATION METHODS USED

8.1 Standards Approach

RwE has used the updated CIMVAL Code for the Valuation of Mineral Properties, as prepared by the Special Committee of the Canadian Institute of Mining, Metallurgy and Petroleum on the Valuation of Mineral Properties (CIMVAL), adopted by the CIM Council on November 29, 2019. The CIMVAL Code was adopted by the Canadian Institute of Mining, Metallurgy & Petroleum (the "CIM") Council on November 29, 2019.

Per CIMVAL Code the Qualified Valuator is an individual who

- a. is a professional with demonstrated extensive experience in the Valuation of Mineral Properties.
- b. has experience relevant to the numerous mineral properties over the last twenty plus years – and is relying on the technical / expert report on the Eagle Project NI 43-101 Technical Report – as the technical writer is considered a Qualified Persons.
- c. RwE is regulated by and is a member in good standing of a Professional Association or a Self-Regulatory Professional Organization; i.e., the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers.
- d. Richard Evans is a member of the Canadian Institute of Mining, Metallurgy and Petroleum.

In dealing with:

(a) RwE has conducted numerous valuations and fairness opinions of resource properties and companies in which its clients and their accountants have been satisfied and relied on RwE as a qualified valuator (some of which are Canadian, U.S. and International public companies).



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A sample of these firms:

Zimtu Capital	Minco Gold / Silver
Dunedin Ventures Inc.	GGX Gold
Trans African Gold Corp.	Ascot Mining plc.
Sandstorm Resources Inc.	Luna Gold Corp.
Lowell Mineral Exploration	Cosigo Resources Inc.
Horseshoe Gold Mining Inc.	Able Trust Inc.
Imperial Metals Corp.	Batero Gold Corp.
Sandstorm Metals & Energy Ltd.	Compass Gold Corp.
Evolving Gold Corp.	Columbus Gold Corp.
CIC Resources Inc.	American Creek Resources
Entrée Gold Corp.	Columbus Silver Corp.
Selkirk Metals Corp.	Canex Minerals Inc.

(b) RWE has relied upon CNCO and AGC regarding their own projects; but especially for the Eagle Project and the Eagle Project NI 43-101 Technical Report.

(c) RWE is a member in good standing with both the Canadian Institute of Chartered Business Valuators and the American Society of Appraisers both of which are regulated and are self-regulatory professional organizations.

(d) Richard Evans is a member of the Canadian Institute of Mining, Metallurgy and Petroleum.

CIMVAL Code, November 2019

The six fundamental principles in undertaking Valuations and Valuation Reports are Competence, Materiality, Reasonableness, Transparency, Independence and Objectivity.



RWE GROWTH PARTNERS, INC.

Competence

A Qualified Valuator who is not Competent in all aspects of a Valuation assignment must seek assistance from one or more Qualified Valuators or other Experts who are Competent in the applicable field or discipline necessary to address those aspects. For example, in a Valuation, a Qualified Valuator may rely on a Technical Report prepared by a Qualified Person. That has been done in this Report as noted above.

Materiality

A Valuation must address all Material information. All Material information must be included or adequately referenced in the Valuation Report. Materiality is the principle that determines whether certain information is relevant to the Valuation. Materiality applies to the nature of the items assessed and their influence on the quantum of a Valuation. RWE has clearly set out all material assumptions regarding the input parameters, risks, limitations, and the associated effects in the Report.

Reasonableness

RWE is comfortable that the Report's conclusions are reasonable. All Assumptions are clearly outlined in the Report. The Report's valuation methods relied upon are reasonable within the context of the purpose of the Report and regarding fair value. The test of reasonableness is to consider what appropriately qualified and experienced Qualified Valuators, acting reasonably, would likely conclude in the circumstances. RWE is of the view that our opinion is reasonable in the circumstances, that is, what RWE believes is rational and plausible in the circumstances and would be viewed as such if considered by other appropriately qualified and experienced Qualified Valuators with the same information and at the same time.

Transparency

The Valuation process and Valuation Report must be transparent, such that its material assumptions and conclusions must be clear and unambiguous and therefore understandable to the reader. All material assumptions and any limitation to the Valuation that could affect the Valuation conclusion must be disclosed in the Valuation Report. RWE has done this in the Report and Schedules.

Independence

For the Qualified Valuator to be able to develop a Valuation that users can confidently accept as free from bias, it is preferred, and may be mandated that the Qualified Valuator be Independent of the outcome of the Valuation, and thus be objective in exercising their judgement. This is clearly set out in section 11.2.

Objectivity

The Qualified Valuator should approach a Valuation with Objectivity. This is promoted by an environment that is supported by data and minimizes the influence of subjective factors, such as the Valuator's personal bias, on the Valuation process.

The process of valuation requires the valuator to make impartial judgements as to the reliability of inputs and assumptions. For a valuation to be credible, it is important that

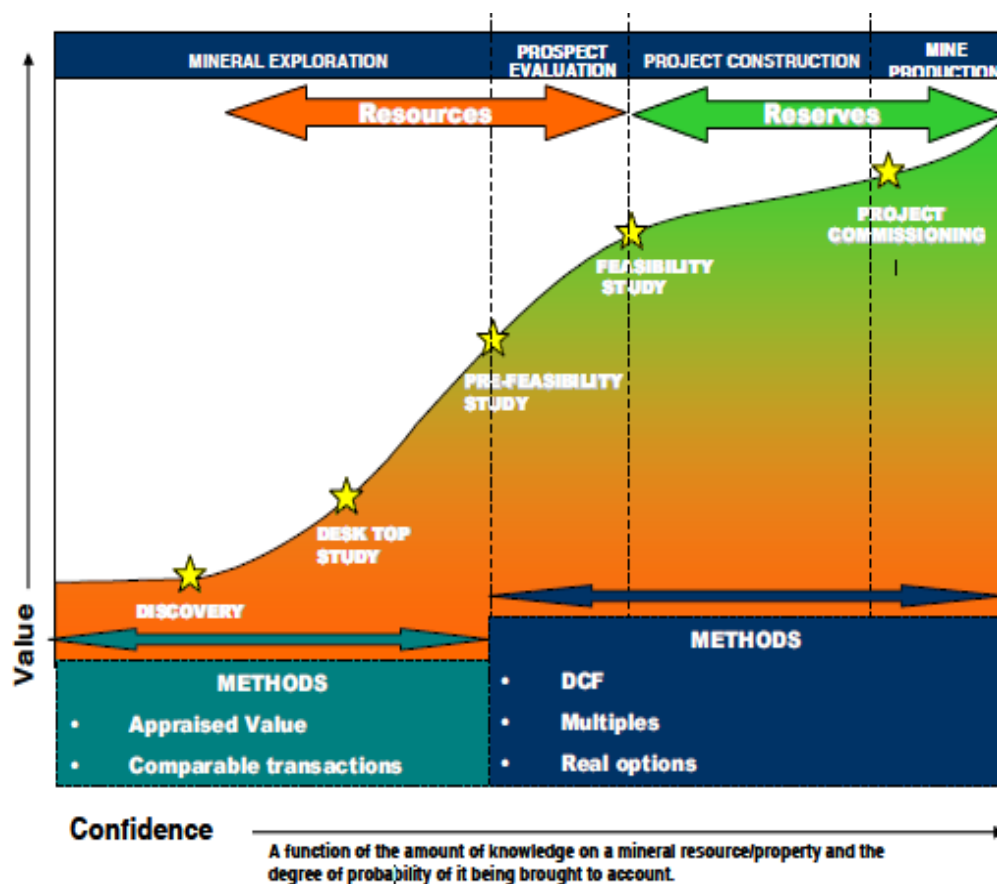


those judgements are made in a way that promotes transparency and minimizes the influence of any subjective factors on the process. Judgement used in a valuation must be applied objectively to avoid biased analyses, opinions and conclusions (Adapted from IVS Framework, Section 40.1). RWE has carried out the Report's work, analysis and conclusions objectively.

Additional CIMVAL Code Items:

Valuation Approaches

The Qualified Valuator has the responsibility to decide which Valuation approaches and methods to use. The choice of the specific approaches and methods used, or excluded, must be justified and explained by the Qualified Valuator. The limitations of each method must be explained. The three generally accepted Valuation approaches of Income, Market, and Cost must be considered and discussed in the Valuation Report. More than one approach should be used in the Valuation of each Mineral Property if it is reasonably possible and appropriate to apply them. If a Qualified Valuator is of the opinion that only one approach should be used in particular circumstances, the Qualified Valuator must justify and explain why other approaches are not used in such circumstances. RWE has outlined in rational and analysis in the Report.



Source: MVENMYN



RWE GROWTH PARTNERS, INC.

Methods Used by RWE:

Cost Method - One of the valuation methods that we have used is the Cost Method – considering past expenditures and those represented on CNCO and AGC’s applicable Balance Sheets. RWE has relied on the financial statements of these parties and used the provided financial data, with no impairment adjustments, as indicative of their likely fair values. AGC assembled its Eagle Project in 2025 via acquisitions and hence the compilation of all such costs represents its likely fair value as at the Review Date or the Valuation Date.

Market Method – A review of CNCO’s Thompson Belt Project and comparable projects was found to be another method on which to review CNCO’s projects.

CNCO

Thompson Nickel Belt (TNB)

Sub-C\$10M Enterprise Value Comparables

Company / Project	EV (C\$M)	TNB Land (ha)	Resource?	EV/ha (C\$/ha)	EV/Resource
<u>Core Nickel Corp</u>	6.8	27,000	Historic Mel (~5.3 Mt @ ~0.85% Ni)	250	~C\$0.07/lb Ni
<u>NiCAN Limited</u> (Pipy S.)	4.5	6,930	No defined resource	650	—
<u>EraNova Metals Inc.</u> (South Thompson)	9.8	33,547	No defined resource	290	—
<u>Flying Nickel Mining Corp.</u> (Minago)	5.8	19,661	~63.8 Mt	297	~C\$0.006/lb Ni
<u>NickelX Resource Corp.</u> (optioned TNB claims)	9.0 (deal headline)	30,283	No defined resource	297	—

As no current NI 43-101 compliant mineral resource has been defined, the Thompson Project is appropriately benchmarked against early-stage land-position comparables rather than resource-based valuation metrics. Market evidence for similar Manitoba exploration issuers indicates trading values typically between C\$50 and C\$300 per hectare.

The Company’s carrying value of approximately C\$43 per hectare is therefore reasonable and may understate potential upside optionality, which may or may not really exist.

Measure	Value
Book carrying value	C\$1.15m
Low-end land comps	~C\$1.35m

Given all of the above, the stated book value does appear to equal the realistic fair value of CNCO’s projects (as reported on its April 30, 2025 audited financial statements). The market review confirms this.



ACG

With regard to ACG's Eagle Project there were historical costs incurred in 2025 to assemble the components that make up the Eagle Project of C\$5,315,083. Given that these are actual costs to assemble the Eagle Project this is a realistic fair value associated with the project. While there may be optionality to the Eagle Project it is uncertain to RWE that a notional buyer would pay for that given near-term costs to build the Eagle Project (which has no modern NI 43-101 resource estimates).

RWE has used the Market Method also as the means to review the Eagle Project relative to comparable projects et al.

Early-Stage Land Package Comparables

EV / Size (No Modern NI 43-101 Resource)

Comparable	Location	Enterprise Value (C\$M)	Land Position (ha)	EV / ha (C\$/ha)
Kingman Minerals Ltd.	Arizona	5.1	594	8,600
Gold Basin Resources Corporation	Arizona	5.9	3,104	1,900
Eminent Gold Corp.	Nevada	5.5	4,311	1,300
Ridgeline Minerals Corp.	Nevada	9.0	9,000	1,000
StrikePoint Gold Inc.	Nevada / US West	7.0	5,500	1,270
Westward Gold Inc.	Nevada	20.3	6,953	2,900
Apex Resources Inc.	US West	4.0	2,000	2,000
Orogen Royalties Inc. (early-stage land portfolio only)	NV/AZ	9.5	7,500	1,200
Exploration Ventures AI Corp.	US West	3.5	2,100	1,670
K2 Gold Corporation (early US projects only)	Nevada	8.5	4,200	2,020

Given the Eagle Project has no current NI 43-101 resource, one has to examine whether the implied \$/Ha sits inside observed other comparable microcap land packages. The Eagle Project land position is 225 acres patented + 3,350 acres BLM claims (= 3,575 acres ≈ 1,446.8 ha).

The above table shows EV/ha ranges ~C\$1.9k/ha to ~C\$74k/ha (the “market” is pricing in: drill results, historic production, perceived discovery probability, liquidity/float dynamics, and promotional intensity - not just land area).



The Eagle Project is ~C\$5.2k/ha. This is above very “land-heavy/early” packages like Gold Basin (~C\$1.9k/ha) and Westward (~C\$2.9k/ha). It is below names the market is rewarding for stronger drill momentum / higher perceived upside. A cost-based value around C\$5.3m for ~1,447 Ha implies roughly C\$3.7k/ha ($C\$5.3m \div 1,446.8 \text{ ha}$). That sits inside the observed comparable band above, and it is not high relative to several Arizona-focused peers shown. Hence, the EV/ha market with “no modern NI 43-101 resource” supports ACG’s C\$5.3m cost-based indication.

Identification of the Property and Interest Being Valued

All of the Parties projects / properties have been set out in the various technical reports that are published on the Parties websites and as available on the SEDARplus website.

Using TSX-V Guidelines

TSX Venture Exchange Corporate Finance Bulletin dated January 28, 2020 clarifies that with respect to the CIMVAL Code for the Valuation of Mineral Properties November 29, 2019, all references to a valuation report for a mineral property in the Manual, and the associated guidance in respect of those reports, continue to be a reference to a Comprehensive Valuation Report (as defined in the New CIMVAL Code).

The Exchange has reviewed the above report for compliance with Exchange Valuation Standards and Guidelines for Minerals Properties, Appendix 3G: which incorporate Canadian Institute of Mining, Metallurgy and Petroleum Standards and Guidelines for Valuation of Mineral Properties Adopted by the CIM Council on November 29, 2019.

For properties without mineral reserves:

- *Comparable transactions whereby properties similar in all aspects are incorporated into the analysis, whereby fair market value can be determined.*
- *Modified appraised value method whereby only the retained past expenditures (also known as “historical costs” or “replacement costs”) are included. The Exchange does not generally accept the inclusion of warranted future expenditures for the purposes of the appraised value method. Associated administrative costs will generally not be accepted.”*

Given all of the above, RWE has followed CIMVAL, November 2019 Code and standards and has used methods to value the mineral assets of both CNCO and AGC. The Report complies with the CIMVAL Code and Standards, November 2019 in its entirety.

8.2 Overview

In valuing a mineral property, especially previous to resource estimates, there is no single or specific mathematical formula. The particular approach and the factors to consider will vary in each case.



Where there is evidence of open market transactions having occurred involving the mineral property, those transactions may often form the basis for establishing the value of the mineral property.

In the absence of comparable arms' length open market transactions, the three basic, generally-accepted approaches for valuing a business interest are:

- (a) The Income / Cash Flow Approach;
- (b) The Market Approach; and
- (c) The Cost or Asset-Based Approach.

A summary of these generally-accepted valuation approaches is provided below.

The Income/Cash Flow Approach is a general way of determining a value indication of a mineral property once a clear economic assessment, using one or more methods wherein a value is determined by discounting anticipated future cash flows and benefits.

This approach contemplates the continuation of the mining operation, as if it is a "going concern".

With regards to a company involved in exploration and development of a mineral property, or the valuation of a mineral property itself, the Income Approach generally relates to the current value of expected future income or cash flow arising from the potential development of a mineral project.

The Market Approach to valuation is a general way of determining a value indication of a business or an equity interest therein using one or more methods that compare the subject entity to similar mineral properties which has been sold. Examples of methods applied under this approach include, as appropriate: (a) the "Trading Price Method", (b) the "Guideline Public Company Method", (c) the "Merger and Acquisition Method"; and (d) analyses of prior transactions of ownership interests in the subject entity.

The Cost Approach is based upon the economic principle of substitution. This basic economic principle asserts that an informed, prudent purchaser will pay no more for an asset than the cost to obtain an opportunity of equal utility (that is, either purchase or construct a similar asset). From an economic perspective, a purchaser will consider the costs that they will avoid and use this as a basis for value.

The Cost Approach typically includes a comprehensive and all- inclusive definition of the cost to recreate an asset. Typically the definition of cost includes the direct exploration costs, labour and all forms of obsolescence applicable to the asset.

With regards to mineral properties, the Cost Approach involves a review of the historical exploration expenditures and their contribution to the current value of the mineral property.



Lastly, a combination of the above approaches may be necessary (i.e., a “Weighted Approach”) to consider the various elements that are often found within specialized companies and/or are associated with various forms of intellectual property and where one or two approaches to value is insufficient to capture the nature of the business operations and its assets.

