NICKEL 28 CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JANUARY 31, 2025 AND 2024

(EXPRESSED IN UNITED STATES DOLLARS)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Nickel 28 Capital Corp.:

Opinion

We have audited the consolidated financial statements of Nickel 28 Capital Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at January 31, 2025 and 2024, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in shareholders' 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 January 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

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, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended January 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditor's report:

Key audit matter	How our audit addressed the key audit matter
Investment in Ramu Nickel Mine	
Refer to Note 7	Our approach to addressing the matter included the following procedures, among others:
As at January 31, 2025, the Company's investment in the Ramu Nickel Mine had a carrying amount of $95,706,529. For the investment in the Ramu Nickel Mine the Company assesses if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment and the event or events has a measurable impact on the estimated future cash flows, at least at the end of each reporting period. In addition to these minimum criteria, management has elected to calculate the recoverable amount of the Ramu Nickel Mine as at January 31, 2025. The recoverable amount for the Ramu Nickel Mine was based on value in use using discounted cash flow projections. The significant assumptions and inputs applied by management in determining the value in use included life of mine, production rate, forecast commodity prices, and the discount rate. The recoverable amount of the investment in the Ramu Nickel Mine exceeds its carrying amount and accordingly, no impairment was recognized. We considered this a key audit matter due to the judgments and estimates by management in determining the recoverable amount, including the use of significant assumptions and inputs. This, in turn, led to a high degree of subjectivity and audit attention in performing procedures to test the significant assumptions.	Evaluated management's determination of the recoverable amount of the Ramu Nickel Mine which included the following procedures: • Assessed the appropriateness of the value in use method employed and the mathematical accuracy of the discounted cash flow projections. • Assessed the reasonableness of the projected cash flows by comparing actual cash flows of the Ramu Nickel Mine to the budgeted projections approved by management. • Tested the underlying data used in the discounted cash flow projections with reference to internal and external sources. • Professionals with specialized skill and knowledge in the field of valuation assisted in performing procedures, including testing the reasonableness of the discount rate applied by management.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. 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 in this auditor's report. We have nothing to report in this regard.

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 Accounting Standards, 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 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 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 the 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 judgment 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 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 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 group 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 group financial statements. We are responsible for the direction, supervision and review of the audit 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.

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 consolidated 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 Anna C. Moreton.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
May 28, 2025

NICKEL 28 CAPITAL CORP.
Consolidated Statements of Financial Position
(Expressed in United States Dollars, unless otherwise indicated)

	As at January 31, 2025	As at January 31, 2024
Assets		
Current Assets		
Cash and cash equivalents (Note 5)	**$ 8,057,730**	$ 7,833,594
Amounts receivable and other assets (Note 6)	**1,678,975**	3,264,415
Marketable securities	**-**	29,857
	9,736,705	11,127,866
Non-Current Assets		
Investment in Ramu Nickel Mine (Note 7)	**95,706,529**	105,034,171
Royalty contracts (Note 8)	**25,457,821**	25,495,893
Right-of-use assets	**18,949**	50,192
Property, plant and equipment	**24,064**	28,749
Total Assets	**$ 130,944,068**	$ 141,736,871
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 401,616**	$ 473,753
Lease liability	**20,252**	32,345
Non-recourse debt (Note 10)	**5,250,000**	9,000,000
	5,671,868	9,506,098
Non-Current Liabilities		
Lease liability	**-**	20,252
Non-recourse debt (Note 10)	**31,289,499**	35,094,791
Deferred tax liabilities (Note 19)	**11,483,795**	10,516,500
Total Liabilities	**48,445,162**	55,137,641
Shareholders' Equity		
Share capital (Note 12)	**68,114,272**	71,780,711
Reserves	**705,913**	1,494,836
Retained earnings	**13,678,721**	13,323,683
Total Shareholders' Equity	**82,498,906**	86,599,230
Total Liabilities and Shareholders' Equity	**$ 130,944,068**	$ 141,736,871

Subsequent Events (Note 21)

Approved on behalf of the Board:

"Brett Richards", Director

"David Whittle", Director

The accompanying notes are an integral part of these consolidated financial statements.

