

FPX NICKEL CORP.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited)

(Stated in Canadian dollars, unless otherwise noted)

FPX NICKEL CORP.

Condensed Consolidated Interim Statements of Financial Position

At September 30, 2024 and December 31, 2023

Stated in Canadian dollars

(Unaudited)

	Note	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	3	\$ 38,716,952	\$ 28,919,936
Amounts receivable	4	238,817	726,530
Prepaid expenses		319,181	126,387
		39,274,950	29,772,853
Non-current assets			
Exploration and evaluation assets	5	38,206,145	29,508,787
Reclamation deposits		190,589	188,092
Right-of-use assets	6(a)	252,033	256,543
Equipment		129,368	166,927
Total assets		\$ 78,053,085	\$ 59,893,202
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 2,065,819	\$ 961,291
Lease liabilities – current portion	6(b)	223,204	156,273
RSU liability – current portion	7(b)(ii)	248,391	-
		2,537,414	1,117,564
Non-current liabilities			
Share subscriptions – CO2 Lock Corp.		1,096,865	1,096,865
Lease liabilities – non-current portion	6(b)	43,406	113,171
RSU liability – non-current portion	7(b)(ii)	207,314	-
Total liabilities		3,884,999	2,327,600
Shareholders' equity			
Share capital	7(a)	112,531,661	93,905,009
Reserves		12,089,004	12,363,520
Deficit		(51,899,295)	(50,212,807)
Total shareholders' equity attributable to shareholders of FPX Nickel Corp.		72,721,370	56,055,722
Non-controlling interest	8	1,446,716	1,509,880
Total equity		74,168,086	57,565,602
Total liabilities and equity		\$ 78,053,085	\$ 59,893,202

Nature and continuance of operations (note 1)

Commitments (note 9)

Subsequent events (note 12)

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

Approved and authorized by the Board of Directors

/s/ Peter M.D. Bradshaw
Director

/s/ James S. Gilbert
Director

FPX NICKEL CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the three and nine months ended September 30, 2024 and 2023

Stated in Canadian dollars

(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
EXPENSES					
Depreciation		\$ 68,517	\$ 32,011	\$ 182,196	\$ 89,385
General exploration	5(b)	90,904	-	92,131	-
Insurance		9,418	9,604	27,714	28,524
Management fees and salaries	10	406,579	282,442	1,237,536	880,266
Office and administration		45,967	37,011	100,416	86,376
Professional fees		112,951	171,227	349,095	286,769
Research and development		960	-	1,813	201,579
Share-based compensation	7(b)	308,750	184,335	601,189	2,090,853
Travel, promotion and communication		241,307	140,881	704,328	606,032
Trust and filing fees		10,561	9,987	74,429	90,020
Loss before other items		(1,295,914)	(867,498)	(3,370,847)	(4,359,804)
OTHER ITEMS					
Finance costs	6(b)	(7,195)	(16,984)	(21,086)	(22,224)
Foreign exchange gain (loss)		2,105	37	2,420	(1,634)
Interest income		500,751	419,999	1,551,123	839,400
Management fee income		23,773	12,466	88,738	12,466
		519,434	415,518	1,621,195	828,008
Net loss and comprehensive loss for the period		\$ (776,480)	\$ (451,980)	\$ (1,749,652)	\$ (3,531,796)
Net loss and comprehensive loss attributable to:					
Shareholders of FPX Nickel Corp.		\$ (755,479)	\$ (436,483)	\$ (1,686,488)	\$ (3,461,373)
Non-controlling interest	8	(21,001)	(15,497)	(63,164)	(70,423)
		\$ (776,480)	\$ (451,980)	\$ (1,749,652)	\$ (3,531,796)
Basic and diluted loss per share		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding, basic and diluted		314,875,646	273,881,246	310,972,818	215,414,823

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

FPX NICKEL CORP.