8.3 The Valuation Approaches

Given the approaches of valuation outlined above as well as section 8.1 above, it is the view of the authors of the Report that the most appropriate methods in determining the range of the fair market value for CNCO and AGC are as set out in Schedules 1.1 to 4.1.

The overall valuations of CNCO and ACG have been prepared in accordance with the Market Approach principles under IVS and CIMVal, giving primary consideration to observable market evidence for CNCO’s equity securities and ACG’s recent, arm’s-length cash investment (with no adjustments) where such prices represent Level 1 and Level 2 inputs from active markets/investment transactions.

9.0 FAIRNESS CONSIDERATIONS

The fairness of a Proposed Transaction for the CNCO’s shareholders is tested by:

- i. Assessing the value of the components of the Proposed Transaction.
- ii. Assessing the value of the net assets of CNCO and AGC – using cost and market methods. This was done in Section 8.0 in the Report (refer to the above) and in Schedules 1.1 and 2.1. Readers should review all of the Report’s sections (including 8.0) and each of Schedules 1.1 and 2.1.
- iii. Examining the Proforma - Allocation of Adjusted Net Assets - based on Data and Disclosures Provided by ACG and CNCO’s Boards. Readers should review Schedule 3.1.
- iv. Assessing the value of CNCO and ACG by examining the Report’s Schedules and Schedule 4.1 – regarding the fairness calculation. Readers should carefully review Schedule 4.1.
- v. Considering the stage of the CNCO and ACG projects, the most recent technical work findings, the cash positions of CNCO and ACG.
- vi. Considering the reducing cash position of CNCO versus the funding capability of the ACG group and principals.
- vii. Considering qualitative factors, such as the challenges to get the CNCO projects funded and getting any of them to modern mineral reserves estimates and/or a PEA



PFS. The realization that this may, or may not, happen. The same is true of the ACG Eagle Project.

- viii. Global uncertainty regarding global economies and the effect this may have on mineral prices – either motivating or compressing long-term exploration related work.
- ix. A real risk for ACG is geological risk - specifically, the possibility that the Eagle/McCabe land package in Arizona does not convert historic workings and surface showings into a modern, continuous, economically recoverable mineral resource. While the district benefits from past production and high-grade samples, there is currently no modern NI 43-101 compliant resource, meaning the Eagle Project's value today is based on exploration potential rather than defined ounces. Early-stage vein systems can be structurally complex, discontinuous, and difficult to model, so drilling may fail to demonstrate sufficient scale, continuity, or metallurgy to justify development. If initial programs do not deliver a compliant resource, ACG faces capital markets risk, valuation compression, and limited strategic interest, as investors and acquirers typically require defined inventory before committing capital.
- x. A combined ACG and CNCO portfolio is likely structurally better positioned in gold than nickel in 2026 because gold exploration offers superior capital markets access, lower technical risk, shorter discovery-to-value timelines, and stronger investor demand, whereas nickel remains capital-intensive, cyclical, and currently oversupplied. In the Arizona, past-producing, high-grade vein systems like the Eagle/McCabe district can generate rapid drill-driven catalysts and potential near-surface ounces with relatively modest budgets, which suits micro-cap explorers such as ACG / CNCO. By contrast, nickel exploration in the Thompson Nickel Belt typically targets deeper, disseminated sulphide systems that require larger drill programs, geophysics, metallurgy, and much higher CAPEX to reach economic studies, while equity markets currently apply heavier discounts due to Indonesian supply growth, weaker battery sentiment, and volatile nickel pricing. Gold also benefits from macro tailwinds (inflation hedge, safe-haven flows, stronger M&A appetite from producers), which tends to support higher EV/ha and faster re-ratings on discovery for juniors.

10.0 CONCLUSION AS TO FAIRNESS

Based upon RWE's valuation work and subject to all of the foregoing, RWE is of the opinion, as at the Valuation Date, that the terms of the **Proposed Transaction is fair, from a financial point of view, to the shareholders of the CNCO as is shown in Schedule 4.1.**

In assessing the fairness of the Proposed Transaction to the shareholders of CNCO, RWE has considered, *inter alia*, the following:

1. All of the components of the Proposed Transaction as per the above parts of Section 9.0.



2. The valuation of CNCO and AGC as set out in the RWE Report's Schedules.
3. Market-Based Evidence Supports the Implied Valuation of ACG and the Exchange Ratio. The Proposed Transaction reflects an implied price of approximately \$1.20 per Resulting Issuer Share, consistent with the pricing of the concurrent brokered private placement financing completed by arm's-length investors. The concurrent financing resulted in aggregate gross proceeds of approximately \$3,191,450 at a price of \$1.20 per subscription receipt, which converts into Resulting Issuer Shares upon closing of the Proposed Transaction. This financing was conducted with independent third-party investors under standard market conditions and therefore provides strong, objective evidence of fair market value as defined under IFRS 13. The fact that independent investors were willing to invest at \$1.20 per share provides compelling market validation that this price reflects fair market value and supports the exchange ratio applied in the Proposed Transaction. This arm's-length pricing mechanism is considered one of the strongest indicators of fair market value and provides direct, market-based evidence that the valuation of ACG and the resulting ownership allocation are financially reasonable.
4. The Valuation of ACG is Supported by Both Cost and Market Approaches. RWE applied the Cost Approach and Market Approach in accordance with CIMVAL standards to assess the fair value of ACG's Eagle Project. ACG incurred historical acquisition and assembly costs totaling approximately \$5,315,083 to acquire and assemble its Eagle Project land package. These costs represent actual arm's-length expenditures incurred recently in acquiring mineral rights and therefore represent a credible and supportable indication of fair value under the Cost Approach. Further, RWE conducted a Market Approach analysis by comparing ACG's Eagle Project to early-stage mineral exploration land packages without defined NI 43-101 resources. Comparable companies and projects demonstrate enterprise values ranging approximately from \$1,900 to \$74,000 per hectare. The implied valuation of ACG's Eagle Project corresponds to approximately \$3,700 per hectare, which falls within the observed market range for comparable early-stage exploration land packages. This confirms that ACG's valuation is reasonable and consistent with prevailing market conditions. Importantly, no speculative value attributable to future mineral discoveries has been included in this valuation. The valuation reflects only historical acquisition costs and comparable market evidence, thereby ensuring that the valuation is conservative and consistent with accepted mineral valuation practices.
5. CNCO's Assets are Fairly Valued and CNCO Shareholders Retain Full Exposure to Their Upside. RWE has reviewed the valuation of CNCO's mineral assets, including the Mel Project and other land holdings in the Thompson Nickel Belt of Manitoba. Based upon a review of comparable exploration-stage mineral properties and prevailing enterprise value per hectare metrics, CNCO's mineral assets appear to be reasonably valued based upon their current carrying values. The carrying value of CNCO's mineral properties corresponds to approximately \$43 per hectare, which falls below the observed market range of approximately \$50 to \$300 per hectare for comparable exploration-stage land positions, indicating that CNCO's assets are not overstated and



may contain additional upside potential. Importantly, CNCO shareholders will retain ownership of these assets through their ownership in the Resulting Issuer and will continue to participate fully in any future value appreciation of CNCO's mineral properties.

6. **CNCO Shareholders Will Retain Meaningful Ownership in a Larger and More Diversified Entity.** Following completion of the Proposed Transaction, CNCO shareholders will own approximately 13.2% of the Resulting Issuer. This ownership interest represents meaningful continuing participation in the combined entity, which will include: (a) the Eagle Project in Arizona, which exhibits significant exploration potential and historical production evidence; (b) CNCO's Thompson Nickel Belt projects, including the Mel Project; and (c) additional working capital resulting from the concurrent financing. The Proposed Transaction therefore does not eliminate CNCO shareholders' exposure to future value creation but instead provides CNCO shareholders with ownership in a larger, better-capitalized, and more diversified mineral exploration company.
7. **Current Nickel Market Conditions Support Strategic Diversification.** RWE has reviewed current nickel market conditions and notes that nickel prices have experienced sustained weakness due to global oversupply, particularly from Indonesian production. These market conditions have negatively impacted investor appetite for early-stage nickel exploration projects and have reduced the ability of standalone nickel exploration companies to raise capital and advance their projects. The Proposed Transaction provides CNCO shareholders with diversification into gold exploration while retaining ownership exposure to CNCO's nickel assets. This diversification improves the overall risk profile and strategic positioning of CNCO shareholders.
8. **The Proposed Transaction Does Not Transfer Disproportionate Value Away from CNCO Shareholders.** RWE's analysis indicates that: (a) the valuation of ACG is supported by historical acquisition costs and comparable market metrics; (b) the exchange ratio is supported by arm's-length financing evidence; (c) CNCO's assets are reasonably valued and are not impaired by the Proposed Transaction; and (d) CNCO shareholders retain meaningful ownership in the Resulting Issuer. Accordingly, the Proposed Transaction does not result in a transfer of disproportionate value away from CNCO shareholders,
9. **As part of its fairness assessment, RWE performed a quantitative analysis comparing the fair market value of CNCO on a standalone basis immediately prior to the Proposed Transaction with the fair market value of CNCO shareholders' proportionate ownership in the Resulting Issuer immediately following completion of the Proposed Transaction.** This analysis is summarized in Schedule 4.1 of this Report and is based upon the fair market value of the Resulting Issuer, inclusive of:
 - the fair market value of CNCO's mineral assets and working capital;
 - the fair market value of Arizona Copper and Gold Ltd.'s Eagle Project;



- gross proceeds of approximately \$3,191,450 from the concurrent financing completed in November 2025;
- the fair value of broker warrants issued in connection with the financing; and
- less estimated transaction costs, including broker fees, legal fees, and other closing costs.

Based on these components, the fair market value of the Resulting Issuer immediately following completion of the Proposed Transaction is estimated to be approximately \$58,580,000. Following completion of the Proposed Transaction, CNCO shareholders will own approximately 6,469,614 shares of the Resulting Issuer, representing approximately 13.2% of the issued and outstanding shares of the Resulting Issuer. Accordingly, the implied fair market value attributable to CNCO shareholders' ownership interest in the Resulting Issuer immediately following completion of the Proposed Transaction is approximately $\$58,580,000 \times 13.2\% =$ approximately \$7,710,000.

This compares directly to CNCO's estimated standalone fair market value immediately prior to completion of the Proposed Transaction of approximately \$7,700,000, representing the fair market value of CNCO's mineral assets and working capital on a 100% ownership basis. Therefore, the fair market value of the consideration received by CNCO shareholders in the Proposed Transaction is equal to or slightly greater than the fair market value of CNCO on a standalone basis immediately prior to completion of the Proposed Transaction.

Accordingly, CNCO shareholders are not economically disadvantaged as a result of the Proposed Transaction and retain equivalent or greater fair market value through their ownership interest in the Resulting Issuer.

10. The fair market value of the Resulting Issuer includes the gross proceeds from the concurrent financing because such proceeds represent new cash contributed by arm's-length investors at a negotiated market price of \$1.20 per share, which reflects the fair market value of the Resulting Issuer's equity at the time of the Proposed Transaction. This cash becomes an asset of the Resulting Issuer and is therefore properly included in determining its post-transaction fair market value. CNCO shareholders participate proportionally in this cash through their ownership interest in the Resulting Issuer. As such, inclusion of the financing proceeds does not transfer value away from CNCO shareholders but rather increases the total asset base of the Resulting Issuer in which CNCO shareholders retain their proportional ownership interest. Accordingly, inclusion of the financing proceeds is consistent with IFRS 13 fair value measurement principles and CIMVAL valuation standards and is necessary to accurately assess the fair market value of the Resulting Issuer and the fairness of the Proposed Transaction.
11. Outstanding warrants, options, and other convertible securities of CNCO and Arizona Copper and Gold Ltd. will be exchanged or assumed by the Resulting Issuer on



equivalent economic terms and conditions, including identical exercise prices, expiry dates, and underlying economic rights. As such, these instruments do not transfer value between the respective shareholder groups and do not affect the fairness of the Proposed Transaction from a financial point of view to CNCO shareholders. These instruments represent proportional dilution applicable equally to all shareholders and therefore do not alter the relative economic fairness of the exchange.

12. RWE has not attempted to quantify other additional qualitative potential benefits. Certain additional potential benefits are as follows: (a) Private placements remain difficult for nickel exploration mining that have not developed properties and started production over an extended period.

When one considers all of the above together, it is reasonable to conclude that the Proposed Transaction is fair, from a financial viewpoint to the shareholders of CNCO.

11.0 QUALIFICATIONS AND CERTIFICATE

11.1 Qualifications

The Report preparation, and related fieldwork and due diligence investigations, were carried out by Richard W. Evans, MBA, CBV, ASA and other analysts of RWE, who were fully supervised by Mr. Evans.

Since 1994 Richard W. Evans has been involved in the financial services and management consulting fields and has been involved in the preparation of over 5,000 technical and assessment reports, business plans, business valuations, and feasibility studies.

Richard Evans is a Principal of RWE.

He has fifteen years of experience working in the areas of valuation, litigation support, mergers & acquisitions and capital formation.

He has more than 10 years of management experience in the high-tech field where he held various positions in technical support, development, marketing, project manager, channels management and senior management positions.

Prior to focusing on expanding and diversifying a small financial consulting firm, Richard was extensively involved in the high technology sector in Western Canada and the U.S. Pacific Northwest where he served for two years as the General Manager of Sidus Systems Inc.

At Sidus he was directly responsible for managing the firm's US\$15 million business operation throughout Western Canada and the Pacific Northwest. Previous to this, he spent almost nine years with Digital Equipment of Canada Limited where he was involved in a technical support, sales, marketing, project management and eventually channels management capacity.



RWE GROWTH PARTNERS, INC.

RwE has conducted numerous valuations and fairness opinions of mineral and resource companies in the last thirty years which its clients, their advisors, buyers, planners, accountants and the courts and regulatory bodies have been satisfied and relied on RwE as a qualified valuator.

Some of the reports he has authored have been used by the court systems in B.C., Alberta and Ontario as well as in the U.S. and Europe.

He has also done work for public regulatory boards and groups worldwide. Richard has been actively involved in the above professional services with hundreds of companies and has served as a board member for a select number of public and private firms.

His area of professional expertise is in middle market and micro-cap companies, especially firms needing advice and assistance with their business plans, operating plans and valuations.

Richard is extensively involved in sports coaching management and volunteer work throughout BC helping young adults and volunteer associations.

He obtained his Bachelor of Business Administration degree from Simon Fraser University, British Columbia in 1981 as well as completed his Master's degree in Business Administration at the University of Portland, Oregon in 1984 (where he graduated with honors).

Richard holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. He is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers.

11.2 Certification and Independence

The analyses, opinions, calculations and conclusions were developed, and this Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators and follows standards.

RwE was paid a professional fee, plus GST taxes for the preparation of the Report.

The professional fee established for the Report has not been contingent upon the value or other opinions presented.

The authors of the Report have no present or prospective interest in CNCO and/or AGC and/or any of the parties and/or any other entity / company / property that is the subject of this Report.

RwE and its principal has no personal interest with respect to any of the Parties involved with any of the entities or properties described within this Report.



RwE GROWTH PARTNERS, INC.

RwE has relied on information and data provided to it by CNCO and AGC's management. RwE advises CNCO and AGC - and all parties - that this Report may not be accepted by any or all outside parties (e.g., regulators, shareholders, etc.), who may have different views and opinions.

It is understood that this Report is solely for the information of the CNCO Special Committee and Board and is rendered to the CNCO Board in connection with its consideration of the Proposed Transaction and may not be used for any other purpose or relied upon by any other person without RwE's prior written consent.

RwE GROWTH PARTNERS, INC.



Richard W Evans, MBA, CBV, ASA
Principal

Chartered Business Valuator, Canadian Institute of Chartered Business Valuators
Accredited Senior Appraiser, American Society of Appraisers

Telephone: (778) 374-1994



RwE GROWTH PARTNERS, INC.