NICKEL 28 CAPITAL CORP.
Consolidated Statements of Net and Comprehensive Loss
(Expressed in United States Dollars, unless otherwise indicated)

Year Ended January 31,	2025	2024
Operating Expenses		
General and administrative	**$ 638,576**	$ 507,528
Salaries and fees (Note 14)	**2,657,410**	3,629,067
Marketing and promotion	**158,265**	914,653
Professional fees (Note 14)	**2,284,008**	3,464,162
Regulatory fees	**52,760**	256,134
Share based compensation (recovery) (Notes 13(a),(b) and 14)	**(498,214)**	2,582,383
Change in share award liability (Notes 13(c) and 14)	**-**	75,178
Operating Loss	**(5,292,805)**	(11,429,105)
Other Income (Expenses)		
Interest income	**407,567**	305,191
Impairment of royalty contracts (Note 8)	**(38,072)**	-
Recovery of expenses (Note 12(b)(iii))	**631,557**	-
Share of operating profit from Ramu Nickel Mine (Note 7(ii))	**5,507,922**	10,426,179
Unrealized gain on marketable securities	**46,724**	7,385
Realized loss on marketable securities	**(61,991)**	-
Financing costs (Note 7(iv))	**(2,087,823)**	(2,658,369)
Foreign exchange loss	**(67,659)**	(33,104)
Net Loss before Taxes	**(954,580)**	(3,381,823)
Deferred tax expense (Note 19)	**(973,175)**	(2,802,412)
Net and Comprehensive Loss for the Year	**$ (1,927,755)**	$ (6,184,235)
Basic Loss per Share (Note 11)	**$ (0.02)**	$ (0.07)
Diluted Loss per Share (Note 11)	**$ (0.02)**	$ (0.07)
Weighted Average Number of Common Shares Outstanding - Basic (Note 11)	**92,046,022**	92,504,082
Weighted Average Number of Common Shares Outstanding - Diluted (Note 11)	**92,046,022**	92,504,082

The accompanying notes are an integral part of these consolidated financial statements.

NICKEL 28 CAPITAL CORP.
Consolidated Statements of Cash Flows
(Expressed in United States Dollars, unless otherwise indicated)

Year Ended January 31,	2025	2024
Operating Activities		
Net loss for the year	**$ (1,927,755)**	$ (6,184,235)
Adjustments for:		
Recovery of expenses	**(631,557)**	-
Share of operating profit from Ramu Nickel Mine	**(5,507,922)**	(10,426,179)
Unrealized gain on marketable securities	**(46,724)**	(7,385)
Realized loss on marketable securities	**61,991**	-
Share based compensation (recovery)	**(498,214)**	2,582,383
Change in share award liability	**-**	75,178
Deferred tax expense	**973,175**	2,802,412
Financing costs	**2,087,823**	2,658,369
Impairment of royalty contracts	**38,072**	-
Other	**33,204**	41,685
Change in non-cash working capital items:		
Amounts receivable and other assets	**(220,140)**	(46,689)
Accounts payable and accrued liabilities	**(72,137)**	136,638
Net Cash and Cash Equivalents Used in Operating Activities	**(5,710,184)**	(8,367,823)
Investing Activities		
Ramu Nickel Mine distributions	**6,998,027**	14,511,324
Proceeds from the sale of marketable securities	**14,591**	-
Net Cash and Cash Equivalents Provided by Investing Activities	**7,012,618**	14,511,324
Financing Activities		
Common shares issued for cash	**-**	271,954
Repurchase of treasury shares	**(1,042,798)**	-
Repayment of lease liability	**(35,500)**	(35,500)
Cash settlement of restricted share units	**-**	(818,974)
Cash settlement of share award	**-**	(95,676)
Net Cash and Cash Equivalents Used in Financing Activities	**(1,078,298)**	(678,196)
Net change in Cash and Cash Equivalents	**224,136**	5,465,305
Cash and Cash Equivalents, Beginning of Year	**7,833,594**	2,368,289
Cash and Cash Equivalents, End of Year	**$ 8,057,730**	$ 7,833,594
Supplemental Information		
Interest paid (received)	**$ (407,567)**	$ (305,191)
Income taxes paid	**$ -**	$ -
Repayment of non-recourse debt through deemed distributions	**$ 9,643,115**	$ 14,380,630

The accompanying notes are an integral part of these consolidated financial statements.

NICKEL 28 CAPITAL CORP.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States Dollars, unless otherwise indicated)

	Share Capital			Retained	
	Number	Amount	Reserves	Earnings	Total
Balance, January 31, 2023	**91,727,198**	**$ 69,653,837**	**$ 1,586,347**	**$ 19,507,918**	**$ 90,748,102**
Issuance of common shares on exercise of options (Note 12(b)(i))	650,000	372,543	(100,589)	-	271,954
Restricted Share Units converted to common shares (Note 12(b)(ii))	2,731,746	1,754,331	(1,754,331)	-	-
Share based compensation (Notes 13(a)(b) and 14)	-	-	1,763,409	-	1,763,409
Net and comprehensive loss for the year	-	-	-	(6,184,235)	(6,184,235)
Balance, January 31, 2024	**95,108,944**	**71,780,711**	**1,494,836**	**13,323,683**	**86,599,230**
Shares returned to treasury (Note 12(b)(iii))	(4,965,222)	(2,914,350)	-	2,282,793	(631,557)
Restricted Share Units converted to common shares (Note 12(b)(ii))	183,333	90,222	(90,222)	-	-
Repurchase of treasury shares (Note 12(b)(iv))	-	-	(1,042,798)	-	(1,042,798)
Treasury shares cancelled (Note 12(b)(iv))	(1,592,000)	(842,311)	842,311	-	-
Share based compensation (recovery) (Notes 13(a)(b) and 14)	-	-	(498,214)	-	(498,214)
Net and comprehensive loss for the year	-	-	-	(1,927,755)	(1,927,755)
Balance, January 31, 2025	**88,735,055**	**$ 68,114,272**	**$ 705,913**	**$ 13,678,721**	**$ 82,498,906**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