Condensed Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2024 and 2023

Stated in Canadian dollars

(Unaudited)

	Share Capital				Attributable to Shareholders of FPX Nickel Corp.	Non-Controlling Interest	Total
	Number #	Amount \$	Reserves \$	Deficit \$			
Balance, December 31, 2023	273,981,246	93,905,009	12,363,520	(50,212,807)	56,055,722	1,509,880	57,565,602
Private placements	39,086,459	18,761,500	-	-	18,761,500	-	18,761,500
Share issue costs	-	(794,848)	-	-	(794,848)	-	(794,848)
Options exercised	1,807,941	660,000	(420,000)	-	240,000	-	240,000
Share-based compensation	-	-	145,484	-	145,484	-	145,484
Net loss and comprehensive loss	-	-	-	(1,686,488)	(1,686,488)	(63,164)	(1,749,652)
Balance, September 30, 2024	314,875,646	112,531,661	12,089,004	(51,899,295)	72,721,370	1,446,716	74,168,086
Balance, December 31, 2022	241,307,863	75,319,412	10,493,703	(45,872,364)	39,940,751	1,607,616	41,548,367
Private placements	30,051,184	18,030,710	-	-	18,030,710	-	18,030,710
Share issue costs	-	(120,433)	-	-	(120,433)	-	(120,433)
Options exercised	2,522,199	640,320	(287,820)	-	352,500	-	352,500
Share-based compensation	-	-	2,090,854	-	2,090,854	-	2,090,854
Net loss and comprehensive loss	-	-	-	(3,461,373)	(3,461,373)	(70,423)	(3,531,796)
Balance, September 30, 2023	273,881,246	93,870,009	12,296,737	(49,333,737)	56,833,009	1,537,193	58,370,202

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

FPX NICKEL CORP.

Condensed Consolidated Interim Statements of Cash Flows
For the three and nine months ended September 30, 2024 and 2023
Stated in Canadian dollars
(Unaudited)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2024	2023	2024	2023
Cash provided by (used in):					
Operating activities					
Net loss for the period		\$ (776,480)	\$ (451,980)	\$ (1,749,652)	\$ (3,531,796)
Adjustments for:					
Depreciation		68,517	32,011	182,196	89,385
Share-based compensation	7(b)	308,749	184,336	601,189	2,090,854
Interest expense	6(b)	7,195	-	21,086	-
		(392,019)	(235,633)	(945,181)	(1,351,557)
Changes in non-cash working capital:					
Amounts receivable		97,348	(47,691)	(69,325)	(251,310)
Prepaid expenses		77,228	64,611	(192,794)	84,185
Accounts payable and accrued liabilities		(149,248)	(45,182)	233,909	(47,568)
		(366,690)	(263,895)	(973,390)	(1,566,250)
Financing activities					
Proceeds from financings – FPX Nickel Corp.	7(a)	-	-	18,761,500	18,030,710
Share issue costs – FPX Nickel Corp.	7(a)	-	(54,559)	(794,849)	(120,433)
Proceeds from financings – CO2 Lock Corp.		-	1,096,865	-	1,096,865
Proceeds from exercise of stock options	7(a)	-	-	240,000	352,500
Repayment of lease liability	6(b)	(63,191)	(22,318)	(164,046)	(67,206)
		(63,191)	1,019,322	18,042,605	19,292,436
Investing activities					
Exploration and evaluation expenditures		(4,149,247)	(1,218,253)	(7,269,702)	(3,713,664)
Purchase of equipment		-	(7,469)	-	(185,289)
Increase in reclamation deposit		(1,223)	(29,615)	(2,497)	(30,122)
		(4,150,470)	(1,255,337)	(7,272,199)	(3,929,075)
Increase (decrease) in cash and cash equivalents		(4,580,352)	(499,910)	9,797,016	13,797,111
Cash and cash equivalents – beginning of period		43,297,303	32,313,103	28,919,936	18,016,082
Cash and cash equivalents – end of period		\$ 38,716,952	\$ 31,813,193	\$ 38,716,952	\$ 32,813,193
<i>Supplemental disclosure of non-cash financing and investing activities:</i>					
Interest received		\$ 500,751	\$ 419,052	\$ 1,551,123	\$ 825,531
Increase (decrease) in accounts payable related to exploration and evaluation expenditures		(228,072)	89,997	870,619	385,913
Decrease in accounts receivable related to exploration and evaluation expenditures		(10,000)	(949,707)	(557,037)	(1,938,819)

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

FPX NICKEL CORP.