APPENDICES

- Appendix 1.0 – Arrangement Agreement between CNCO and ACG (available from CNCO)**
Appendix 2.0 – Financial Statements of CNCO as at April 30, 2025 & October 31, 2025
Appendix 3.0 – DRAFT Financial Statements of AGC as at December 31, 2024 & September 30, 2025



SCHEDULES

- Schedule 1.1 – Allocation of Adjusted Net Assets – ACG**
- Schedule 2.1 – Allocation of Adjusted Net Assets – CNCO**
- Schedule 3.1 – Proforma Combination of ACG & CNCO (Arizona Eagle Mining Corp.)**
- Schedule 4.1 – Fairness Calculation**



REPRESENTATION & WARRANTY LETTER

**Core Nickel Core (“CNCO”)
and
Arizona Copper and Gold Ltd. (“ACG”)**

TO: RWE Growth Partners, Inc. **Attention: Richard W. Evans**
4720 Kingsway
Unit 2600 Metrotower 2
Burnaby, British Columbia
Canada V5H 4N3

**Disclosure of Information for the Fairness Opinion (the "Report")
regarding a Proposed Transaction between Core Nickel Core (“CNCO”) and
Arizona Copper and Gold Ltd. (“ACG”)**

The undersigned parties, duly elected directors of CNCO and ACG, hereby represent, warrant and certify, on behalf of CNCO and ACG (the “Companies”) and not in their personal capacity, the following:

1. To the knowledge of the undersigned, the Companies have provided all pertinent and necessary information, to RWE Growth Partners, Inc. (“RWE”) for their preparation of the Report, dated, for reference, February 2, 2026.
2. CNCO and ACG have reviewed the entire Report and thereafter provided all necessary feedback and information requested by RWE so that RWE is now in a position to issue a final, authorized and signed Report.
3. To the knowledge of the undersigned, CNCO and ACG have made full, true and plain disclosure to RWE concerning CNCO and ACG and all subsidiaries and entities, their assets and liabilities, the terms and conditions of the Proposed Transaction (all as stated in the Report) and all elements related to the Proposed Transaction – as is reflected in the Report, including (as requested by RWE):
 - Full technical data available on the assets related to the Mineral Rights at the CNCO Projects and the ACG Projects (the “Projects”).
 - All financial records and related data on CNCO/ACG and on all aspects of the Proposed Transaction and all related matters
 - Any and all material contracts and agreements
 - Existing and previous data, documentation, and other information required for the completion of the Report

4. There have been, and are, no:
- Material interests involving CNCO and/or ACG and/or their directors, management or anyone else involved in the Proposed Transaction or with any of the related parties to either form that have not been entirely disclosed.
 - Communications from any government, court, commission or regulatory body or agency of the federal, provincial, or municipal governments or related bodies concerning any violations of any laws, regulations or rulings thereof concerning CNCO and/or ACG or any assets involved in the Proposed Transaction.
5. We have no plans or intentions that may cause the representations, disclosures and information made in the Report to be inaccurate or misleading.
6. As at the date of the Report there is no litigation threatened, including any class action lawsuits or shareholder dissent remedies, actions against CNCO and/or ACG or the planned go-forward entity not disclosed in the Report.
7. CNCO is in good standing with all securities regulators in Canada.
8. No material events have occurred before, or subsequent to, the date of the Report that would in the opinion of CNCO and/or ACG require amendment, revision, or disclosure in the Report with regard to the Projects to the best of our knowledge.
9. To the knowledge of the undersigned, there is no material facts, data or information regarding CNCO and/or ACG or the Proposed Transaction, or any of the parties involved, that is not disclosed in the Report that would be material to its conclusions.

Tim Dalton

Name of a CNCO Board Member



Signature of CNCO Board Member / Date

Marc Pais

Name of a ACG Board Member



Signature of ACG Board Member / Date

Feb 11, 2026

APPENDICES

- Appendix 1.0 – Arrangement Agreement between CNCO and ACG (available from CNCO)**
Appendix 2.0 – Financial Statements of CNCO as at April 30, 2025 & October 31, 2025
Appendix 3.0 – DRAFT Financial Statements of AGC as at December 31, 2024 & September 30, 2025





Core Nickel Corp.

Condensed Interim Financial Statements

For the three and six months ended October 31, 2025

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Core Nickel Corp.

Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	October 31 2025 \$	April 30 2025 \$
Assets		
Current assets		
Cash and cash equivalents (note 4)	714,763	1,660,760
Receivables	15,824	239,597
Prepaid and deposits	13,236	13,077
Total current assets	<u>743,823</u>	<u>1,913,434</u>
Non-current assets		
Mineral bonds	-	11,893
Mineral property interests (note 5)	1,153,804	1,153,804
Total assets	<u>1,897,627</u>	<u>3,079,131</u>
Liabilities		
Current liabilities		
Trade and other payables	56,735	678,483
	<u>56,735</u>	<u>678,483</u>
Equity		
Common shares (note 6)	4,643,402	4,133,705
Equity reserve	1,416,329	1,457,678
Accumulated deficit	(4,218,839)	(3,190,735)
	<u>1,840,892</u>	<u>2,400,648</u>
	<u>1,897,627</u>	<u>3,079,131</u>

Subsequent Events (note 10)

Approved by the Board of Directors

“Chris Tate”

President & CEO

“Mike Pilmer”

Director

Core Nickel Corp.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended Oct 31 2025 \$	Three months ended Oct 31 2024 \$	Six months ended Oct 31 2025 \$	Six months ended Oct 31 2024 \$
EXPLORATION COSTS				
Mineral property expenditures	394,481	70,303	566,141	169,432
	394,481	70,303	566,141	169,432
OTHER EXPENSES (INCOME)				
Insurance	5,171	7,795	10,341	15,654
Interest income	(3,710)	(8,841)	(12,270)	(15,612)
Legal, audit and accounting	115,415	56,012	194,422	73,834
Management fees	117,505	54,020	173,005	110,500
Office and miscellaneous	(2,801)	(3,817)	13,403	10,008
Regulatory and transfer agent fees	11,961	24,291	22,693	31,986
Rent	3,628	8,494	9,386	9,859
Share-based compensation	-	196,354	-	247,487
Investor relations and presentations	16,408	69,018	26,506	105,372
Travel and accommodations	-	-	4,392	5,686
Wages and benefits	5,223	5,352	20,085	16,803
Flow-through premium	-	(15,534)	-	(15,534)
	268,800	393,144	461,963	596,043
Loss and comprehensive loss for the period	(663,281)	(463,447)	(1,028,104)	(765,475)
Basic and diluted loss per share (\$ per share)	(0.01)	(0.01)	(0.02)	(0.02)
Basic and diluted weighted average common shares outstanding	53,853,142	35,269,003	53,331,197	32,663,438

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

Core Nickel Corp.

Condensed Interim Statements of Changes in Equity For the six months ended October 31, 2025 and 2024 (Unaudited) (Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve	Accumulated Deficit	Total Equity
	Shares	Amount \$	\$	\$	\$
Balance-April 30, 2024	30,054,708	2,485,296	89,895	(700,802)	1,874,389
Issued on private placement for cash	20,253,572	3,481,875	-	-	3,481,875
Warrants issued on private placement	-	(944,670)	944,670	-	-
Issued on exercise of stock options	847,642	53,717	(9,785)	-	43,932
Issued on exercise of warrants	40,804	6,732	(1,289)	-	5,443
Flow through premium	-	(750,000)	-	-	(750,000)
Share-based compensation	-	-	247,487	-	247,487
Loss for the period	-	-	-	(765,475)	(765,475)
Balance-October 31, 2024	51,196,726	4,332,950	1,270,978	(1,466,277)	4,137,651
Issued on exercise of stock options	473,684	23,685	-	-	23,685
Issued on exercise of warrants	3,597	540	-	-	540
Share-based compensation	-	-	186,700	-	186,700
Flow through premium	-	(187,500)	-	-	(187,500)
Share issuance costs	-	(35,970)	-	-	(35,970)
Loss for the year	-	-	-	(1,724,458)	(1,724,458)
Balance - April 30, 2025	51,674,007	4,133,705	1,457,678	(3,190,735)	2,400,648
Issued on exercise of stock options	1,539,849	124,891	(41,349)	-	83,542
Issued on exercise of warrants	1,777,862	384,806	-	-	384,806
Loss for the period	-	-	-	(1,028,104)	(1,028,104)
Balance-October 31, 2025	54,991,718	4,643,402	1,416,329	(4,218,839)	1,840,892

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

Core Nickel Corp.

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Six months ended October 31 2025 \$	Six months ended October 31 2024 \$
Cash flows used in operating activities		
Loss for the period	(1,028,104)	(765,475)
Recoveries on mineral exploration expenditures	-	(69,100)
Flow-through premium	-	(15,534)
Share-based compensation	-	247,487
Interest income	(12,270)	(15,612)
Interest received	19,453	9,614
Change in non-cash operating working capital		
(Increase) decrease in receivables	(159)	29,620
Decrease in prepaid and deposits	216,591	15,654
Decrease in trade and other payables	(621,749)	(73,024)
	<u>(1,426,238)</u>	<u>(636,370)</u>
Cash flows from financing activities		
Issuance of common shares (net of share issuance costs)	-	3,481,875
Cash received from government grant	-	69,100
Proceeds received from stock option exercise	83,542	43,932
Proceeds received exercise of share purchase warrants	384,806	5,443
	<u>468,348</u>	<u>3,600,350</u>
Cash flows from investing activities		
Refund of Mineral Bond	11,893	-
	<u>11,893</u>	<u>-</u>
Change in cash and cash equivalents	(945,997)	2,963,980
Cash and cash equivalents - beginning of period (note 4)	<u>1,660,760</u>	<u>845,093</u>
Cash and cash equivalents - end of period (note 4)	<u>714,763</u>	<u>3,809,073</u>

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

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

1 Nature of Operations

Core Nickel Corp. (the “Company” or “Core Nickel”) was incorporated on May 5 2022, under the laws of Canada Business Corporation Act as part of a plan of arrangement (the “Arrangement”) to reorganize CanAlaska Uranium Ltd. (“CanAlaska”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada. The Company’s shares trade on the TSX Venture Exchange under the symbol “CNCO”. The Company’s head office is located at unit 204, 75 – 24th Street East, Saskatoon, Saskatchewan, S7K 0K3, Canada.

2 Going Concern

These condensed interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There is no assurance that the Company will be successful in raising additional financing or that financing will be available to the Company on acceptable terms. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate any revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. At October 31, 2025, the Company had cash and cash equivalents of \$714,763 (note 4). The Company’s current assets exceeds its current liabilities by \$687,088 at October 31, 2025, which is sufficient to advance the development of its exploration projects in the near term. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

3 Summary of Material Accounting Policies

a) Statement of Compliance

These condensed interim financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting ("IAS 34") using the accounting policies consistent with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The interim condensed financial statements do not include all disclosures required by the IFRS Accounting Standards for annual statements and should be read in conjunction with the Company's financial statements for the year ended April 30, 2025.

These interim unaudited financial statements were approved by the Board of Directors of the Company on December 5, 2025.

b) Basis of preparation

These condensed interim financial statements are presented in Canadian dollars and is the functional currency of the Company. The financial statements are prepared on the historical cost basis.

c) Significant estimates and judgements

The accounting policies, judgements and estimates applied in these condensed interim financial statements are consistent with those set out in Note 3 of the Company's annual financial statements for the year ended April 30, 2025.

d) Future Changes in Accounting Policies Not Yet Effective

The following amendment to accounting standards has been issued but not yet adopted in the financial statements:

In April 2024, the IASB issued IFRS Accounting Standards 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS Accounting Standards management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on its financial statements.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

4 Cash and Cash Equivalents

	October 31, 2025	April 30, 2025
	\$	\$
Cash	183,044	240,369
Cash equivalents	531,719	1,420,391
Total	714,763	1,660,760

5 Mineral Property Interests

The Company holds 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the twelve and three months ended April 30, 2025 and October 31, 2025 are as follows:

Project	April 30, 2024	Additions	April 30, 2025	Additions/write-offs/recoveries	October 31, 2025
	\$	\$	\$	\$	\$
Thompson Nickel Belt					
Mel	979,309	18,000	997,309	-	997,309
Halfway Lake	104,998	-	104,998	-	104,998
Hunter	28,885	-	28,885	-	28,885
Resting Lake	17,505	-	17,505	-	17,505
Odei River	5,107	-	5,107	-	5,107
Total	1,135,804	18,000	1,153,804	-	1,153,804

There were no additions to the mineral property interest for the six months ended October 31, 2025.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

5 Mineral Property Interests (continued)

During the period ended October 31, 2025, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics \$	Drilling \$	Travel & Transport \$	Data Analysis \$	Field Supplies \$	Personnel \$	Recoveries \$	Total \$
Halfway Lake	188,028	52,373	133	50,079	20,040	41,383	-	352,036
Hunter	3,128	-	-	-	-	12,678	-	15,806
Mel	17,971	-	859	-	162	14,914	-	33,906
Odei River	25,502	-	-	-	-	7,543	-	33,045
Resting Lake	131,348	-	-	-	-	-	-	131,348
MMDF Grant	-	-	-	-	-	-	-	-
Total	365,977	52,373	992	50,079	20,202	76,518	-	566,141

During the period ended October 31, 2024, the Company incurred exploration expenditures as follows:

Project	Geology & Geophysics \$	Drilling \$	Travel & Transport \$	Data Analysis \$	Field Supplies \$	Personnel \$	Recoveries \$	Total \$
Halfway Lake	68,535	16,911	735	7,642	7,255	66,000	-	167,078
Hunter	-	-	-	-	-	-	-	-
Mel	1,200	-	1,001	-	14,137	-	-	16,338
Odei River	-	-	-	-	-	-	-	-
Resting Lake	50,553	-	-	-	-	4,563	-	55,116
MMDF Grant	-	-	-	-	-	-	(69,100)	(69,100)
Total	120,288	16,911	1,736	7,642	21,392	70,563	(69,100)	169,432

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

6 Share Capital

The Company has authorized capital consisting of an unlimited number of common shares without par value.

Share Issuances

- a) During the period ended October 31, 2025, the Company issued 1,777,862 common shares from the exercise of share purchase warrants for total gross proceeds of \$384,806.

During the year ended April 30, 2025, the Company issued 44,401 common shares from the exercise of share purchase warrants for total gross proceeds of \$5,983.

- b) During the period ended October 31, 2025, the Company issued 1,539,849 common shares from the exercise of stock options for gross proceeds of \$83,543.

During the year ended April 30, 2025, the Company issued 1,321,326 common shares from the exercise of stock options for gross proceeds of \$67,617.

- c) On October 31, 2024, the Company completed a non-brokered private placement and issued 3,313,572 units at a price of \$0.175 per unit for gross proceeds of \$579,875. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

On October 18, 2024, the Company completed two non-brokered private placements and issued 7,500,000 Flow-Through Unit ("FT Unit") at a price of \$0.30 per FT Unit for gross proceeds of \$2,250,000 and 1,440,000 non-flow-through units ("NFT Units") at a price of \$0.175 per NFT Unit for gross proceeds of \$252,000. Each FT Unit and NFT Unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.30.

On September 20, 2024, the Company completed a non-brokered private placement and issued 8,000,000 flow-through units for gross proceeds of \$400,000. Each flow-through unit was sold at a price of \$0.05 and consists of one flow-through common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 3 years at a price of \$0.06.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options	Weighted average exercise price \$
Outstanding – April 30, 2024	1,365,092	0.05
Granted	5,450,000	0.15
Exercised	(1,321,326)	0.05
Expired/Cancelled	(463,917)	0.16
Outstanding – April 30, 2025	5,029,849	0.15
Exercised	(1,539,849)	0.05
Outstanding – October 31, 2025	3,490,000	0.19

As at October 31, 2025, the following stock options were outstanding:

	Number of options outstanding	Exercisable price \$	Expiry date
	1,590,000	0.20	October 21, 2027
	1,900,000	0.175	January 30, 2028
Total	3,490,000		

Warrants

	Number of warrants	Weighted average exercise price \$
Outstanding – April 30, 2024	6,703,211	0.17
Granted	16,253,572	0.24
Exercised	(44,401)	0.13
Expired	(2,313,629)	0.18
Outstanding – April 30, 2025	20,598,753	0.23
Exercised	(1,777,862)	0.22
Outstanding – October 31, 2025	18,820,891	0.23

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

7 Share Stock Options and Warrants (continued)

At October 31, 2025, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
194,453	0.225	November 1, 2025
2,177,200	0.14	December 28, 2025
195,666	0.09	December 28, 2025
4,000,000	0.06	September 20, 2027
7,500,000	0.30	October 18, 2027
1,440,000	0.30	October 18, 2027
3,313,572	0.30	October 31, 2027
Total	18,820,891	

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is estimated using the historical volatility of CanAlaska Uranium Ltd.'s share price. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the three and nine months ended October 31, 2025 and 2024:

	Six months ended October 31 2025	Six months ended October 31 2024
Options		
Weighted average fair value	-	\$0.07
Forfeiture rate	-	0%
Risk-free interest rate	-	2.99% - 4.06%
Expected life	-	3.0 years
Expected volatility	-	82.7% - 86.6%
Expected dividend	-	0%

	Six months ended October 31 2025	Six months ended October 31 2024
Warrants		
Weighted average fair value	-	\$0.12
Forfeiture rate	-	0%
Risk-free interest rate	-	2.82% - 3.01%
Expected life	-	3.0 years
Expected volatility	-	100%
Expected dividend	-	0%

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

8 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals. The remuneration of directors and key management of the Company for the three and six months ended October 31, 2025 and 2024 were as follows.

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Employment benefits	83,709	75,000	175,823	151,500
Consulting fees	18,000	18,000	18,000	34,000
Share-based compensation	-	186,179	-	234,156

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	Three months ended October 31		Six months ended October 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Rent	3,629	3,416	9,386	9,859
Other expenses and exploration costs	488	982	1,218	4,466

Included in trade and other payables at October 31, 2025 is \$nil (April 30, 2025 - \$3,914) due to officers and directors and companies with directors and/or officers in common.