Nickel 28 Capital Corp. (the "Company" or "Nickel 28") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on June 25, 2019. The head office and registered office of the Company is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

The Company is a base metals company offering direct exposure to nickel and cobalt. Nickel 28 holds an 8.56% joint-venture interest in the producing, long-life Ramu Nickel-Cobalt Operation located in Papua New Guinea. In addition, Nickel 28 manages a portfolio of nickel and cobalt royalties in projects in Canada, Australia and Papua New Guinea, including a 1.75% NSR royalty in the Dumont nickel project in Quebec and a 2.0% NSR royalty in the Turnagain nickel project in British Columbia.

These consolidated financial statements of the Company for the year ended January 31, 2025 were approved and authorized for issue by the Board of Directors on May 27, 2025.

2. Basis of Presentation

Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

These financial statements are presented in United States dollars, which is the functional and presentation currency of the Company and its subsidiaries. The Company operates in a mixture of currencies and therefore the determination of functional currency involves certain judgments to determine the primary economic environment in which the Company operates. The Company reconsiders the functional currency if there is a change in events and conditions which determine the primary economic environment in which the Company, or one of its subsidiaries operates.

Foreign currency transactions are translated into the functional currency using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value through profit and loss. Gains and losses arising from foreign exchange are included in profit or loss.

(Expressed in United States Dollars, unless otherwise indicated)

3. Material Accounting Policies

(a) Basis of consolidation

These financial statements include the accounts of Nickel 28 and its wholly-owned subsidiaries:

Subsidiaries	% Shareholding	Class of Share	Country of incorporation
Highlands Pacific Limited ("Highlands")	100	Ordinary	Papua New Guinea
Ramu Nickel Limited	100	Ordinary	Papua New Guinea
Nickel 28 Capital Pty Limited (formerly Highlands Pacific Australia Pty Limited)	100	Ordinary	Australia
Electric Metals Streaming Corp.	100	Ordinary	Canada

Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as power over the investee, exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are deconsolidated from the date on which control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

Highlands, Ramu Nickel Limited, Nickel 28 Capital Pty Limited (formerly Highlands Pacific Australia Pty Limited) and Electric Metals Streaming Corp. have fiscal year-ends of December 31. Adjustments for material transactions between December 31, 2024 and January 31, 2025 have been made to adjust for the non-coterminous year-ends.

(b) Royalty contracts

Royalty contracts consist of acquired royalty interests in development or exploration stage properties. These interests are recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. The cost of royalty interests in development stage assets are determined and capitalized by reference to the cost model under IAS 16 Property, plant and equipment. Royalty contracts for development stage assets, are interests on projects that are not yet producing, but where in management's view, the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Royalty contracts for exploration stage assets are interests on projects where the technical feasibility and commercial viability of extracting a mineral resource are not yet demonstrable and are determined and capitalized in accordance with IFRS 6 Exploration for and evaluation of mineral resources ("IFRS 6"). Project evaluation costs that are not related to a specific agreement are expensed in the period incurred.

Management uses the following criteria in its assessment of technical feasibility and commercial viability:

i. Geology: there is a known mineral deposit which contains mineral reserves or resources.
ii. Accessibility and authorization: there are no significant unresolved issues impacting the accessibility and authorization to develop or mine the mineral deposit, and social, environmental and governmental permits and approvals to develop or mine the mineral deposit appear obtainable.

Producing royalty and other interests will be depleted using the units-of-production method over the life of the property to which the interests relate, which are estimated using available information of proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement.

The Company uses publicly available statements of reserves and resources for the underlying properties to estimate the life of the property and portion of resources that the Company expects to be converted into reserves.

3. Material Accounting Policies (Continued)

(c) Property, plant and equipment

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to the location and condition necessary for their intended service.

An asset's carrying amount is written down immediately to its recoverable amount if an impairment test demonstrates the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in profit or loss. Where re-valued assets are sold, the amounts included in fair value and other reserves are transferred to retained earnings.

Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

The depreciation of property, plant and equipment is calculated on a straight-line basis to write off the cost or re-valued amount of each asset to their residual value over their estimated useful lives as follows:

Plant and equipment	5 - 10 years
Vehicles	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

(d) Investment in the Ramu Nickel Mine

The Company has an 8.56% interest in a joint venture. The Company does not have joint control in relation to the Ramu Nickel Mine, and it is not a joint operation nor a joint venture as defined by IFRS 11 Joint Arrangements. Management has concluded the Company has significant influence, and accordingly accounts for the investment using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the post acquisition profits or losses of the investee in profit or loss. Distributions received or receivable are recognized as a reduction in the carrying amount of the investment. When the Company’s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealized gains on transactions are eliminated to the extent of the interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Company.

3. Material Accounting Policies (Continued)

(e) Impairment of long-lived assets

Development royalty interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units ("CGUs") which, in accordance with IAS 36 Impairment of Assets are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. This is usually at the individual royalty interest level for each property from which cash inflows are expected to be generated.

An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU"). The future cash flow expected is derived using estimates of proven and probable reserves, a portion of resources that is expected to be converted into reserves and information regarding the mineral properties that could affect the future recoverability of the Company's interests. Discount factors are determined individually for each asset and reflect their respective risk profiles.

Royalty interests for exploration stage assets are assessed for impairment whenever indicators of impairment exist in accordance with IFRS 6. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of FVLCD and VIU. An interest that has previously been classified as exploration stage is also assessed for impairment before reclassification to either development or producing, and the impairment loss, if any, is recognized in profit or loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately as an impairment loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying amount that would have been determined if no impairment had previously been recognized.

(f) Segment reporting

The Company is engaged in the management and acquisition of joint venture and royalty interests in the nickel and cobalt sectors. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Company's operating segments.

(g) Financial instruments

Recognition

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 except for other receivables which are initially recognized when they are originated. 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 extinguished.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-offs occur when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

3. Material Accounting Policies (Continued)

(g) Financial Instruments (continued)

Classification and measurement

The Company determines the classification of its financial assets at initial recognition. Financial assets are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and
- those to be measured subsequently at amortized cost.

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:

- amortized cost;
- 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); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company's credit risk.

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 classified as subsequently measured at amortized cost or FVOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

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 supportable forward-looking information.

The Company's marketable securities and share award liability are classified at FVTPL. The Company's cash and cash equivalents, other receivables and sundry receivables are classified at amortized cost and are measured using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial assets, or where appropriate, a shorter period. The amortized cost is reduced by impairment losses.

The Company's accounts payable and accrued liabilities and non-recourse debt are at amortized cost.

3. Material Accounting Policies (Continued)

(h) Income (loss) per share

Basic income (loss) per share is computed by dividing the net income attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted income per share is calculated using the treasury stock method and the "if converted" method, as applicable. The treasury stock method assumes that outstanding share options, RSUs and share awards with an average market price that exceeds the average exercise prices of those instruments for the period are exercised and the assumed proceeds are used to repurchase shares of the Company at the average market price of the common shares for the period.

(i) Revenue from contracts with customers

The Company may generate revenue from contracts with customers under each of its royalty interests. The Company has determined that each unit of a commodity that is delivered to a customer under a royalty interest arrangement is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement.

- Royalty

  The Company has eight exploration stage and two development stage royalty contracts.

  Revenue will be recorded when the commodities received under such arrangements are sold and control over those commodities transfers to the ultimate customer. Control will transfer on the date the commodity under the agreement is credited to the customer account. Revenue from royalty contracts will be measured at the transaction price agreed with the ultimate customer.

(j) Share capital

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares or options are shown in shareholders' equity as a deduction, net of tax, from the proceeds of issuance. When the Company repurchases common shares under its normal course issuer bid, the price paid for the common shares is recognized as a reduction of share capital.

(k) Share based compensation

The Company follows the fair value method of accounting for the issuance of stock options and restricted share units ("RSU") granted to officers, employees, directors, advisors and consultants. The grant date fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and the expected life of the options. The number of stock option awards expected to vest are estimated using a forfeiture rate based on historical experience and future expectations. The fair value of the RSUs is determined by the quoted market price of the Company's common shares at date of grant. Share based compensation is recognized in profit or loss over the vesting period of the related option or RSU.

At the discretion of the Board of Directors, RSUs may be settled in equity, cash or a combination of both. The fair value of RSUs, which are settled in equity, is recognized as a share based compensation expense with a corresponding increase in reserves, over the vesting period. The fair value of RSUs, when settled in cash, is recognized as a share based compensation expense with a corresponding increase in liabilities, over the vesting period.

The Company uses graded or accelerated amortization which specifies that each vesting tranche must be accounted for as a separate arrangement with a unique fair value measurement. Each vesting tranche is subsequently amortized separately and in parallel from the grant date.