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2024 and 2023

Stated in Canadian dollars

(Unaudited)

1. NATURE AND CONTINUANCE OF OPERATIONS

FPX Nickel Corp. (the “Company” or “FPX Nickel”) was incorporated under the Business Corporations Act of Alberta and is listed on the TSX Venture Exchange. The Company’s common shares trade under the symbol “FPX” in Canada and on the OTCQB Venture Market in the US under the symbol “FPOCF”. FPX Nickel’s head office and principal address is Suite 320, 1155 West Pender Street, Vancouver, British Columbia, V6E 2P4.

The Company is principally engaged in the acquisition and exploration of mineral property interests with a focus on properties containing awaruite (Ni₃Fe), a nickel-iron mineral. FPX Nickel holds a 100% interest in five awaruite properties: four in British Columbia and one in the Yukon Territory. The Company’s primary project is the Baptiste deposit within its flagship Decar Nickel District in central British Columbia.

As at September 30, 2024, the Company had net working capital of \$36,737,536 (December 31, 2023 – \$28,655,289) and incurred a loss of \$1,749,652 for the nine months ended September 30, 2024 (nine months ended September 30, 2023 – \$3,531,796). The Company has no operating revenue to date and no operating cash flows to support its activities. As the Company is in the exploration stage, the recoverability of the costs incurred to date on its exploration properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. With no source of operating cash flow, the Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

These condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern and do not include any adjustments relating to the recoverability and classification of assets and liabilities that would be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”) on a basis consistent with those followed in the most recent annual consolidated financial statements. These condensed consolidated interim financial statements do not include all of the information required for annual financial statements prepared using IFRS Accounting Standards (“IFRS”) and should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on November 26, 2024.

(b) Comparative information

Certain comparative amounts have been reclassified to conform with the current year’s financial statement presentation. Such reclassifications were not considered material.

FPX NICKEL CORP.

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(Unaudited)

3. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023
Cash on deposit – FPX Nickel	\$ 3,761,630	\$ 616,500
Cash on deposit – CO2 Lock	297,499	894,509
Liquid short-term investments – FPX Nickel	34,657,823	27,408,927
	\$ 38,716,952	\$ 28,919,936

4. AMOUNTS RECEIVABLE

	September 30, 2024	December 31, 2023
BC mineral exploration tax credit	\$ -	\$ 419,563
GST	192,697	121,258
Other	46,120	185,709
	\$ 238,817	\$ 726,530

5. EXPLORATION AND EVALUATION ASSETS

As at September 30, 2024, the Company holds a 100% interest in five nickel properties, four of which are located in British Columbia (Decar, Wale, Orca, Klow), and one located in the Yukon Territory (Mich). With the exception of Decar, the Company's nickel properties are all in the early stage of exploration. Through CO2 Lock Corp. ("CLC"), the Company has a 100% interest in the Sam property, located in British Columbia.

A continuity of the Company's mineral property interests is as follows:

	Decar	Mich	Other Nickel Properties	Sam	Total
Balance, December 31, 2023	\$ 28,296,738	\$ 894,762	\$ 3	\$ 317,284	\$ 29,508,787
Acquisition costs	19,620	108,713	-	1,550	129,883
Exploration costs	8,978,120	159,104	-	99,555	9,236,779
Cost recoveries	(669,304)	-	-	-	(669,304)
Balance, September 30, 2024	\$ 36,625,174	\$ 1,162,579	\$ 3	\$ 418,395	\$ 38,206,145

(a) Decar Nickel District, British Columbia

Included in cost recoveries for the nine months ended September 30, 2024 were \$61,083 (nine months ended September 30, 2023 – \$453,788) related to grant funding from the federal government under the Critical Minerals Research, Development and Demonstration program.