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements For the six months ended October 31, 2025 and 2024 (Unaudited)

(Expressed in Canadian dollars except where indicated)

9 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

The Company has no external restrictions on the management of capital. There was no change to the Company's approach to capital management during the period ended October 31, 2025.

10 Subsequent Event

On November 26, 2025, the Company announced the closing of the concurrent financing with Arizona Copper and Gold ("ACG") previously disclosed on October 2, 2025. As part of the offering, the Company issued 1,362,374 Subscription Receipts at a price of \$1.20 per subscription receipt for gross proceeds of \$1,634,849. The concurrent financings were completed in connection with the proposed business combination pursuant to which the Company will acquire all of the issued and outstanding securities of ACG resulting in a reverse takeover of Core Nickel by ACG's shareholders (the "Proposed Transaction"). Each Subscription Receipt entitles the holders thereof to receive, upon completion of the Proposed Transaction, and for no additional consideration and without further action on the part of the holder thereof, (i) one common share of Core Nickel (after taking into account the expected 8.5:1 consolidation of the Core Nickel common shares prior to completion of the Proposed Transaction (the "Consolidation"), such shares being referred to as the "Resulting Issuer Shares"), and (ii) one Resulting Issuer Share purchase warrant (the "Resulting Issuer Warrants") issued on a post-Consolidation basis. Each Resulting Issuer Warrant will be exercisable for one Resulting Issuer Share for a period of three years from the closing date of the Concurrent Offerings at an exercise price of \$1.50 per Resulting Issuer Share. Subject to the receipt of all necessary approvals, Core Nickel, as it will be constituted after giving effect to the Consolidation and the Proposed Transaction, is referred to herein as the "Resulting Issuer".

The Core Nickel Subscription Receipts and the underlying Resulting Issuer Shares and Resulting Issuer Warrants (and the Resulting Issuer Shares issuable upon exercise of such Resulting Issuer Warrants) are subject to a statutory hold period of four months and one day from the date of issuance of the Subscription Receipts. Closing of the Core Nickel Offering remains subject to final approval of the TSX Venture Exchange. The ACG Subscription Receipts are currently subject to an indefinite statutory hold period however, upon conversion of the ACG

Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the six months ended October 31, 2025 and 2024

(Unaudited)

(Expressed in Canadian dollars except where indicated)

10 Subsequent Event (continued)

Subscription Receipts immediately prior to completion of the Proposed Transaction, the Resulting Issuer Shares and Resulting Issuer Warrants to be issued to holders of ACG Subscription Receipts will not be subject to a statutory hold period under applicable Canadian securities laws once issued in connection with the Proposed Transaction.

**ARIZONA COPPER AND GOLD LTD.
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN CANADIAN DOLLARS)**

Arizona Copper and Gold Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2024	As at December 31, 2023
ASSETS		
Current assets		
Cash	\$ 87	\$ 2
Sales tax recoverable	1,129	-
Prepaid expenses	85,913	-
Total assets	\$ 87,129	\$ 2
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 130,094	\$ -
Total liabilities	130,094	-
Shareholders' equity		
Share capital (note 5)	300,002	2
Deficit	(342,967)	-
Total shareholders' (deficiency) equity	(42,965)	2
Total liabilities and shareholders' equity	\$ 87,129	\$ 2

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

Nature of operations and going concern (note 1)
 Commitments and contingencies (notes 6 and 9)
 Subsequent events (note 10)

Approved on behalf of the Board:

(Signed) "Marc Pais" _____ Director

(Signed) "Kevin Reid" _____ Director

Arizona Copper and Gold Ltd.**Consolidated Statements of Loss and Comprehensive Loss**
(Expressed in Canadian Dollars)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating expenses		
Exploration and evaluation expenditures (note 6)	\$ 301,357	\$ -
Office and general	7,324	-
Professional fees	34,286	-
Net loss and comprehensive loss for the year	\$ (342,967)	\$ -
Basic and diluted net loss per share	\$ (0.05)	\$ -
Weighted average number of common shares outstanding	6,732,440	200

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

Arizona Copper and Gold Ltd.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital		Deficit	Total
		Shares	Amount		
Balance, December 31, 2022	\$ -	200	\$ 2	\$ -	\$ 2
Balance, December 31, 2023	\$ -	200	\$ 2	\$ -	\$ 2
Private placements (note 5(b))	-	14,000,000	300,000	-	300,000
Net loss for the year	-	-	-	(342,967)	(342,967)
Balance, December 31, 2024	\$ -	14,000,200	\$ 300,002	\$ (342,967)	\$ (42,965)

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

Arizona Copper and Gold Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating activities		
Net loss for the year	\$ (342,967)	\$ -
Changes in non-cash working capital items:		
Sales tax recoverable	(1,129)	-
Prepaid expenses and deposits	(85,913)	-
Accounts payable and accrued liabilities	130,094	-
Net cash used in operating activities	(299,915)	-
Financing activities		
Private placements	300,000	-
Net cash provided by financing activities	300,000	-
Net change in cash	85	-
Cash, beginning of year	2	2
Cash, end of year	\$ 87	\$ 2

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

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

1. Nature of operations and going concern

Arizona Copper and Gold Ltd. ("ACG" or the "Company") was incorporated under the name "Magellan Investment Corp." under the Ontario Business Corporation Act on September 17, 2021. Pursuant to Articles of Amendment dated November 7, 2023, the name of the Company was changed to "Arizona Gold Mines Inc." and pursuant to Articles of Amendment dated January 20, 2025, the name of the Company was further changed to "Arizona Copper and Gold Ltd.". The Company's head office, principal address and registered and records office is located at 82 Government Road, Toronto, Ontario, M8X 1W3.

The Company is a mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona. At the date of these consolidated financial statements, the Company does not have any operating mines, nor has it earned any income from production.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current liabilities in excess of current assets of \$42,965 at December 31, 2024. For the year ended December 31, 2024, the Company had a net loss of \$342,967 (year ended December 31, 2023 - \$nil), and had cash outflows from operations of \$299,915 (year ended December 31, 2023 - \$nil).

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2024.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on November XX, 2025.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency. The functional currency of its subsidiary is the Canadian dollar.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiary.

The following companies have been consolidated within the consolidated financial statements:

Company	Registered	Principal activity
Arizona Copper and Gold Ltd.	Canada	Parent company
AZ Desert Land Holdings Corp. (i)	Arizona, USA	Exploration company

(i) 100% owned by Arizona Copper and Gold Ltd.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns.

The results of subsidiaries acquired or disposed of during the years presented are included in the consolidated statements of comprehensive loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Financial instruments

Recognition and initial measurement

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets are classified according to the following measurement categories:

- i) amortized cost; or
- ii) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI").

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- iii) amortized cost; or
- iv) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives).

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

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of cash and sales tax recoverable which are classified and subsequently measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities, which are classified and measured at amortized cost using the effective interest method.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Financial instruments recorded at fair value

Financial instruments recorded at fair value on the consolidated statements of financial position 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); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of the Company's financial instruments approximates fair value due to their short-term maturity.

Cash

Cash includes cash on hand and cash held with a Canadian chartered bank.

Exploration and evaluation expenditures

The Company expenses exploration and evaluation expenditures as incurred on mineral properties not commercially viable and financially feasible. Exploration and evaluation expenditures include acquisition costs of mineral properties, property option payments and evaluation activities. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit. Exploration and evaluation expenditures are capitalized if the Company can demonstrate that these expenditures meet the criteria of an identifiable intangible or tangible asset. To date, no such exploration and evaluation expenditures have been identified and capitalized.

Mineral property assets are amortized upon commencement of commercial production either on a unit-of-production basis over measured and indicated resources included in the mine plan or the life of the mine.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Income taxes

Income tax on the profit or loss for the years presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recognized in respect of taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to taxable temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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

Decommissioning provision

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the Company's exploration and evaluation activities. Discount rates using a pretax rate that reflects the risk and the time value of money are used to calculate the net present value. These costs are charged against profit or loss as exploration and evaluation expenditures and the related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

The Company has no restoration, rehabilitation and environment costs as the disturbance to date has been minimal.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Related party transactions

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

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are recognised in consolidated statement of loss.

Impairment of non-financial assets

All non-financial assets are reviewed at the end of each reporting period to determine whether the carrying amount may not be recoverable. If evidence of impairment is identified, the asset is tested for impairment.

For purposes of impairment testing, if a non-financial asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, it is grouped with other assets to create a cash-generating unit (CGU), which is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The recoverable amount of a non-financial asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over its useful life using management's forecast tools (for the three first years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss recognized in prior periods for a non-financial asset or a CGU is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

Critical accounting estimates and judgments

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

Critical accounting estimates and judgments (continued)

Critical accounting estimates

(a) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are estimated at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

(b) Income, value added, withholding and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded. Such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(c) Decommissioning provision

Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations and are measured at fair value using the current market-based discount rate, inflation rate and considering amount or timing of the underlying cash flows needed to settle the obligation.

Critical judgments in applying accounting policies

(a) Going concern

The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its operations and working capital requirements as discussed in note 1.

Loss per share

Basic loss per share is computed by dividing the loss for the period available to common shareholders by the weighted average number of shares outstanding during the years. Diluted loss per share is computed similarly to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the years.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

2. Material accounting policies (continued)

New accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments - Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 - Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

3. Capital risk management

The Company includes equity, comprising issued share capital, reserves and deficit, in the definition of capital, which as at December 31, 2024, totaled a deficit of \$42,965 (December 31, 2023 - equity of \$2).

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund its exploration commitments. To secure the additional capital necessary to continue with the exploration of mineral properties, the Company may attempt to raise additional funds through the issuance of debt or equity. The Company is not subject to any capital requirements imposed by a lending institution.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares and adjusting spending. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

There were no changes in the Company's process, policies and approach to capital management during the years ended December 31, 2024 and 2023.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

4. Financial instruments

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, foreign currency risk and price risk).

(i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and sales tax recoverable. Cash is held with Canadian chartered banks, from which management believes the risk of loss to be minimal.

Sales tax recoverable are receivable from government authorities in Canada. Management believes that the credit risk with respect to these amounts receivable is minimal.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at December 31, 2024, the Company had cash of \$87 (December 31, 2023 - cash of \$2) to settle current liabilities of \$130,094 (December 31, 2023 - \$nil). All of the Company's financial liabilities have contractual maturities of less than 90 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as liquidity.

The Company obtained its financing through private placements. Negative trends in the general equity market and the fall in commodity prices can adversely impact the Company's ability to obtain financing at favourable terms. If the Company cannot obtain the necessary financing to fund its operating and exploration activities, the Company might not be able to continue as a going concern entity.

There can be no assurance that additional financing, if and when required, will be available or on terms acceptable to the Company.

(iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances. The Company's current policy is to invest surplus cash in high yield savings accounts with a Canadian chartered bank with which it keeps its bank accounts.

(b) Foreign currency risk

The Company's functional and presentation currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company is not exposed to foreign currency risk.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

5. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2022 and December 31, 2023	200	\$ 2
Private placements (i)(ii)	14,000,000	300,000
Balance, December 31, 2024	14,000,200	\$ 300,002

- (i) On July 8, 2024, the Company completed a private placement of 10,000,000 common shares of the Company at a price of \$0.01 per common share for gross proceeds of \$100,000.
- (ii) On July 8, 2024, the Company completed a private placement of 4,000,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$200,000.

6. Exploration and evaluation expenditures

Year ended December 31,	2024	2023
Eagle Project		
Acquisition cost and claims	\$ 57,673	\$ -
Concession fees and taxes	65,027	-
Consulting	129,259	-
Assays	29,247	-
Legal fees	17,175	-
Foreign exchange adjustment	2,975	-
Total exploration and evaluation expenditures	\$ 301,356	\$ -

Eagle Project

During the year ended December 31, 2024, the Company acquired 100% of the Eagle Property located on BLM claims in Yavapai County, Arizona that are not subject to any royalties.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

7. Income tax

Provision for income taxes

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

Year ended December 31,	2024	2023
Loss before income tax	\$ (342,967)	\$ -
Statutory tax rate	26.50 %	26.50 %
Expected income tax recovery based on statutory rate	(91,000)	-
Adjustment to expected income tax recovery:		
Change in benefit of tax assets not recognized	91,000	-
Deferred income tax provision (recovery)	\$ -	\$ -

Deferred income tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Unrecognized deferred tax assets as at December 31,	2024	2023
Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:		
Non-capital loss carry-forwards	\$ 42,000	\$ -
Mineral property costs	301,000	-
Total	\$ 343,000	\$ -

As at December 31, 2024, the Company has unclaimed non-capital losses that expire as follows:

Expires:	2044	\$ 42,000
		<u>\$ 42,000</u>

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

8. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

During the years ended December 31, 2024 and 2023, the private placements were fully subscribed by the directors of the Company.

9. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

10. Subsequent events

Property acquisitions

- (i) On February 12, 2025, the Company entered into an agreement to acquire a 100% interest in three past-producing gold mines (Sunol, Palo Alto, and Columbia mines) located on a patented land, which are not subject to any royalties (the "Freeman Property Acquisition") for US\$700,000. The Company also acquired two adjacent BLM claims. The Freeman Property Acquisition was completed on May 5, 2025.
- (ii) On February 19, 2025, the Company entered into an agreement to acquire a 100% interest in past-producing McCabe gold mine located on a patented land which include water rights (the "McCabe Property Acquisition") for US\$2,000,000. The property is subject to a 2% NSR Royalty. Prior to the completion of a feasibility study, the Company may purchase 1% of the Royalty for US\$1,000,000. The McCabe Property Acquisition was completed on June 25, 2025.
- (iii) Subsequent to December 31, 2024, the Company acquired various parcels of land for an aggregate purchase price of \$1,465,083 (US\$1,000,000).

Private placements

- (i) On January 15, 2025, the Company completed a private placement of 2,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$125,000.
- (ii) On February 24, 2025, the Company completed a private placement of 3,400,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$340,000.
- (iii) On March 26, 2025, the Company completed a private placement of 2,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$1,000,000.
- (iv) On April 30, 2025, the Company completed a private placement of 1,850,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$185,000.
- (v) On April 30, 2025, the Company completed a private placement of 1,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$500,000.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

10. Subsequent events (continued)

- (vi) On August 29, 2025, the Company completed a private placement of 1,600,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,600,000.
- (vi) On September 11, 15 and 16, 2025, the Company completed a private placement of 1,061,750 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,061,750.

Subscription receipts financing

On March 26, 2025, the Company closed the first tranche of its subscription receipt financing ("Subscription Receipts Financing") pursuant to which it issued 8,660,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,330,000. On April 30, 2025, the Company closed its second and final tranche of its Subscription Receipts Financing, pursuant to which it issued 3,590,000 Subscription Receipts for gross proceeds of \$1,795,000. In connection with the Subscription Receipts Financing, the Company issued 207,000 Subscription Receipts as finders' fees. Each Subscription Receipt is convertible into a common share of the Company for no additional consideration.

On May 5, 2025, 4,359,950 Subscription Receipts were converted into 4,359,950 common shares of the Company upon the completion of the Freeman Property Acquisition.

On June 25, 2025, 8,097,050 Subscription Receipts were converted into 8,097,050 common shares of the Company upon the completion of the McCabe Property Acquisition.

Stock option grant

On June 16, 2025, the Company granted 2,500,000 stock options to directors and officers of the Company with exercise price of \$0.50 per share, expiring in 5 years. 1,000,000 stock options vested immediately. 1,500,000 stock options vest 1/4 immediately, 1/4 on December 16, 2025, 1/4 on June 16, 2026, 1/4 on December 16, 2026.

Proposed reverse takeover transaction

On September 15, 2025, the Company, together with Core Nickel Corp. ("Core", TSX-V: CNCO), entered into a non-binding letter of intent pursuant to which Core will acquire all of the issued and outstanding securities of the Company resulting in a reverse takeover (the "Transaction") of Core by the Company's shareholders. In connection with the Transaction, the Company will complete an offering of subscription receipts (see "Concurrent Financing" below).

Completion of the Transaction is subject to a number of conditions, including, among other items, the entering into of a definitive agreement between the parties in respect of the Transaction and receipt of all required shareholder, regulatory and third-party consents, including approval of the Transaction by the TSX Venture Exchange.

Arizona Copper and Gold Ltd.
Notes to the Consolidated Financial Statements
Years Ended December 31, 2024 and 2023
(Expressed in Canadian Dollars)

10. Subsequent events (continued)

Concurrent Financing

On October 2, 2025, the Company announced that it entered into a brokered private placement of subscription receipts for gross proceeds of up to \$10,000,000 at a price of \$1.50 per subscription receipt. As a part of the offering, the Company granted the agents an option to offer up to an additional \$1,500,000 in subscription receipts. Each subscription receipt will be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit in the capital of the Company, subject to adjustment in certain events, immediately before the closing of the Transaction upon the satisfaction and/or waiver of the escrow release conditions. Each unit will consist of one common share in the capital of the Company and one-half of a share purchase warrant. Each whole warrant will be exercisable into one additional share of the Company for a period of 2 years from the closing date at an exercise price of \$2.00. In connection with the offering, the Company has agreed to pay the agents a cash fee of 6% of the gross proceeds and grant broker warrants equal to 6% of the number of subscription receipts sold in the offering. Each broker warrant will be exercisable to acquire one common share of the Company at \$1.50 per share for a period of 2 years from the closing date.