3. Material Accounting Policies (Continued)

(k) Share based compensation (continued)

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the estimated fair value. The expected volatility assumption is based on the estimated volatility of the Company's own trading history and comparable public companies. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

(l) Income taxes

Income tax on the profit or loss for the periods 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 taxes provide for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent the reversal of the temporary difference can be controlled and it is probable it will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the year of realization or settlement, which has been enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. 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.

(m) Uncertainty over Income Tax Treatments ("IFRIC 23")

IFRIC 23 requires the Company to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings and to exercise judgment in determining whether each tax treatment should be considered independently or whether some tax treatments should be considered together. The decision should be based on which approach provides better predictions of the resolution of the uncertainty. The Company also will consider whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, assuming that the taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so.

(n) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

3. Material Accounting Policies (Continued)

(n) Leases (continued)

- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability. The cost of the right-of-use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

New accounting standards and interpretations

The Company considered the adoption of certain new standards, amendments and interpretations to existing standards, which have been published and are effective for accounting periods beginning on or after February 1, 2024 or later periods.

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current liabilities with covenants.* These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of liabilities as current or non-current,* issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after February 1, 2024. The amendments did not have a material impact on the Company's financial statements.

3. Material Accounting Policies (Continued)

Recent accounting pronouncements issued and not yet adopted

IFRS 18 Presentation and Disclosure in the Financial Statements

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 "Statements of Cash Flows" ("IAS 7") were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after February 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

4. Key Sources of Estimation Uncertainty and Critical Accounting Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses and other income during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying amounts are:

Judgments

Carrying amount of the Ramu Nickel Mine

The Company, on each reporting date, considers whether there is any objective evidence that its net investment in the Ramu Nickel Mine has suffered any impairment as a result of one or more events that have occurred after initial recognition of the net investment and have an impact on the estimated cash flows of the investment that can be reliably estimated. In addition, management may elect to perform an assessment of the recoverable value in the absence of any specific indicators of impairment where other macro economic factors are occurring. The assessment of recoverable value requires estimates and assumptions such as discount rates, exchange rates, commodity prices, operating costs, capital costs and production rates.

Carrying amount of royalty contracts

At the end of each reporting period the Company assesses whether there are any indicators that give rise to the requirement to conduct an impairment test for the recoverability of a royalty contract. Indicators which could trigger a test for recoverability include, but are not limited to, a significant change in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices, and other relevant operator information with respect to the underlying mineral resource properties.

(Expressed in United States Dollars, unless otherwise indicated)

4. Key Sources of Estimation Uncertainty and Critical Accounting Judgments (Continued)

Estimates

Non-recourse debt

The Company, on each reporting date, reclassifies a portion of its non-recourse debt as current. As the Company's non-recourse debt is to be repaid by Ramu Nickel Limited out of its share of operating surpluses, less ongoing capital expenditure requirements, the amount classified as current represents the estimated operating surplus less interest that is expected to be applied to repay the non-recourse debt over the next twelve months.

Deferred taxes

The Company recognizes the deferred tax benefit related to tax assets and tax losses to the extent recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit and expected timing of reversals of existing temporary differences. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods from tax assets and tax losses.

5. Cash and Cash Equivalents

	As at January 31, 2025	As at January 31, 2024
Cash	$ 8,057,730	$ 7,604,523
Short-term bank deposit	-	229,071
	$ 8,057,730	$ 7,833,594

6. Amounts Receivable and Other Assets

	As at January 31, 2025	As at January 31, 2024
Other receivables[1]	$ 1,156,943	$ 2,962,523
Harmonized sales tax receivable	314,105	102,750
Prepaid expenses	57,321	64,778
Sundry receivables	150,606	134,364
	$ 1,678,975	$ 3,264,415

[1] Other receivables represent cash receipts anticipated from MCC Ramu NiCo Limited. In April 2025, the Company received a cash distribution of $1,156,943 from MCC Ramu NiCo Limited for its distribution of the mine's operating surpluses for the second half of the 2024 calendar year.

7. Investment in Ramu Nickel Mine

The investment in the Ramu Nickel Mine ("Ramu") consists of an 8.56% joint venture interest in the producing Ramu mine and refinery located near the city of Madang on the north coast of Papua New Guinea. Ramu was financed, constructed and commissioned in 2012, by majority-owner and operator Metallurgical Corporation of China Limited ("MCC").

The 8.56% interest in Ramu is held by the Company through its wholly-owned subsidiary Ramu Nickel Limited. The Company's interest in Ramu will increase to 11.3% at no cost to the Company once Nickel 28's share of the Ramu construction debt is repaid to the project manager and joint venture partner MCC (note 10). In addition to this, when the Company's interest increases to 11.3%, the Company will also have the option to purchase an additional 9.25% interest in the Ramu mine at market value, which if exercised, would take the Company's interest to 20.55%.