(b) Generative Exploration

During the nine months ended September 30, 2024, generative exploration expenses totaled \$1,149,423 (nine months ended September 30, 2023 – \$124,660) of which \$1,058,518 (nine months ended September 30, 2023 – \$124,660) was funded by the Company's Generative Alliance partner, Japan Organization for Metals and Energy Security ("JOGMEC").

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Notes to the Condensed Consolidated Interim Financial Statements

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(Unaudited)

6. LEASES

(a) Right-of-use assets

As at September 30, 2024, the right-of-use assets recorded for the Company's office premises was as follows:

	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 256,543	\$ 146,791
Additions	140,127	219,276
Depreciation	(144,637)	(109,524)
Balance, end of period	\$ 252,033	\$ 256,543

(b) Lease liabilities

Minimum lease payments in respect of lease liabilities and the effect of discounting are as follows:

	September 30, 2024	December 31, 2023
Undiscounted minimum lease payments		
Less than one year	\$ 238,083	\$ 176,184
Two to three years	44,672	117,456
	282,755	293,640
Effect of discounting	(16,145)	(24,196)
Present value of minimum lease payments	266,610	269,444
Less: current portion	(223,204)	(156,273)
Non-current portion	\$ 43,406	\$ 113,171

The net change in lease liabilities is as follows:

	September 30, 2024	December 31, 2023
Balance, beginning of period	\$ 269,444	\$ 154,070
Additions	140,127	219,276
Principal payments	(164,047)	(122,110)
Interest expense	21,086	18,208
Balance, end of period	\$ 266,610	\$ 269,444

FPX NICKEL CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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Stated in Canadian dollars

(Unaudited)

7. SHARE CAPITAL

(a) Share issuances

On January 23, 2024, the Company completed a private placement financing (the "Private Placement") with Sumitomo Metal Mining Canada Ltd. ("Sumitomo"). Under the terms of the private placement, the Company issued 30,104,488 common shares to Sumitomo at a price of \$0.48 per common share for gross proceeds of \$14,450,154. On completion of the Private Placement, Sumitomo owned 9.9% of the Company's issued and outstanding common shares.

Pursuant to the investor rights agreements with the Company's existing corporate strategic investor, Outokumpu, and Sumitomo (collectively, the "Strategic Investors"), upon closing of the Private Placement, the Strategic Investors exercised in full their participation rights to re-establish their respective initial ownership interests in FPX Nickel (the "Top-Up Financing"). The Company issued a total of 8,981,971 common shares to the Strategic Investors at a price of \$0.48 per common share for gross proceeds of \$4,311,346. The Company incurred share issuance costs of \$794,848 in association with the Private Placement and Top-Up Financing.

During the nine months ended September 30, 2024, the Company issued 1,807,941 common shares (2023 – 2,522,199) for options exercised in the period.

(b) Share-based compensation

For the three and nine months ended September 30, 2024, the Company recorded share-based compensation expense of \$308,750 and \$601,189, respectively (three months ended September 30, 2023 – \$184,335; nine months ended September 30, 2023 – \$2,090,853).

A summary of the Company's share-based compensation transactions is as follows:

	Number of RSUs	Number of options	Weighted average exercise price
Balance, December 31, 2023	-	18,945,000	\$ 0.47
Granted	3,985,000	775,000	0.35
Forfeited	-	(435,000)	0.57
Exercised/settled	-	(2,800,000)	0.20
Balance, September 30, 2024	3,985,000	16,485,000	\$ 0.51

FPX NICKEL CORP.