ARIZONA COPPER AND GOLD LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2025
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of Arizona Copper and Gold Ltd. (the "Company") have been prepared by and are the responsibility of management.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

Unaudited

	As at September 30, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash	\$ 5,624,698	\$ 87
Sales tax recoverable	17,584	1,129
Prepaid expenses	55,972	85,913
Total current assets	5,698,254	87,129
Non-current assets		
Equipment (note 3)	98,985	-
Total assets	\$ 5,797,239	\$ 87,129
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 160,183	\$ 130,094
Total liabilities	160,183	130,094
Shareholders' equity		
Share capital (note 4)	11,129,885	300,002
Reserves (note 5)	493,562	-
Deficit	(5,986,391)	(342,967)
Total shareholders' (deficiency) equity	5,637,056	(42,965)
Total liabilities and shareholders' equity	\$ 5,797,239	\$ 87,129

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)

Commitments and contingencies (notes 6 and 8)

Subsequent events (note 10)

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Operating expenses				
Exploration and evaluation expenditures (note 6)	\$ 437,985	\$ 63,268	\$ 4,861,166	\$ 122,261
Office and general	82,608	630	116,507	630
Professional fees	107,438	1,325	172,992	1,643
Share-based payments (notes 5 and 7)	96,283	-	493,562	-
Shareholder information	-	-	5,588	-
Depreciation (note 3)	8,026	-	8,026	-
Operating loss before the following item	(732,340)	(65,223)	(5,657,841)	(124,534)
Interest income	14,417	-	14,417	-
Net loss and comprehensive loss for the period	\$ (717,923)	\$ (65,223)	\$ (5,643,424)	\$ (124,534)
Basic and diluted net loss per share	\$ (0.02)	\$ (0.01)	\$ (0.20)	\$ (0.03)
Weighted average number of common shares outstanding	37,962,366	12,782,809	27,547,496	4,292,171

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Share capital		Contributed		Total
	Shares	Amount	surplus	Deficit	
Balance, December 31, 2023	200	\$ 2	\$ -	\$ -	\$ 2
Private placements (note 4(b))	14,000,000	300,000	-	-	300,000
Net loss for the period	-	-	-	(124,534)	(124,534)
Balance, September 30, 2024	14,000,200	\$ 300,002	\$ -	\$ (124,534)	\$ 175,468
Balance, December 31, 2024	14,000,200	\$ 300,002	\$ -	\$ (342,967)	\$ (42,965)
Private placements (note 4(b))	13,411,750	4,780,000	-	-	4,780,000
Subscription receipts converted to common shares (note 4(b))	12,457,000	6,049,883	-	-	6,049,883
Share-based payments	-	-	493,562	-	493,562
Net loss for the period	-	-	-	(5,643,424)	(5,643,424)
Balance, September 30, 2025	39,868,950	\$ 11,129,885	\$ 493,562	\$ (5,986,391)	\$ 5,637,056

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited

	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Operating activities		
Net loss for the period	\$ (5,643,424)	\$ (124,534)
Adjustments for:		
Share-based payments	493,562	-
Depreciation	8,026	-
Changes in non-cash working capital items:		
Sales tax recoverable	(16,455)	(213)
Prepaid expenses and deposits	29,941	(123,983)
Accounts payable and accrued liabilities	30,089	18,673
Net cash used in operating activities	(5,098,261)	(230,057)
Investing activities		
Purchase of equipment	(107,011)	-
Net cash used in investing activities	(107,011)	-
Financing activities		
Private placements and subscription receipts, net of share issuance costs	10,829,883	300,000
Net cash provided by financing activities	10,829,883	300,000
Net change in cash	5,624,611	69,943
Cash, beginning of period	87	2
Cash, end of period	\$ 5,624,698	\$ 69,945
Supplemental information		
Interest received	\$ 14,417	\$ -

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

1. Nature of operations and going concern

Arizona Copper and Gold Ltd. ("ACG" or the "Company") was incorporated under the name "Magellan Investment Corp." under the Ontario Business Corporation Act on September 17, 2021. Pursuant to Articles of Amendment dated November 7, 2023, the name of the Company was changed to "Arizona Gold Mines Inc." and pursuant to Articles of Amendment dated January 20, 2025, the name of the Company was further changed to "Arizona Copper and Gold Ltd.". The Company's head office, principal address and registered and records office is located at 82 Government Road, Toronto, Ontario, M8X 1W3.

The Company is a mineral exploration company based in Toronto, Ontario, focusing on the exploration and development of mineral resource properties in Arizona. At the date of these unaudited condensed interim consolidated financial statements, the Company does not have any operating mines, nor has it earned any income from production.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, social licensing requirements, aboriginal land claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

The Company is at an early stage of exploration and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has current assets in excess of current liabilities of \$5,538,071 at September 30, 2025 (December 31, 2024 - current liabilities in excess of current assets of \$42,965). For the nine months ended September 30, 2025, the Company had a net loss of \$5,643,424 (nine months ended September 30, 2024 - \$124,534), and had cash outflows from operations of \$5,098,261 (nine months ended September 30, 2024 - \$230,057).

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due. The Company believes that it will have sufficient capital to operate over the next twelve months.

Longer term, the Company may pursue opportunities to raise additional capital through equity markets; however, there can be no assurance it will be able to raise funds in the future. The ultimate ability of the Company to remain a going concern and complete exploration and development of properties, if properties are proven successful, is dependent upon successfully raising additional capital. See note 10.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

2. Material accounting policies

Statement of compliance

The Company applies IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's 2024 annual financial statements which have been prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of January XX, 2026, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended December 31, 2024.

3. Equipment

Cost	Equipment
Balance, December 31, 2023 and December 31, 2024	\$ -
Additions	107,011
Balance, September 30, 2025	\$ 107,011

Accumulated Depreciation	Equipment
Balance, December 31, 2023 and December 31, 2024	\$ -
Depreciation for the period	8,026
Balance, September 30, 2025	\$ 8,026

Carrying Value	Equipment
Balance, December 31, 2024	\$ -
Balance, September 30, 2025	\$ 98,985

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

4. Share capital

(a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2023	200	\$ 2
Private placements (i)(ii)	14,000,000	300,000
Balance, September 30, 2024 and December 31, 2024	14,000,200	\$ 300,002
Private placements (iii)(iv)(v)(vii)(viii)(ix)(x)	13,411,750	4,780,000
Subscription receipts converted to common shares	12,457,000	6,049,883
Balance, September 30, 2025	39,868,950	\$ 11,129,885

- (i) On July 8, 2024, the Company completed a private placement of 10,000,000 common shares of the Company at a price of \$0.01 per common share for gross proceeds of \$100,000.
- (ii) On July 8, 2024, the Company completed a private placement of 4,000,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$200,000.
- (iii) On January 15, 2025, the Company completed a private placement of 2,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$125,000.
- (iv) On February 24, 2025, the Company completed a private placement of 3,400,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$340,000.
- (v) On March 26, 2025, the Company completed a private placement of 2,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$1,000,000.
- (vi) On March 26, 2025, the Company closed the first tranche of its subscription receipt financing ("Subscription Receipts Financing") pursuant to which it issued 8,660,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt for gross proceeds of \$4,330,000. On April 30, 2025, the Company closed its second and final tranche of its Subscription Receipts Financing, pursuant to which it issued 3,590,000 Subscription Receipts for gross proceeds of \$1,795,000. In connection with the Subscription Receipts Financing, the Company issued 207,000 Subscription Receipts as finders' fees. Each Subscription Receipt is convertible into a common share of the Company for no additional consideration.

On May 5, 2025, 4,359,950 Subscription Receipts were converted into 4,359,950 common shares of the Company upon the completion of the Freeman Property Acquisition (see note 6).

On June 25, 2025, 8,097,050 Subscription Receipts were converted into 8,097,050 common shares of the Company upon the completion of the McCabe Property Acquisition (see note 6).

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

4. Share capital (continued)

(b) Common shares issued (continued)

- (vii) On April 30, 2025, the Company completed a private placement of 1,850,000 common shares of the Company at a price of \$0.10 per common share for gross proceeds of \$185,000.
- (viii) On April 30, 2025, the Company completed a private placement of 1,000,000 common shares of the Company at a price of \$0.50 per common share for gross proceeds of \$500,000.
- (ix) On August 29, 2025, the Company completed a private placement of 1,600,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,600,000.
- (x) On September 11, 15 and 16, 2025, the Company completed a private placement of 1,030,000 common shares of the Company at a price of \$1.00 per common share for gross proceeds of \$1,030,000. In connection with the private placement, the Company issued 31,750 common shares as finders' fees.

5. Stock options

The Company has adopted an incentive stock option plan which provides that the board of directors of the Company may from time to time, in its discretion, grant to the directors, officers, employees and consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. The board of directors has discretion to the number, vesting period and expiry date of each option award.

The Company's stock options outstanding are as follows:

	Number of stock options	Weighted average exercise price
Balance, December 31, 2023 and December 31, 2024	-	\$ -
Issued (i)	2,500,000	0.50
Balance, September 30, 2025	2,500,000	\$ 0.50

During the three and nine months ended September 30, 2025, the Company recognized share-based payments expense of \$96,283 and \$493,562, respectively related to the stock options granted and vested.

- (i) On June 16, 2025, the Company granted 2,500,000 stock options to directors and officers of the Company with exercise price of \$0.50 per share, expiring in 5 years. 1,000,000 stock options vested immediately. 1,500,000 stock options vest 1/4 immediately, 1/4 on December 16, 2025, 1/4 on June 16, 2026, 1/4 on December 16, 2026. The stock options were assigned a grant date value of \$695,686 as estimated by using the Black-Scholes valuation model with the following assumptions: share price of \$0.50, expected dividend yield of 0%, expected volatility of 63%, risk-free rate of return of 2.99%, and an expected maturity of 5 years.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

5. Stock options (continued)

The following table reflects the stock options issued and outstanding as of September 30, 2025:

Fair value on grant date (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Exercisable options	Weighted average exercise price (\$)	Expiry date
695,686	4.71	2,500,000	1,375,000	0.50	June 16, 2030

6. Exploration and evaluation expenditures

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Eagle Project				
Acquisition cost and claims	\$ 62,793	\$ -	\$ 3,865,400	\$ 57,673
Concession fees and taxes	20,662	26,957	96,388	26,957
Consulting	65,133	19,136	217,054	19,136
Geophysics	166,448	-	496,106	-
Legal fees	122,949	17,175	186,218	17,175
Foreign exchange adjustment	-	-	-	1,320
Total exploration and evaluation expenditures	\$ 437,985	\$ 63,268	\$ 4,861,166	\$ 122,261

Eagle Project

During the year ended December 31, 2024, the Company acquired 100% of the Eagle Property located on BLM claims in Yavapai County, Arizona that are not subject to any royalties.

On February 12, 2025, the Company entered into an agreement to acquire a 100% interest in three past-producing gold mines (Sunol, Palo Alto, and Columbia mines) located on a patented land, which are not subject to any royalties (the "Freeman Property Acquisition") for US\$700,000. The Company also acquired two adjacent BLM claims. The Freeman Property Acquisition was completed on May 5, 2025.

On February 19, 2025, the Company entered into an agreement to acquire a 100% interest in past-producing McCabe gold mine located on a patented land which include water rights (the "McCabe Property Acquisition") for US\$2,000,000. The property is subject to a 2% NSR Royalty. Prior to the completion of a feasibility study, the Company may purchase 1% of the Royalty for US\$1,000,000. The McCabe Property Acquisition was completed on June 25, 2025.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

7. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Professional fees	\$ 4,655	\$ -	\$ 17,011	\$ -
Share-based payments	96,283	-	493,562	-
	\$ 100,938	\$ -	\$ 510,573	\$ -

(b) Included in professional fees is \$4,655 and \$17,011, respectively (2024 - \$nil and \$nil, respectively) paid to Marrelli Support Services Inc. ("MSSI") for an employee of MSSI to act as the Chief Financial Officer ("CFO") of the Company and provide bookkeeping services.

8. Commitments and contingencies

Environmental contingencies

The Company's mineral exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations have generally been becoming more restrictive. The Company is materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

9. Proposed transaction

On September 15, 2025, the Company, together with Core Nickel Corp. ("Core", TSX-V: CNCO), entered into a non-binding letter of intent pursuant to which Core will acquire all of the issued and outstanding securities of the Company resulting in a reverse takeover (the "Transaction") of Core by the Company's shareholders. In connection with the Transaction, the Company will complete an offering of subscription receipts (see "Concurrent Financing" below).

Completion of the Transaction is subject to a number of conditions, including, among other items, the entering into of a definitive agreement between the parties in respect of the Transaction and receipt of all required shareholder, regulatory and third-party consents, including approval of the Transaction by the TSX Venture Exchange.

Arizona Copper and Gold Ltd.

Notes to the Condensed Interim Consolidated Financial Statements

Three and Nine Months Ended September 30, 2025

(Expressed in Canadian Dollars)

Unaudited

10. Subsequent events

Proposed reverse takeover transaction

On October 2, 2025, the Company announced that it entered into a brokered private placement of subscription receipts for gross proceeds of up to \$10,000,000 at a price of \$1.50 per subscription receipt. As a part of the offering, the Company granted the agents an option to offer up to an additional \$1,500,000 in subscription receipts. Each subscription receipt will be automatically converted, without payment of additional consideration or further action by the holder thereof, into one unit in the capital of the Company, subject to adjustment in certain events, immediately before the closing of the Transaction upon the satisfaction and/or waiver of the escrow release conditions. Each unit will consist of one common share in the capital of the Company and one-half of a share purchase warrant. Each whole warrant will be exercisable into one additional share of the Company for a period of 2 years from the closing date at an exercise price of \$2.00. In connection with the offering, the Company has agreed to pay the agents a cash fee of 6% of the gross proceeds and grant broker warrants equal to 6% of the number of subscription receipts sold in the offering. Each broker warrant will be exercisable to acquire one common share of the Company at \$1.50 per share for a period of 2 years from the closing date.

SCHEDULES

- Schedule 1.1 – Allocation of Adjusted Net Assets – ACG**
- Schedule 2.1 – Allocation of Adjusted Net Assets – CNCO**
- Schedule 3.1 – Proforma Combination of ACG & CNCO (Arizona Eagle Mining Corp.)**
- Schedule 4.1 – Fairness Calculation**



Arizona Copper and Gold Ltd.

Effective Date of the Valuation: January 31, 2026

Schedule 1.1

Allocation of Adjusted Net Assets - Adjusted Book Value

Canadian dollars

Caution - Estimated Only From Provided 09/30/2025 ACG Compiled Financial Statements							
	Net Book Value			Allocation of Adjusted Net Assets			Notes
	as at 09/30/2025	Fair Value	Tangible Asset	Redundant	Financing	Operating	
	Compiled	Adjustment	Backing	Net Assets	Liabilities	Net Assets	
		+Proforma				Estimated 01/31/2026	
ASSETS							
CURRENT ASSETS							
Cash	\$ 5,624,698	\$ -	\$ 5,624,698	\$ -	\$ -	\$ 5,624,698	
Sales tax receivables	\$ 17,584	\$ -	\$ 17,584	\$ -	\$ -	\$ 17,584	
Investments		\$ -	\$ -	\$ -	\$ -	\$ -	
Prepaid expenses	\$ 55,972	\$ -	\$ 55,972	\$ -	\$ -	\$ 55,972	
	\$ 5,698,254	\$ -	\$ 5,698,254	\$ -	\$ -	\$ 5,698,254	
OTHER ASSETS							
Property and equipment	\$ 98,985	\$ -	\$ 98,985	\$ -	\$ -	\$ 98,985	
Mineral properties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 98,985	\$ -	\$ 98,985	\$ -	\$ -	\$ 98,985	
TOTAL ASSETS	\$ 5,797,239	\$ -	\$ 5,797,239	\$ -	\$ -	\$ 5,797,239	
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	\$ 160,183	\$ -	\$ 160,183	\$ -	\$ -	\$ 160,183	
Current portion of long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Flow-through premium liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 160,183	\$ -	\$ 160,183	\$ -	\$ -	\$ 160,183	
LONG-TERM LIABILITIES							
Long-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Derivative liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL LIABILITIES	\$ 160,183	\$ -	\$ 160,183	\$ -	\$ -	\$ 160,183	
Net Tangible Assets						\$ 5,637,056	
Add: Proceeds from November 2025 Financing						\$ 3,191,450	
Less: Cost of US\$700,000 (C\$1,000,000) for Freeman Acquisition						\$ (1,000,000)	
Less: Cost of US\$2,000,000 (C\$2,850,000) for McCabe Acquisition						\$ (2,850,000)	
Add: Cost of US\$1,000,000 (C\$1,465,083) for Various Parcel Acquisitions						\$ (1,465,083)	
Cash burn from 10/01/2025 to 01/31/2026						\$ (960,000)	
Net Tangible Assets, All-In	\$ 5,637,056	\$ -	\$ 5,637,056	\$ -	\$ -	\$ 2,553,423	
FV of Mineral Rights to Eagle Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,315,083	
Operating Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,868,506	
Net Working Capital (excludes cash/debt)						\$ (86,627)	
Working Capital						\$ 5,538,071	
Redundant assets / liabilities				\$ -			
Net financing liabilities					\$ -		
Operating net assets, i.e., the Enterprise Value say						\$ 7,868,506	
Plus: Net Redundant Assets						\$ -	
Plus/Less: Net Financing Obligations						\$ -	
Fair Market Value of the Equity of ACG, say						\$ 7,868,506	

Notes

- Mineral property acquisition costs as per 09/30/2025 ACG financial statements and related notes (subsequent events)
Included with the amounts is C\$500,000 in estimated mineral property work - per ACG Board/Mgt.