(Expressed in United States Dollars, unless otherwise indicated)

7. Investment in Ramu Nickel Mine (Continued)

The Company recorded its share of operating profit of Ramu for the period based on the financial information of Ramu for the year ended December 31, 2024, which is within one month of the Company's reporting period. Any significant transactions for January 2025 have been adjusted.

(i) Continuity of investment in Ramu Nickel Mine

	As at January 31, 2025	As at January 31, 2024
Opening balance	$ 105,034,171	$ 116,732,025
Share of operating profit from Ramu Nickel Mine	5,507,922	10,426,179
Distributions from MCC Ramu NiCo Limited	(14,835,564)	(22,124,033)
Closing balance	**$ 95,706,529**	**$ 105,034,171**

(ii) Interest in Ramu Nickel Mine

	As at January 31, 2025	As at January 31, 2024
Current assets	$ 130,201,000	$ 154,265,000
Non-current assets	1,021,368,467	1,103,529,380
Current liabilities	(39,516,000)	(23,922,000)
Non-current liabilities	(38,232,000)	(53,227,000)
Net assets	**$ 1,073,821,467**	**$ 1,180,645,380**
Company's 8.56% share of net assets	$ 91,919,118	$ 101,063,245
Acquisition and timing adjustment	3,787,411	3,970,926
Investment at carrying amount	**$ 95,706,529**	**$ 105,034,171**

Year Ended January 31,	**2025**	**2024**
Share of revenue	$ 41,075,063	$ 55,277,142
Share of production costs	(23,691,426)	(31,799,607)
Share of other costs	(3,827,619)	(4,611,955)
Depreciation and amortization	(8,048,096)	(8,439,401)
Share of operating profit from Ramu Nickel Mine	**$ 5,507,922**	**$ 10,426,179**

(iii) Sale of Mixed Hydroxide Product ("MHP")

Year Ended January 31,	**2025**	**2024**
Share of Ramu Nickel Mine's MHP Product (Wet Metric Tonnes)	17,452	20,272
Revenue from Sales of MHP Products	$ 41,075,063	$ 55,277,142

(Expressed in United States Dollars, unless otherwise indicated)

7. Investment in Ramu Nickel Mine (Continued)

(iv) Non-recourse debt (Note 10)

	As at January 31, 2025	As at January 31, 2024
Opening balance	$ 44,094,791	$ 55,817,051
Interest accrued	2,087,823	2,658,369
Loan repayments	(9,643,115)	(14,380,629)
Closing balance	**$ 36,539,499**	**$ 44,094,791**

On initial acquisition, a loan balance owing to MCC Ramu NiCo Limited for its 8.56% share of capped development costs plus accumulated interest for monies paid by MCC Ramu NiCo Limited to lenders on behalf of the joint venture parties up to January 1, 2015 was recognized. This debt is non-recourse to the Company (excluding Ramu Nickel Limited) and is to be repaid by Ramu Nickel Limited out of a portion of its distributions received (Note 10).

In assessing the carrying value of its interest in the Ramu Nickel Mine for impairment testing purposes, the directors have adopted a value in use ("VIU") methodology as to the present value of the expected future cash flows before financing from calendar 2025 through to 2037. The calculations use cash flow projections based on financial budgets covering the period from calendar 2025 to 2037.

Key assumptions

The key assumptions and estimates used in determining the VIU are related to commodity prices, discount rates, operating costs, exchange rates and capital expenditures. The following key assumptions were used in impairment and fair value testing:

Assumptions	**December 31, 2024**	**December 31, 2023**
Nickel Price (US$/lb)	$7.51 – $7.94	$7.76 – $8.46
Cobalt Price (US$/lb)	$12.10 – $18.71	$17.32 – $19.80
Life of Mine remaining years	13 years	10 years
Production Rate	100%	100%
After tax discount rate (Real)	14.6%	14.6%

Sensitivities

Management performed a sensitivity analysis on the commodity price of nickel, which is the key assumption that impacts impairment calculations. While holding all other assumptions constant, a positive 10% movement in the price assumptions range for nickel results in an increase in the present value of future cash flows of approximately $23 million, while a negative 10% movement results in a reduction of approximately $23 million.

Holding all other assumptions constant, a change in the weighted average cost of capital ("WACC") used for the discount rate to 16% would result in a decrease in the present value of future cashflows of $7.0 million and a change in WACC to 13% would result in an increase of $9.0 million.

Due to the nature of the assumptions and their significance to the assessment of the recoverable amount of the asset relatively modest changes in one or more assumptions could require a material adjustment to the carrying value of the related non-current asset within the next reporting period. The inter-relationships of the significant assumptions upon which estimated future cashflows are based are such that it is impracticable to disclose the extent of the possible effects of changes in all key assumptions in isolation.