Notes to the Condensed Consolidated Interim Financial Statements

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Stated in Canadian dollars

(Unaudited)

7. SHARE CAPITAL (CONTINUED)

(i) Stock options

During the nine months ended September 30, 2024, the Company granted to employees a total of 775,000 stock options (nine months ended September 30, 2023 – 5,155,000 stock options) with a weighted average fair value on grant date of \$0.19 per option, calculated using the Black-scholes option valuation model with the following weighted average assumptions:

	Nine months ended September 30, 2024
Risk-free interest rate	2.8%
Expected dividend yield	0.0%
Share price volatility	84.6%
Expected forfeiture rate	0.0%
Expected life (years)	5.0

At September 30, 2024, the Company had the following number of stock options outstanding:

Range of exercise prices	Options outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life (years)
\$0.20 - \$0.39	3,875,000	\$ 0.23	1.35
\$0.40 - \$0.59	4,040,000	0.47	3.04
\$0.60 - \$0.79	8,070,000	0.64	2.67
>\$0.80	500,000	0.80	1.95
	16,485,000	\$ 0.51	2.43

(ii) Restricted share units ("RSUs")

On February 7, 2024, the Company granted 3,985,000 restricted share units ("RSUs") under the Company's share compensation plan to officers, employees and non-executive directors. Each RSU will entitle the holder to receive one common share of the Company or the equivalent cash value upon settlement, at the option of the Company. The RSUs will vest over three years in equal installments on the annual anniversary of the grant date.

The fair value of RSUs is recognized as share-based compensation expense over the vesting period with a corresponding increase to liabilities. The liabilities are re-measured at the end of each reporting period and at the date of settlement, based on the current quoted market price of the Company's common shares and the number of RSUs expected to vest, with any changes in fair value recognized in share-based compensation within net loss.

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Stated in Canadian dollars

(Unaudited)

8. NON-CONTROLLING INTEREST

Balance, December 31, 2023	\$	1,509,880
Share of net loss		(63,164)
Balance, September 30, 2024	\$	1,446,716

As at September 30, 2024, the Company has an 88.17% (December 31, 2023 – 88.17%) ownership interest in CLC on an issued and outstanding basis.

9. COMMITMENTS

	< 1 year	1-3 years	>3 years	Total
Accounts payable and accrued liabilities	\$ 2,065,819	\$ -	\$ -	\$ 2,065,819
Office lease (undiscounted)	238,083	44,672	-	282,755
	\$ 2,303,902	\$ 44,672	\$ -	\$ 2,348,574

10. RELATED PARTY TRANSACTIONS

The Company considers its officers to be key management personnel. Amounts paid to key management personnel during the three and nine months ended September 30, 2024 and 2023 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Salaries and fees	\$ 444,250	\$ 325,734	\$ 1,344,495	\$ 814,034
Share-based compensation	154,723	184,336	396,893	1,470,120
	\$ 598,973	\$ 510,070	\$ 1,741,388	\$ 2,284,154

The amounts charged to the Company for the services provided have been determined by negotiations between the parties and are covered by a signed agreement. These services were in the normal course of operations and management believes that they were incurred on a basis consistent with comparable transactions between other non-related parties.

At September 30, 2024, included in accounts payable and accrued liabilities was \$38,707 (December 31, 2023 – \$34,563) due to related parties. Amounts due to related parties are unsecured and non-interest bearing.

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Notes to the Condensed Consolidated Interim Financial Statements

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Stated in Canadian dollars

(Unaudited)

11. FAIR VALUE MEASUREMENTS

The Company's financial instruments consist of cash, amounts receivable, reclamation deposits, accounts payable and accrued liabilities and share subscriptions. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

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. The fair value hierarchy categorizes inputs to valuation techniques used in measuring fair value into the following three levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial instruments measured at fair value on the consolidated statements of financial position are summarized in levels of fair value hierarchy as follows:

		September 30, 2024	December 31, 2023
Share subscriptions – CO2 Lock	Level 3	\$ 1,096,865	\$ 1,096,865

There were no amounts transferred between levels of the fair value hierarchy during the three and nine months ended September 30, 2024.

12. SUBSEQUENT EVENT

On October 28, 2024, the Company acquired from an arm's length party a 100% interest in various mineral claims adjacent to the Company's Decar and Klow properties for cash consideration totaling \$235,000.