There were previous cash raised from Nine (9) Private Placements from January to September 2025

	200	Shares
\$	1.000	Price per Share
\$	200	Amount
	14,000,000	Shares
\$	0.02143	Price per Share
\$	300,000	Amount
	14,000,200	
	2,500,000	Shares
\$	0.050	Price per Share
\$	125,000	Amount
	3,400,000	Shares
\$	0.100	Price per Share
\$	340,000	Amount
	2,000,000	Shares
\$	0.500	Price per Share
\$	1,000,000	Amount
	1,850,000	Shares
\$	0.100	Price per Share
\$	185,000	Amount
	1,000,000	Shares
\$	0.500	Price per Share
\$	500,000	Amount
	4,359,950	Shares
\$	0.500	Price per Share
\$	2,179,975	Amount
	8,097,050	Shares
\$	0.500	Price per Share
\$	4,048,525	Amount
	1,600,000	Shares
\$	1.000	Price per Share
\$	1,600,000	Amount
	1,061,750	Shares
\$	1.000	Price per Share
\$	1,061,750	Amount
39,868,950		Shares Issued
11,340,450		\$ Raised

Core Nickel Corp.

Effective Date of the Valuation: January 31, 2026

Schedule 2.1

Allocation of Adjusted Net Assets

Canadian dollars

	Net Book Value			Allocation of Adjusted Net Assets			Note
	as at 01/31/2026	Fair Value	Tangible Asset	Redundant	Financing	Operating	
	10/31/2025 data	Adjustment	Backing	Net Assets	Liabilities	Net Assets	
ASSETS	Compiled						
CURRENT ASSETS							
Cash	\$ 714,763	\$ -	\$ 714,763	\$ 500,000	\$ -	\$ 214,763	
Receivables	\$ 15,824	\$ -	\$ 15,824	\$ -	\$ -	\$ 15,824	
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Prepaid expenses	\$ 13,236	\$ -	\$ 13,236	\$ -	\$ -	\$ 13,236	
	\$ 743,823	\$ -	\$ 743,823	\$ 500,000	\$ -	\$ 243,823	
OTHER ASSETS							
Property and equipment, net	\$ -		\$ -	\$ -	\$ -	\$ -	
Mineral bonds		\$ -	\$ -	\$ -	\$ -	\$ -	
Mineral property interests	\$ 1,153,804	\$ (1,153,804)	\$ -	\$ -	\$ -	\$ -	1
	\$ 1,153,804	\$ (1,153,804)	\$ -	\$ -	\$ -	\$ -	
TOTAL ASSETS	\$ 1,897,627	\$ (1,153,804)	\$ 743,823	\$ 500,000	\$ -	\$ 243,823	
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	\$ 56,735	\$ -	\$ 56,735	\$ -	\$ -	\$ 56,735	
Due to related parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 56,735	\$ -	\$ 56,735	\$ -	\$ -	\$ 56,735	
LONG-TERM LIABILITIES							
Loans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL LIABILITIES	\$ 56,735	\$ -	\$ 56,735	\$ -	\$ -	\$ 56,735	
Cash burn 11/01/25 to 01/31/26 approx. C\$171k/month						\$ (513,000)	2
Net Assets (including Mineral Properties)	\$ 1,840,892	\$ (1,153,804)	\$ 687,088	\$ 500,000	\$ -	\$ 325,912	
Net Tangible Assets						\$ 187,088	
Net Working Capital (excludes cash/debt)	\$ (27,675)		\$ (27,675)			\$ (27,675)	
Working Capital	\$ 687,088		\$ 687,088			\$ 187,088	
Redundant assets / liabilities				\$ 500,000			
Net financing liabilities					\$ -		
Operating net assets, i.e., the Enterprise Value (including Mineral Rights), say						\$ (330,000)	
Plus: Net Redundant Assets						\$ 500,000	
Plus/Less: Net Financing Obligations						\$ -	
Fair Market Value of the Equity of CNCO, say						\$ 170,000	

Note

1 Review of April 30, 2025 audited financials indicate no evidence to reduce/increase the BV of the Mineral Property interests. RWE's review indicated that the Mel Project is the flagship property. Here are the recorded fair value of the mining claims as at April 30, 2025

The Company holds 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the year ended April 30, 2025 are as follows:

Project	April 30, 2024	Additions	April 30, 2025
	\$	\$	\$
Thompson Nickel Belt			
Mel	979,309	18,000	997,309
Halfway Lake	104,998	-	104,998
Hunter	28,885	-	28,885
Resting Lake	17,505	-	17,505
Odel River	5,107	-	5,107
Total	1,135,804	18,000	1,153,804

Total	1,133,804	18,000	1,153,804

\$18,000 in additions to the mineral property interest were annual lease payments for the Mel project.

Review of October 31, 2025 compiled financials indicate no evidence to reduce/increase the BV of the Mineral Property interests.

The Company holds 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the twelve and three months ended April 30, 2025 and October 31, 2025 are as follows:

Project	April 30, 2024	Additions	April 30, 2025	Additions/write-offs/recoveries	October 31, 2025
	\$	\$	\$	\$	\$
Thompson Nickel Belt					
Mel	979,309	18,000	997,309	-	997,309
Halfway Lake	104,998	-	104,998	-	104,998
Hunter	28,885	-	28,885	-	28,885
Resting Lake	17,505	-	17,505	-	17,505
Odei River	5,107	-	5,107	-	5,107
Total	1,135,804	18,000	1,153,804	-	1,153,804

There were no additions to the mineral property interest for the six months ended October 31, 2025.

In April 2025 the company announced a re-assay programme of twelve historical diamond drill holes at Mel. These results help validate the historical resource estimate (which remains “historical” under NI 43-101). Core Nickel+1 The intercepts show relatively high grades (for a magmatic Ni sulphide belt) over meaningful widths. That’s positive for future resource modelling. However, because these are re-assays of historical holes (not new step-out drilling) they primarily validate rather than expand the resource footprint. Additional in-fill or deep drilling is still required to upgrade and expand the resource. Hence, the recorded BV does appear to resemble its likely FV as no material gains have occurred. The Halfway and other properties also do not show evidence of any material valuation improvement. Mel: The validation of historical drilling is a good step — gives confidence in data, paves the way for a modern NI 43-101 resource. Next steps: infill/deep drilling to convert historical resource and expand depth. Halfway Lake: Early data show geological promise (ultramafic host, high tenor sulphides, conductive trends) but the intercepts to date are modest; lots of work remains to define a robust deposit. Hence the stated BV appears to approximate the FV of the mineral rights related to these mining claims. Did not remove BV from calculation of Net Assets

- 2 Estimated from historical expenditures and from discussions with CNCO management.

Proforma Combination of ACG and CNCO (to become "Arizona Eagle Mining Corp.")

Effective Date is at the Closing of the Proposed Transaction (assumed to be Q1 of 2026)

Schedule 3.1

Proforma - Allocation of Adjusted Net Assets - based on Data and Disclosures Provided by ACG and CNCO's Boards

Canadian dollars

	ACG		CNCO		Net Book Value			Combined Entity (Arizona Eagle Mining Corp.)				Notes					
	at 01/31/20266		at 01/31/20266		as at 01/31/2026			Allocation of Adjusted Net Assets									
	using 09/30/2025		using 10/31/2025		Fair Value			Tangible Asset		Redundant			Financing		Operating		
					Combined Entity			Adjustment		Backing			Net Assets		Liabilities		Net Assets
ASSETS																	
CURRENT ASSETS																	
Cash and cash equivalents	\$	5,624,698	\$	714,763	\$	6,339,461	\$	-	\$	6,339,461	\$	-	\$	-	\$	6,339,461	1
Receivables	\$	17,584	\$	15,824	\$	33,408	\$	-	\$	33,408	\$	-	\$	-	\$	33,408	
Investments	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
Prepaid expenses	\$	55,972	\$	13,236	\$	69,208	\$	-	\$	69,208	\$	-	\$	-	\$	69,208	
	\$	5,698,254	\$	743,823	\$	6,442,077	\$	-	\$	6,442,077	\$	-	\$	-	\$	6,442,077	
OTHER ASSETS																	
Property and equipment	\$	98,985	\$	-	\$	98,985	\$	-	\$	98,985	\$	-	\$	-	\$	98,985	
Mineral properties (Intangible Mineral Rights)	\$	-	\$	-	\$	-	\$	6,468,887	\$	6,468,887	\$	-	\$	-	\$	6,468,887	2
	\$	98,985	\$	-	\$	98,985	\$	6,468,887	\$	6,567,872	\$	-	\$	-	\$	6,567,872	
TOTAL ASSETS	\$	5,797,239	\$	743,823	\$	6,541,062	\$	6,468,887	\$	13,009,949	\$	-	\$	-	\$	13,009,949	
LIABILITIES																	
CURRENT LIABILITIES																	
Accounts payables and accrued liabilities	\$	160,183	\$	56,735	\$	182,602	\$	-	\$	182,602	\$	-	\$	-	\$	182,602	
Other	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
	\$	160,183	\$	56,735	\$	182,602	\$	-	\$	182,602	\$	-	\$	-	\$	182,602	
LONG-TERM LIABILITIES																	
Long-term debt	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
TOTAL LIABILITIES	\$	160,183	\$	56,735	\$	182,602	\$	-	\$	182,602	\$	-	\$	-	\$	182,602	
	\$	5,637,056	\$	687,088	\$	6,358,460	\$	6,468,887	\$	12,827,347	\$	-	\$	-			
Net Working Capital (excludes cash/investments/debt)																\$	(79,986)
Working Capital																\$	6,259,475
Net Operating Assets																\$	12,827,347
Redundant Assets																\$	-
Add: Financings - November 2025 Financing, net																\$	3,041,450
Cash Burn and Requirements - ACG and CNCO	\$	(960,000)	\$	(513,000)	\$	(1,473,000)										\$	(1,473,000)
(proforma roll-forward adjustment from to 12/31/2026)		65.17%		34.83%		0.00%											
Net Operating Assets of the Combined Entities																\$	14,395,797
Proforma Net Assets of the Combined Entities at Closing of the Proposed Transaction - Estimate																\$	14,400,000

Notes

1 For clarity, the term 'Implied Mineral Rights Value (Intangible)' refers to the residual value attributable to the ACG/CNCO mineral rights after deducting tangible and financial net assets from enterprise value.

Implied mineral rights value ≈ C\$6.5m is:

Net of execution risk

Net of required future spend

Net of dilution risk

In deriving enterprise value and the implied value attributable to the ACG and CNCO mineral rights, cash balances have been classified as operating assets rather than redundant assets. A market participant would reasonably require such funds to execute the planned exploration and verification programs, including the preparation of additional PEAs, technical report and associated drilling activities, which are estimated to require the cash on-hand. Accordingly, the enterprise value observed in the market is considered to already reflect the capital required to advance the ACG and CNCO Projects, as well as the associated technical, execution, and dilution risks. The resulting implied mineral-rights value therefore represents a conservative, market-participant-based assessment consistent with IVS and CIMVal guidance.

2 Cost Methods for FV

ACG's Eagle Project Costs Incurred in 2025 to Assemble Eagle Project (i.e., its FV)	\$ 5,315,083
CNCO Stated FV of its projects per April 30, 2025 Audited Financial Statements	\$ 1,153,804
	\$ 6,468,887

As no current NI 43-101 compliant mineral resource has been defined, CNCO's Thompson Project is appropriately benchmarked against early-stage land-position comparables rather than resource-based valuation metrics. Market evidence for similar Manitoba exploration issuers indicates trading values typically between C\$50 and C\$300 per hectare. CNCO's carrying value of approximately C\$43 per hectare is reasonable, though it does fully account for potential upside optionality - which may or may not exist.

3 Proceeds from November 2025 Financing (per ACG Board)	\$ 3,191,450
Estimated Legal and Other Costs to Close the Proposed Transaction	\$ (150,000)
	\$ 3,041,450

4 Per Schedules 1.1 for ACG and 2.1 for CNCO	\$ (960,000)
	\$ (513,000)
	\$ (1,473,000)

Core Nickel Corp. (CNCO) and Arizona Copper and Gold Ltd. ("ACG") Proposed Transaction (Plan of Arrangement)

Fairness Calculation for the CNCO Special Committee and CNCO Board

based on Fair Market Value of the CNCO and ACG (to become "Arizona Eagle Mining Corp.)

CNCO and ACG will become the "Resulting Issuer"

Schedule 4.1

CNCO and ACG will become the "Resulting Issuer".

		To the CNCO Shareholders, from a Financial Point of View	
		November 2025 Financing	\$ 3,191,450
		Stated Price (Subscription Receipts)	\$ 1.20
Fair Market Value of ACG - Pre-Proposed Transaction		Fair Market Value of CNCO - Pre-Proposed Transaction	
Effective Date of the Valuation: January 31, 2026	Value	Effective Date of the Valuation: January 31, 2026	Value
Transaction Financing as at 11/25/2025 Implied Value	\$ 47,842,740	Closing Trading Price of CNCO as at 09/15/2025 with 54,991,718 shares outstanding	7,698,841
Previous 2025 Nine (9) PP Raises (C\$11,340,450 raised)	\$ 39,868,950	10-Day Average Closing Trading Price of CNCO to 09/15/2025 with 54,991,718 shares outstanding	6,269,056
FMV based on the Estimated Net Assets of ACG as at 01/31/2026, say	\$ 7,868,506	FMV based on the Estimated Net Assets of CNCO as at 01/31/2026, say	170,000
Pre-Proposed Transaction - ACG Fair Market Value, say	\$ 47,842,740	Pre-Proposed Fair Market Value of CNCO, say	\$ 7,698,841
<i>The valuations have been prepared in accordance with the Market Approach principles under IVS and CIMVal, giving primary consideration to observable market evidence for CNCO's equity securities and ACG's recent, arm's-length cash investment (with no adjustments) where such prices represent Level 1 and Level 2 inputs from active markets/investment transactions</i>			

Fair Market Value of Resulting Issuer Post-Proposed Transaction*		Calculation of Shares Outstanding in Resulting Issuer Post-Proposed Transaction	
	HIGH		To Be Issued
Fair Market Value of CNCO, say	\$ 7,698,841	Shares Issued to CNCO Shareholders - per 8.5 consolidation	6,469,614 6,469,614
Fair Market Value of ACG, say	\$ 47,842,740	Shares To Be Issued to ACG Shareholders (per Boards of ACG and CNCO)	39,868,950 39,868,950
Proceeds from CNCO Option Exercise - "In-the-Money" - None	\$ -	Shares Issued from Any "In-the-Money" CNCO Option Exercise (3.49m outstanding)	Nil 0
Proceeds from Any "In-the-Money" CNCO Warrant Exercise - None	\$ -	Shares Issued from Any "In-the-Money" CNCO Warrant Exercise (18.820891 outstanding)	Nil 0
Proceeds from Any RSUs	\$ -	Shares Issued for any RSUs - "For the Acquisition/RTO"	Nil 0
Proceeds from ACG Option Exercise - "In-the-Money"	\$ -	Shares Issued from Any "In-the-Money" ACG Option Exercise	Nil 0
Proceeds from Any "In-the-Money" ACG Warrant Exercise	\$ -	Shares Issued from Any "In-the-Money" ACG Warrant Exercise	Nil 0
Proceeds from November 2025 Financing (per ACG Board)	\$ 3,191,450	Shares Issued for Financing; i.e., C\$3.91145m at C\$1.20 per share (with a C\$1.50 warrant for 3 years)	2,659,542 2,659,542
Broker Warrants (159,573 @ C\$1.20, 12 months) "In-the-Money"	\$ 191,487	Shares converted from Warrants Issued for Transaction/Financing Fees	159,573 159,573
Estimated Costs Broker Fees et al	\$ (191,487)	Shares issued to Outside Parties	- 0
Estimated Legal and Other Costs to Close the Proposed Transaction	\$ (150,000)	Shares for Other	- 0
Fair Market Value of Resulting Issuer - Post-Proposed Transaction, say	\$ 58,580,000 *	Shares Outstanding in Resulting Issuer - Post-Proposed Transaction	49,157,679

* - assumes completion of the Proposed Transaction.