(Expressed in United States Dollars, unless otherwise indicated)

8. Royalty Contracts

A royalty is a payment to a royalty holder by a property owner or an operator of a property and is typically based on a percentage of the minerals or other products produced or the profits or revenue generated from the property. Royalties are not working interests in a property. Therefore, the royalty holder is generally neither responsible for, nor has an obligation to, contribute additional funds for any purpose, including, but not limited to, operating or capital costs, or environmental or reclamation liabilities. Typically, royalty interests are established through a contract between the royalty holder and the property owner. Many jurisdictions permit the holder to also register or otherwise record evidence of a royalty interest in applicable mineral title or land registries.

Common forms of royalties are Net Smelter Return ("NSR") and Gross Revenue Royalty ("GRR"). NSR is based on the proceeds paid by a smelter or refinery to the miner for the mining production from the property less certain transportation, smelting and refining costs as defined in a royalty agreement. This type of royalty provides cash flow that is free of any operating or capital costs and environmental liabilities. GRR is generally based on the value of the mining production from the property before subsequent treatment charges are incurred. This type of royalty provides cash flow that is free of any treatment charges, operating or capital costs and environmental liabilities.

As of January 31, 2025 and 2024, the Company's royalty contracts consisted of the following:

Royalty Name	Owner	Property Location	Stage	Primary Metal(s), Royalty Type and %	January 31, 2025 Carrying amount	January 31, 2024 Carrying amount
Dumont Project[1]	Waterton Global Res. Mgmt.	Québec	Development	Ni-Co 1.75% NSR	$15,263,086	$15,263,086
Turnagain Project[2]	85% Giga Metals Corporation 15% Mitsubishi Corporation	British Columbia	Exploration	Ni-Co 2% NSR	7,241,392	7,241,392
Flemington Project[3]	Australian Mines Ltd.	Australia	Exploration	Ni-Co-Sc 1.5% GRR	1,943,514	1,943,514
Nyngan Project[4]	Scandium International Mining Corp.	Australia	Development	Sc- Ni-Co 1.7% GRR	971,757	971,757
North Canol Properties[5]	Fireweed Metals Corp.	Yukon	Exploration	Ag-Pb-Zn-Co 2% Co NSR	38,072	38,072
Sunset Mineral Property[6]	Three Individuals	British Columbia	Exploration	Cu-Zn-Co 2% Co NSR	nil	38,072
Sewa Bay	Queensland Pacific Metals Ltd.	Papua New Guinea	Exploration	Ni-Co 5% FOB GRR	nil	nil
Professor and Waldman Properties[5]	70% Golden Deeps 30% New Found Gold Corp.	Ontario	Exploration	Co-Ag 2% Co NSR	nil	nil
Total Royalty Contracts					**$25,457,821**	**$25,495,893**

(1) The Dumont Nickel-Cobalt Royalty is a life-of-mine 1.75% NSR royalty.
(2) The Turnagain Royalty is a 2.0% NSR royalty on all future metal production from the Turnagain Nickel-Cobalt Project.
(3) The Flemington Royalty is a life-of-mine 1.5% GRR.
(4) The Nyngan Royalty is a life-of-mine 1.7% GRR.
(5) Two separate mineral properties to which a Co NSR applies.
(6) As at January 31, 2025, the Company determined that the Sunset Mineral Property was impaired.

(Expressed in United States Dollars, unless otherwise indicated)

9. Right-of-Use Assets and Lease Liability

(a) Right-of-use assets

	As at January 31, 2025	As at January 31, 2024
Balance, beginning of year	$ 50,192	$ 80,664
Additions	-	-
Depreciation	(31,243)	(30,472)
Balance, end of year	$ 18,949	$ 50,192

(b) Lease liability

	As at January 31, 2025	As at January 31, 2024
Balance, beginning of year	$ 52,597	$ 82,168
Additions	-	-
Finance costs	3,155	5,929
Repayment of principal	(35,500)	(35,500)
Balance, end of year	20,252	52,597
Less: current liabilities	(20,252)	(32,345)
Non-current liabilities	$ -	$ 20,252
<u>Minimum lease payments</u>		
Not later than 1 year	$ 20,708	$ 35,500
Later than 1 year and not later than 5 years	-	20,708
Total	20,708	56,208
Less: finance costs	(456)	(3,611)
Balance, end of year	$ 20,252	$ 52,597

(Expressed in United States Dollars, unless otherwise indicated)

10. Non-Recourse Debt

	As at January 31, 2025	As at January 31, 2024
Loan from MCC Ramu NiCo Limited - current	**$ 5,250,000**	**$ 9,000,000**
Loan from MCC Ramu NiCo Limited - non-current	**31,289,499**	**35,094,791**
	$ 36,539,499	**$ 44,094,791**