Assumed Shareholdings in Resulting Issuer Post-Proposed Transaction		
Shares Issued to CNCO Shareholders - per 8.5 consolidation	6,469,614	13.2%
Shares To Be Issued to ACG Shareholders (per Boards of ACG and CNCO)	39,868,950	81.1%
Shares Issued from Any "In-the-Money" CNCO Option Exercise (3.49m outstanding)	0	0.0%
Shares Issued from Any "In-the-Money" CNCO Warrant Exercise (18.820891 outstanding)	0	0.0%
Shares Issued from Any "In-the-Money" ACG Option Exercise	0	0.0%
Shares Issued from Any "In-the-Money" ACG Warrant Exercise	0	0.0%
Shares Issued for November 2025 Financing; i.e., C\$3.91145m at C\$1.20 per share (with a C\$1.50 warrant for 3 years)	2,659,542	5.4%
Shares converted from Warrants Issued for Transaction/Financing Fees	159,573	0.3%
Shares issued to Outside Parties	0	0.0%
Shares for Other	0	0.0%
Shares Outstanding in Resulting Issuer - Post-Proposed Transaction	49,157,679	100.0%

Combined Fair Market Value of Resulting Issuer, say: \$ 58,580,000

Core Nickel Corp.			
		Value Issued	
Pre-Proposed Transaction	Fair Market Value of 100% of All Common CNCO Shares held by CNCO Shareholders - Pre-Proposed Transaction, say:	\$ 7,700,000	(a)
		Value Received	
Post-Proposed Transaction	Fair Market Value of Resulting Issuer held by all of the CNCO shareholders, say:	\$ 7,710,000	(b)
(b) is equal to or greater than (a) so the Proposed Transaction is Fair to the CNCO Shareholders			

The fact that the fair market value received by CNCO shareholders is equal to or slightly greater than the fair market value issued is consistent with expectations for a negotiated arm's-length transaction between knowledgeable and willing market participants and supports the conclusion that the Proposed Transaction is fair from

Schedule "K"



CORE NICKEL CORP.

SHARE OPTION PLAN

(Dated for reference: April 22, 2025)

CORE NICKEL CORP.

**SHARE OPTION PLAN
(the “Plan”)**

Dated for reference: April 22, 2025

**ARTICLE 1
PURPOSE AND INTERPRETATION**

Statement of Purpose

- 1.1 The principal purposes of this Plan are to:
- (a) advance the interests of Core Nickel Corp. (the “**Company**”) by encouraging equity participation in the Company by Service Providers (defined below) through the acquisition of Shares (defined below);
 - (b) retain and attract the qualified Service Providers the Company and its Affiliates require; and
 - (c) provide a long-term incentive element in overall compensation paid by the Company to Service Providers.
- 1.2 It is the intention of the Company that this Plan will at all times be in compliance with the TSXV Policies (defined below) during such time as the Company’s Shares are listed on the TSXV, and any inconsistencies between this Plan and the TSXV Policies, whether due to inadvertence or changes in TSXV Policies, will be resolved in favour of the TSXV Policies.

Definitions

- 1.3 In this Plan, the following terms have the following meanings:
- (a) “**Affiliate**” means a company that is a parent or Subsidiary of the Company, or that is controlled by the same entity as the Company.
 - (b) “**Associate**” has the meaning assigned by the Securities Act.
 - (c) “**Blackout Period**” means a period of time during which the Company prohibits Optionees from exercising their Options, which Blackout Period must be formally imposed by the Company pursuant to its internal trading policies as a result of the *bona fide* existence of undisclosed Material Information, and which Blackout Period must comply with the blackout period provisions of section 4.11 of TSXV Policy 4.4 – *Security Based Compensation*.
 - (d) “**Board**” means the board of Directors of the Company or any committee thereof duly empowered or authorized to grant options under this Plan.
 - (e) “**Broker**” has the meaning ascribed to it in section 5.5.
 - (f) “**Change of Control**” includes situations where, after giving effect to the contemplated transaction, as a result of such transaction:
 - (i) any one person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or its successor; or
 - (ii) any combination of persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such person or combination of persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any person or combination of persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or its successor, is deemed to materially affect the control of the Company or its successor.

- (g) “**company**” means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
- (h) “**Company**” means Core Nickel Corp. and includes, unless the context otherwise requires, all of its Subsidiaries or Affiliates and successors according to law.
- (i) “**Consultant**” means an individual or Consultant Company (other than an Employee, Officer or Director of the Company), that:
 - (i) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, managerial or other services to the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company and the individual/Consultant Company, as the case may be; and
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company.
- (j) “**Consultant Company**” means a Consultant that is a company.
- (k) “**Directors**” means the directors of the Company as may be elected or duly appointed from time to time and “**Director**” means any one of them.
- (l) “**Discounted Market Price**” has the meaning assigned to it in TSXV Policy 1.1 - *Interpretation*.
- (m) “**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Shares beneficially owned by applicable Service Providers or their Associates, and, for clarification, shall mean such disinterested shareholder approval as is required by TSXV Policies in the particular circumstances.
- (n) “**Distribution**” has the meaning assigned to it in subsection 1(1) of the Securities Act, and generally refers to a distribution of securities by the Company from treasury.
- (o) “**Effective Date**” for an Option means the date of grant of the Option by the Board.
- (p) “**Employee**” means:
 - (i) an individual who is considered an employee of the Company under the *Income Tax Act (Canada)* and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source;
 - (ii) an individual who works full-time for the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or its Subsidiary over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and

methods of work as an employee of the Company, but for whom income tax deductions are not made at source.

- (q) **“Exchange Hold Period”** has the meaning assigned to it in TSXV Policy 1.1 - *Interpretation*.
- (r) **“Exercise Notice”** has the meaning ascribed to it in section 4.2(a)
- (s) **“Exercise Price”** means the amount payable per Optioned Share on the exercise of an Option, as specified in the Option Commitment relating to such Option.
- (t) **“Expiry Date”** means the day on which an Option lapses as specified in the Option Commitment relating to such Option or in accordance with the terms of this Plan.
- (u) **“Insider”** has the meaning assigned to it in TSXV Policy 1.1 - *Interpretation*.
- (v) **“Investor Relations Activities”** has the meaning assigned to it in TSXV Policy 1.1 - *Interpretation*, and means, generally, any activities or communications that can reasonably be seen to be intended to or be primarily intended to promote the merits or awareness of or the purchase or sale of securities of the Company.
- (w) **“Management Company Employee”** means an individual employed by a person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged primarily in Investor Relations Activities.
- (x) **“Material Information”** has the meaning assigned to it in TSXV Policy 1.1 - *Interpretation*.
- (y) **“Officer”** means a duly appointed officer as such term is defined in subsection 1(1) of the Securities Act, and means, generally:
 - (i) a chair or vice chair of the board of directors, or a chief executive officer, chief operating officer, chief financial officer, president, vice president, secretary, assistant secretary, treasurer, assistant treasurer or general manager of a company;
 - (ii) an individual who is designated as an officer under a bylaw or similar authority of a company; or
 - (iii) an individual who performs functions similar to those normally performed by an individual referred to in subsection (i) or (ii) above.
- (z) **“Option”** means an option to purchase Shares granted to a Service Provider pursuant to the terms of this Plan.
- (aa) **“Option Commitment”** means the notice of grant of an Option delivered by the Company to a Service Provider, substantially in the form of Schedule “A” (as to an Option without vesting provisions) or Schedule “B” (as to an Option with vesting provisions) attached hereto.
- (bb) **“Optioned Shares”** means Shares that may be issued in the future to a Service Provider upon the exercise of an Option.
- (cc) **“Optionee”** means the recipient of an Option granted under this Plan.
- (dd) **“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Shares, from time to time.
- (ee) **“person”** means a company or an individual.

- (ff) **“Personal Representative”** means:
 - (i) in the case of a deceased Optionee, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Optionee who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Optionee.
- (gg) **“Plan”** means this Share Option Plan of the Company, as such may be amended from time to time.
- (hh) **“Predecessor Options”** has the meaning ascribed thereto in section 2.3.
- (ii) **“Predecessor Share Option Plan”** means the Company’s Share Option Plan dated for reference September 13, 2023.
- (jj) **“Regulatory Approval”** means the approval of the TSXV and any other securities regulatory authority that may have lawful jurisdiction over this Plan and any Options granted under this Plan, if and as applicable.
- (kk) **“Regulatory Authorities”** means all organized trading facilities on which the Shares are listed, and all securities commissions or similar securities regulatory bodies that may have lawful jurisdiction over the Company, this Plan and/or any Options granted under this Plan, if and as applicable.
- (ll) **“Regulatory Rules”** means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (mm) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended from time to time.
- (nn) **“Securities Based Compensation”** has the meaning ascribed thereto in TSXV Policy 4.4 – *Security Based Compensation*.
- (oo) **“Service Provider”** means a person who is a *bona fide* Director, Officer, Employee, Management Company Employee or Consultant and also includes a company of which 100% of the share capital is beneficially owned by one or more Service Provider.
- (pp) **“Shareholder Approval”** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting.
- (qq) **“Shares”** means the common shares of the Company as presently constituted and **“Share”** means any one of them.
- (rr) **“Subsidiary”** has the meaning assigned to it in section 1(1) of the Securities Act.
- (ss) **“TSXV”** means the TSX Venture Exchange.
- (tt) **“TSXV Policies”** means the rules and policies of the TSXV, as such may be amended from time to time.
- (uu) **“Withholding Obligations”** has the meaning ascribed to it in section 5.4.

ARTICLE 2

SHARE OPTION PLAN

Establishment of Share Option Plan

- 2.1 There is hereby established this Plan to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Shares Issuable under the Plan

- 2.2 The aggregate number of Optioned Shares that may be issuable pursuant to Options granted under this Plan, together with the Shares issuable on the exercise of all Predecessor Options, will not exceed 10% of the number of Outstanding Shares at the time of the granting of Options under this Plan.
- 2.3 Subject to compliance with applicable Regulatory Rules, all outstanding Options granted under the Predecessor Share Option Plan (the “**Predecessor Options**”) will continue to be outstanding as Options granted under and subject to the terms of this Plan, *provided however*, that all Predecessor Options remain in force in accordance with their existing terms.
- 2.4 In the event an Option granted under this Plan is exercised, expires unexercised, is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the number of Optioned Shares that were set aside for issue pursuant to that Option will become available for the issuance of Options hereunder, subject to the maximum number set forth in section 2.2. In addition, the provisions of section 4.11 of TSXV Policy 4.4 – *Security Based Compensation* apply to the foregoing.

No Fractional Shares

- 2.5 The Company will not be required to issue fractional shares in satisfaction of its obligations under this Plan. If, as a result of any adjustment hereunder, an Optionee would become entitled to a fractional share, such Optionee will have the right to purchase only the next lowest whole number of Optioned Shares and no payment or other adjustment will be made for the fractional interest.

Eligibility

- 2.6 Options to purchase Optioned Shares may be granted under this Plan to Service Providers from time to time by the Board.
- 2.7 A Service Provider that is a company will be required to provide to the TSXV a completed Schedule “A” to Form 4G – *Certification and Undertaking Required from a Company Granted Security Based Compensation*, or such other form of written undertaking as is or may be required and acceptable to the TSXV, pursuant to which the Service Provider undertakes not to effect or permit any transfer of ownership or option of any of its shares, nor to allot and issue further securities of any class of shares of its authorized capital to any other individual or entity (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSXV and the Company is first obtained.

Options Granted Under this Plan

- 2.8 All Options granted under this Plan will be evidenced by an Option Commitment substantially in the forms attached hereto as Schedule “A” or Schedule “B”, showing the number of Optioned Shares, the term of the Option, the Exercise Price and a reference to vesting terms, if any.
- 2.9 Subject to specific variations approved by the Board, all terms and conditions set out in this Plan will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

- 2.10 Subject to sections 2.15 and 2.16 below, the following restrictions on issuance of Options are applicable under this Plan:
- (a) the aggregate number of all Security Based Compensation (which, for certainty, includes all Predecessor Options and Options that may be granted under this Plan) that may be granted or issued to any one person in a 12 month period must not exceed 5% of the Outstanding Shares, calculated at the date of the grant or issuance, unless the Company has obtained the requisite Disinterested Shareholder Approval;
 - (b) the aggregate number of all Security Based Compensation (which, for certainty, includes all Predecessor Options and Options that may be granted under this Plan) that may be granted or issued to all Insiders, as a group, must not exceed 10% of the Outstanding Shares in any 12 month period, calculated at the date of grant or issuance, unless the Company has obtained the requisite Disinterested Shareholder Approval;
 - (c) the aggregate number of all Security Based Compensation (which, for certainty, includes all Predecessor Options and Options that may be granted under this Plan) that may be granted or issued to any one Consultant in a 12 month period must not exceed 2% of the Outstanding Shares, calculated at the date of grant or issuance;
 - (d) the aggregate number of Shares that may be issued on exercise of all Predecessor Options and Options granted under this Plan to all persons retained to provide Investor Relations Activities must not exceed 2% of the Outstanding Shares in any 12 month period, calculated at the date the Option is granted to any such Optionee; and
 - (e) no Options can be granted under this Plan while there is any undisclosed Material Information relating to the Company (for these purposes, and without limitation, if the Company is on notice to have its listing transferred to NEX it is not permitted to grant Options under this Plan unless it has publicly disclosed that it is on notice to have its listing transferred to NEX).

Powers of the Board

- 2.11 The Board will be responsible for the general administration of this Plan and the proper execution of its provisions, the interpretation of this Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to:
- (a) allot Optioned Shares for issuance in connection with the exercise of Options;
 - (b) grant Options under this Plan;
 - (c) do the following with respect to the granting of Options:
 - (i) determine the Service Providers to whom Options will be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Options to be granted to an Optionee including, without limitation, the number of Options, Effective Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Options); and
 - (iii) determine when Options will be granted;

- (d) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Optionees without constituting a termination of employment or engagement for the purposes of this Plan;
 - (e) subject to applicable TSXV Policies, accelerate the vesting schedule of any Option previously granted;
 - (f) subject to Regulatory Approval if required, suspend, terminate or discontinue this Plan, or revoke or alter any action taken in connection therewith, except that no general suspension of this Plan will, without the written consent of all Optionees, alter or impair any Option previously granted under this Plan unless as a result of a change in TSXV Policies;
 - (g) subject to Regulatory Approval and to sections 2.15 and 2.16 below, amend this Plan, except that no general amendment will, without the written consent of all Optionees, alter or impair any Option previously granted under this Plan unless as a result of a change in TSXV Policies;
 - (h) delegate all or such portion of its powers under this Plan as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of this Plan so delegated to the same extent as the Board is hereby authorized so to do;
 - (i) in its sole discretion amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms of this Plan; and
 - (j) make all other determinations necessary or advisable, in its sole discretion, for the administration of this Plan.
- 2.12 The interpretation by the Board of any of the provisions of this Plan and any and all determination by it pursuant thereto will be final, conclusive and binding upon all persons and will not be subject to dispute by any Optionee. The Board will have all powers necessary or appropriate to accomplish its duties under this Plan.
- 2.13 No member of the Board or any person acting pursuant to authority delegated by it hereunder will be personally liable for any action or determination in connection with this Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

Terms or Amendments Requiring Shareholder and Disinterested Shareholder Approval

- 2.14 The Company will be required to obtain the written consent of the Optionee in question to such amendment in order to amend any existing Option if such amendment would;
- (a) materially decrease the rights or benefits accruing to an Optionee; or
 - (b) materially increase the obligations of an Optionee.
- 2.15 The Company will be required to obtain Shareholder Approval in order to amend any of the following terms of this Plan:
- (a) persons eligible to be granted Options under this Plan;
 - (b) the maximum number or percentage, as the case may be, of Optioned Shares that may be reserved under this Plan for issuance pursuant to the exercise of Options;
 - (c) the limitations under this Plan on the number of Options that may be granted to any one person or any category of persons (subject to section 2.16 below);

- (d) the method for determining the Exercise Price of Options;
- (e) the maximum term of Options; and
- (f) the expiry and termination provisions applicable to Options.

Notwithstanding the above, amendments to fix typographical errors and amendments to clarify existing provisions of this Plan that do not have the effect of altering the scope, nature and intent of such provisions will not require shareholder approval.

2.16 The Company will be required to obtain Disinterested Shareholder Approval:

- (a) if the aggregate number of Security Based Compensation (which, for certainty, includes Predecessor Options and Options that may be granted under this Plan) held by Insiders (as a group) at any point in time would exceed 10% of the Outstanding Shares;
- (b) if the aggregate number of Security Based Compensation (which, for certainty, includes Predecessor Options and Options that may be granted under this Plan) granted or issued to Insiders (as a group) within a 12 month period would exceed 10% of the Outstanding Shares;
- (c) if the aggregate number of Security Based Compensation (which, for certainty, includes Predecessor Options and Options that may be granted under this Plan) granted or issued to any person (including a company wholly-owned by that person) within a 12 month period would exceed 5% of the Outstanding Shares, calculated at the date the grant or issuance; and
- (d) prior to any amendment to Options held by Insiders that would have the effect of decreasing the Exercise Price or extending the term of such Options.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS

Exercise Price

- 3.1 The Exercise Price of an Option will be set by the Board at the time such Option is granted under this Plan, and cannot be less than the Discounted Market Price. The Exercise Price of an Option will be set out in the Option Commitment issued in respect to the Option.

Term of Option

- 3.2 Subject to section 3.4 below, an Option can be exercisable for a maximum of ten (10) years from the Effective Date.
- 3.3 Subject to section 3.2 above, the term of an Option will be set by the Board at the time such Option is granted under this Plan and will be set out in the Option Commitment issued in respect to the Option.
- 3.4 Notwithstanding section 3.2 above, if the Expiry Date of an Option occurs within a Blackout Period, and neither the Optionee nor the Company is subject to a cease trade order in respect of the Company's securities, then the Expiry Date of the Option will automatically be extended to the date which is the earlier of ten (10) business days after expiry of the Blackout Period and the latest date permitted under TSXV Policies.

Exchange Hold Period

- 3.5 In addition to any resale restrictions required under applicable securities laws, all Options are subject to the Exchange Hold Period if applicable under section 4.10 of TSXV Policy 4.4. In addition, if the Exchange Hold Period is applicable, all Optioned Shares issued under Options exercised prior to the expiry of the Exchange Hold Period must be legended with the Exchange Hold Period commencing on the date the Options were granted.

Option Amendment

- 3.6 Subject to subsection 2.15(d) above, the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the Effective Date or the date of the last amendment of the Exercise Price. If the Exercise Price is amended to the Discounted Market Price, the Exchange Hold Period will be applied to the Option and the Optioned Shares issuable on exercise of the Option from the date of the amendment.
- 3.7 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in section 3.2 above. In compliance with TSXV Policies, unless and until such policies are otherwise amended, then any extension of the length of the term of an Option will be treated by the TSXV as a grant of a new Option and therefore the amended Option must comply with the TSXV's pricing and other requirements as if it were a newly granted Option.
- 3.8 Any proposed amendment to the terms of an Option must be approved by the TSXV prior to the exercise of such Option.

Vesting of Options

- 3.9 Subject to section 3.10 below, vesting of Options is at the discretion of the Board and will generally be subject to:
- (a) the Service Provider, if a Director, remaining as a Director of the Company during the vesting period; or
 - (b) if the Service Provider is other than a Director, the Service Provider remaining employed by or continuing to provide services to the Company, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company during the vesting period.
- 3.10 Options granted to persons retained to provide Investor Relations Activities will vest:
- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
 - (b) such longer vesting period as the Board may determine.

Optionee Ceasing to be Director, Employee or Other Service Provider

- 3.11 All Options granted to an Optionee will expire immediately upon such Optionee ceasing to be a Service Provider, and the Optionee may not exercise any Options after such Optionee ceases to be a Service Provider, except that:
- (a) in the case of the death of an Optionee, any vested Option held by such Optionee at the date of death may be exercised by the Optionee's lawful personal representatives, heirs or executors until

the earlier of (i) the Expiry Date otherwise applicable to such Option; and (ii) one year after the date of death of such Optionee;

- (b) subject to subsection 3.11(c) below, in the case of an Optionee that is not described in subsection 3.11(a), any vested Option held by such Optionee at the date the Optionee ceases to be a Service Provider may be exercised by such Optionee until the earlier of (i) the Expiry Date otherwise applicable to such Option; and (ii) 4:30 p.m. (Vancouver time) on the date that is 90 days after the date such Optionee ceases to be a Service Provider; and
- (c) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same.

Non-Assignable

- 3.12 Subject to subsection 3.11(a) above, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

- 3.13 The number of Optioned Shares issuable on exercise of an Option will be subject to adjustment in the events of and in the manner following:
- (a) in the event of a subdivision of Shares as constituted on the date of this Plan into a greater number of Shares at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefore;
 - (b) in the event of a consolidation of the Shares as constituted on the date of this Plan into a lesser number of Shares at any time while an Option is in effect, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Shares as result from the consolidation;
 - (c) subject to prior TSXV acceptance, in the event of any change of the Shares as constituted on the date of this Plan, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Shares so purchased had the right to purchase been exercised before such change;
 - (d) subject to prior TSXV acceptance, in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this subsection 3.13(d);

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment and the adjustments provided for in this section 3.13 are cumulative;
- (f) any adjustment made to any Options pursuant to this section 3.13 will not be considered an amendment requiring the Optionee's consent for the purpose of section 2.14 of this Plan; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this section 3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

Effect of Take-Over Bid

- 3.14 Subject to prior TSXV acceptance, if a *bona fide* offer for Shares is made to an Optionee or to the Company's shareholders generally or to a class of shareholders of the Company which includes an Optionee, and the offer, if accepted in whole or in part by any person or persons, would result in the offeror exercising control over the Company within the meaning of applicable securities legislation, then the Company will, immediately upon receipt of notice of the offer, notify each Optionee currently holding an Option of the offer, with full particulars thereof; whereupon such Option may be exercised by the Optionee so as to permit the Optionee to tender the Optioned Shares received upon such exercise pursuant to the offer. Notwithstanding the foregoing, no vesting provisions imposed by the TSXV may be accelerated without the prior written approval of the TSXV.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

- 4.1 Upon grant of an Option pursuant to this Plan, an authorized Director or Officer of the Company will, within a reasonable period of time, deliver to the Optionee an Option Commitment representing the Options so granted and detailing the terms of such Option(s) and upon such delivery the Optionee will have the right to purchase the Optioned Shares at the Exercise Price set out in such Option Commitment, subject to the terms and conditions of this Plan. Where applicable, the Option Commitment will bear a legend stipulating the resale restrictions required under TSXV Policies. In no case will the Company be required to deliver an Option Commitment to an Optionee until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Options.

Manner of Exercise

- 4.2 Options may be exercised only by an Optionee or the Personal Representative of an Optionee. An Optionee/Personal Representative of an Optionee may exercise Options during the term of the Options by delivering to the Company:
- (a) a written notice specifying the number of Optioned Shares being acquired pursuant to the exercise of the Options, substantially in the form as set out in Schedule "C" attached hereto (the "**Exercise Notice**"); and
 - (b) cash, cheque, bank draft or wire transfer payable to the Company for the aggregate Exercise Price for the Optioned Shares being acquired.

Delivery of Certificate or DRS Statement

- 4.3 As soon as reasonably practicable after receipt of the Exercise Notice and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate or DRS statement to the Optionee evidencing the issuance of the appropriate number of Optioned Shares so acquired. Such certificate or DRS statement will bear a legend stipulating any resale restrictions required under applicable securities laws and under TSXV Policies, as applicable.

ARTICLE 5
GENERAL

Securities Regulation and Tax Withholding

- 5.1 Where necessary to enable the Company to use an exemption from requirements to register Optioned Shares or file a prospectus or use a registered dealer to distribute Optioned Shares under applicable securities laws, an Optionee, as a condition to the exercise of any Option, will provide to the Board such evidence, or will execute and deliver such documents, that the Board deems necessary or desirable. The Board may cause a legend or legends to be placed upon any certificates for the Optioned Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient will be bound by such restrictions. The Board also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws.
- 5.2 No Option will be granted and no Optioned Shares issued under this Plan if that grant or issue would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction. Any purported grant of any Option or issue of Optioned Shares under this Plan in violation of this subsection 5.2 will be void.
- 5.3 For all purposes of this Plan, the Company may take all such measures as it deems appropriate or necessary to comply with applicable laws, including income tax laws and regulations and applicable securities laws.
- 5.4 The Company may withhold from any amount payable to an Optionee such amount as may be necessary to enable the Company to comply with the applicable requirements of any federal, provincial, state or local law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to awards hereunder (“**Withholding Obligations**”). The Company will also have the right in its discretion to satisfy any liability for any Withholding Obligations by selling, or causing a broker to sell, on behalf of any Optionee such number of Optioned Shares issued to the Optionee pursuant to an exercise of Options hereunder as is sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker), or retaining any amount payable which would otherwise be delivered, provided or paid to the Optionee hereunder. The Company may require an Optionee, as a condition to the exercise of an Option, to make such arrangements as the Company may require so that the Company can satisfy applicable Withholding Obligations, including, without limitation, requiring the Optionee to (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Optionee on behalf of the Optionee to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligations and to remit such amount directly to the Company.
- 5.5 Any Shares of an Optionee that are sold by the Company, or by a broker engaged by the Company (the “**Broker**”), to fund Withholding Obligations will be sold as soon as practicable in transactions effected on the exchange on which the Shares are then listed for trading. In effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Company nor the Broker will be liable for any loss arising out of any sale of such Shares including any loss relating to the manner or timing of such sales, the prices at which the Shares are sold or otherwise. In addition, neither the Company nor the Broker will be liable for any loss arising from a delay in transferring any Shares to an Optionee. The sale price of

Shares sold on behalf of Optionees will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any such sale.

- 5.6 Issuance, transfer or delivery of certificates for Shares acquired pursuant to this Plan may be delayed, at the discretion of the Board, until it is satisfied that the requirements of applicable laws and regulations, and applicable rules of Regulatory Authorities, have been met.

Employment and Services

- 5.7 Nothing contained in this Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in this Plan by an Optionee will be voluntary.

No Representation or Warranty

- 5.8 The Company makes no representation or warranty as to the future market value of Optioned Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Optioned Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Company.

Interpretation

- 5.9 The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

Amendment of this Plan

- 5.10 The Board reserves the right, in its absolute discretion, to at any time amend, modify or terminate this Plan with respect to all Optioned Shares in respect of Options which have not yet been granted hereunder. Any amendment to any provision of this Plan will be subject to any necessary and applicable Regulatory Approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of this Plan to Service Providers. For further clarification, any amendments to the terms of the Plan or Options granted pursuant to the Plan, are subject to the approval of the TSXV and to shareholder approval when required under TSXV Policies.

Choice of Law

- 5.11 This Plan will be governed and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

SCHEDULE "A"

[IF APPLICABLE - INCLUDE THIS LEGEND. IF NOT APPLICABLE - DELETE THIS LEGEND] Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [./♦20♦/].]

CORE NICKEL CORP. SHARE OPTION PLAN DATED April 22, 2025 (the "Share Option Plan")

OPTION COMMITMENT [No Vesting Provision]

Notice is hereby given that, effective this ____ day of _____, 20__ (the "Effective Date"), **CORE NICKEL CORP.** (the "Company") has granted to _____ [registered name of optionee] (the "Service Provider") an Option to acquire _____ common shares of the Company (the "Optioned Shares") until 4:30 p.m. (Vancouver Time) on the ____ day of _____, 20__ (the "Expiry Date") at an exercise price (the "Exercise Price") of \$_____ per Optioned Share.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Share Option Plan, the terms and conditions of which are hereby incorporated.

To exercise your Option, you must deliver to the Company (i) a written notice, similar in form to that set out as Schedule "C" attached to the Share Option Plan specifying the number of Optioned Shares you wish to acquire and providing registration and delivery instructions for such Optioned Shares, together with (ii) cash, a certified cheque, bank draft or money order, or have transmitted good same day funds by wire or other lawful money of Canada payable to or to the order of the Company, in payment of the aggregate Exercise Price. A certificate or DRS statement, as applicable, for the Optioned Shares so acquired will be issued by the Company's transfer agent as soon as practicable thereafter and will bear any required non-transferability legend from the date of this Option Commitment.

The Company and the Service Provider represent that the Service Provider under the terms and conditions of the Share Option Plan is a bona fide _____ [Employee/ Consultant/ Management Company Employee] of the Company, entitled to receive Options under TSXV Policies.

CORE NICKEL CORP.

Authorized Signatory

ACKNOWLEDGEMENT OF SERVICE PROVIDER

By signature hereunder, _____ [Service Provider] hereby acknowledges receipt of this Option Commitment and hereby consents to the Company's collection, use and disclosure of _____ [his/her] personal information for the purposes of the Company's grant of the Option evidenced by this Option Commitment. _____ [Service Provider] further acknowledges that, from time to time, the Company may be required to disclose such personal information to securities regulatory authorities and stock exchanges and, by providing such personal information to the Company, _____ [Service Provider] hereby expressly consents to such disclosure.

[Insert Name of Service Provider]

Date: _____

SCHEDULE "B"

[IF APPLICABLE - INCLUDE THIS LEGEND. IF NOT APPLICABLE - DELETE THIS LEGEND] Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [./♦20♦/].]

CORE NICKEL CORP. SHARE OPTION PLAN DATED April 22, 2025 (the "Share Option Plan")

OPTION COMMITMENT [Vesting Provisions]

Notice is hereby given that, effective this ____ day of _____, 20____ (the "Effective Date"), **CORE NICKEL CORP.** (the "Company") has granted to [registered name of optionee] (the "Service Provider") an Option to acquire _____ common shares of the Company (the "Optioned Shares") until 4:30 p.m. (Vancouver Time) on the ____ day of _____, 20____ (the "Expiry Date") at an exercise price (the "Exercise Price") of \$_____ per Optioned Share.

Optioned Shares will vest as follows:

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Share Option Plan, the terms and conditions of which are hereby incorporated.

To exercise your Option, you must deliver to the Company (i) a written notice, similar in form to that set out as Schedule "C" attached to the Share Option Plan specifying the number of Optioned Shares you wish to acquire and providing registration and delivery instructions for such Optioned Shares, together with (ii) cash, a certified cheque, bank draft or money order, or have transmitted good same day funds by wire or other lawful money of Canada payable to or to the order of the Company, in payment of the aggregate Exercise Price. A certificate or DRS statement, as applicable, for the Optioned Shares so acquired will be issued by the Company's transfer agent as soon as practicable thereafter and will bear any required non-transferability legend from the date of this Option Commitment.

The Company and the Service Provider represent that the Service Provider under the terms and conditions of the Share Option Plan is a bona fide [Employee/ Consultant/ Management Company Employee] of the Company, entitled to receive Options under TSXV Policies.

CORE NICKEL CORP.

Authorized Signatory

ACKNOWLEDGEMENT OF SERVICE PROVIDER

By signature hereunder, [Service Provider] hereby acknowledges receipt of this Option Commitment and hereby consents to the Company's collection, use and disclosure of [his/her] personal information for the purposes of the Company's grant of the Option evidenced by this Option Commitment. [Service Provider] further acknowledges that, from time to time, the Company may be required to disclose such personal information to securities regulatory authorities and stock exchanges and, by providing such personal information to the Company, [Service Provider] hereby expressly consents to such disclosure.

[Insert Name of Service Provider]

Date: _____

SCHEDULE "C"
OPTION EXERCISE FORM

TO: Core Nickel Corp. (the "Company")
Suite 204, 75 – 24th Street E
Saskatoon, SK S7K 0K3

The undersigned hereby irrevocably exercises share purchase options (the "**Options**") of the Company previously granted to the undersigned on _____, and as such subscribes for _____ common shares (the "**Shares**") of the Company at a price of \$ _____/Share for a total purchase price of \$ _____ (the "**Exercise Price**").

The undersigned encloses herewith a cheque, bank draft or money order or has transmitted good same day funds by wire or other lawful money of Canada payable to or to the order of the Company in payment of the Exercise Price.

The undersigned hereby directs that the Shares subscribed for be registered as follows *[please print]*:

Name: _____

Address: _____

The undersigned hereby further directs that the Shares subscribed for be issued and delivered as follows (check one (1) box; **if no box is checked or if you are in the United States, then the Shares will be issued in certificate form and delivered to the address noted above**):

☐ issued in certificate form (check one (1) box, **if no box is checked then the Shares will be delivered to the address noted above**):

☐ delivered to the address noted above; OR

☐ delivered to the following address *(please print)*:

OR

☐ issued via book entry through the Direct Registration System (DRS) (**not available if you are in the United States**), delivered to the following email address:

The undersigned represents, warrants and certifies as follows (only one of the following must be checked):

A. ☐ **Outside the United States.** The undersigned holder (a) at the time of exercise of these Options is not in the United States of America, its territories or possessions, any state of the United States or the District of Columbia (collectively, the "**United States**"), (b) is not exercising such Options on behalf of a person in the United States, and (c) did not execute or deliver this Option Exercise Form in the United States; or

B. ☐ **Inside the United States.** The undersigned (a) at the time of exercise of these Options is in the "United States" (as such term is defined above), (b) is exercising such Options on behalf of a person in the United States, or (c) did execute or deliver this Option Exercise Form in the United States.

The undersigned holder understands that unless Box A above is checked, any certificate representing the Shares will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available.

DATED: _____

Name: _____

Signature: _____

Address: _____