Non-recourse debt relates to the Company's interest, held in its wholly owned subsidiary Ramu Nickel Limited, in the Ramu Nickel mine and owing to MCC Ramu NiCo Limited. As part of the Joint Venture Agreement with MCC Ramu NiCo Limited, MCC Ramu NiCo Limited was responsible for development and financing of the mine. These borrowings represent the Company's 8.56% share of principal repayments (capped to a specified development threshold) and interest repayments made by MCC Ramu NiCo Limited to lenders on behalf of the Company, plus any accumulated interest charged by MCC Ramu NiCo Limited. The borrowings are to be repaid out of the Company's share of the Ramu Nickel Mine's operating surpluses (sales revenue less operating costs and ongoing capital expenditure requirements) rather than operating and financing cashflows generated by the group.

Effective July 1, 2021, the Company fully repaid its non-recourse operating debt and related interest to MCC Ramu NiCo Limited. The Company now receives cash proceeds on a semi-annual basis equivalent to 35% of its distributions received, with the remaining 65% used to repay the non-recourse construction debt and related interest. Furthermore, once the Company's non-recourse construction debt is repaid, which can be repaid at anytime in its entirety without penalty, the Company's participatory share of the Ramu Nickel Mine will automatically increase from 8.56% to 11.3% and the Company will begin receiving 100% of its share of the mine's revenue on a monthly basis and the Company will be responsible for paying 100% of its share of the mine's operating costs and capital expenditures on a monthly basis.

The non-recourse debt has no prescribed repayment obligations, rather the amount of the non-recourse debt classified as current represents the expected operating surplus less interest and less the Company's 35% cash share of operating surplus that is expected to be applied to repay the non-recourse debt over the next twelve months. The borrowings under the construction debt bear an interest rate of 5.05% annually.

During the year ended January 31, 2025, the Company made repayments on the non-recourse debt of $9,643,115 (year ended January 31, 2024 - $14,380,629) from distributions received from the Ramu Mine.

11. Loss per share

Year Ended January 31,	**2025**	**2024**
Net loss	**$ (1,927,755)**	$ (6,184,235)
Weighted average number of common shares - basic	**92,046,022**	92,504,082
Dilutive effect of stock options and RSUs	**-**	-
Weighted average number of common shares - diluted	**92,046,022**	92,504,082
Basic loss per share	**$ (0.02)**	$ (0.07)
Diluted loss per share	**$ (0.02)**	$ (0.07)

12. Share Capital

(a) Authorized: Unlimited number of common shares without par value.

(b) Common shares issued:

(i) During the year ended January 31, 2024, 650,000 stock options were exercised at a weighted average exercise price of CAD$0.56 per share. The fair value of the exercised options totaled $100,589. The weighted average market price at the date of exercise was CAD$1.33.

(ii) During the year ended January 31, 2025, 183,333 RSUs (year ended January 31, 2024 - 2,731,746 RSUs) with a fair value of $90,222 (year ended January 31, 2024 - $1,754,331) were converted into common shares.

(iii) On June 18, 2024, the Company entered into a settlement agreement with Black Vulcan Resources LLC and its principal, Anthony Milewski, the former Chief Executive Officer, ("Milewski", and collectively with Black Vulcan, the "Milewski Parties") in connection with various matters.

Pursuant to the settlement, the Milewski Parties returned to the Company 4,965,222 common shares of Nickel 28; no compensation or other amounts will be paid by the Company to the Milewski Parties. On receipt of the shares the Company cancelled the shares resulting in a decrease in the Company's issued and outstanding common shares. In connection with the settlement, Milewski resigned from the Board.

(iv) On July 24, 2024, the TSX-V accepted the Company's notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 7,153,629 of its common shares, representing approximately 7.9% of Nickel 28's issued and outstanding common shares over a twelve month period commencing on July 26, 2024. The NCIB will expire no later than July 25, 2025. Nickel 28 has appointed Haywood Securities Inc. to administer the NCIB on behalf of the Company. The price that the Company will pay for common shares in open market transactions will be equal to the market price at the time of purchase.

During the year ended January 31, 2025, the Company repurchased 1,944,500 treasury shares for aggregate cost of $1,042,798. Of the 1,944,500 treasury shares repurchased, 1,592,000 were cancelled as at January 31, 2025 and the remainder were cancelled subsequently.

13. Stock Options, Restricted Share Units and Share Awards

(a) Stock options

On December 16, 2019, the Company adopted a Stock Option Plan, subject to TSX-V and disinterested shareholder approval of the Company's Omnibus Long-term Incentive Plan ("LTIP"). The Company's Omnibus LTIP was approved at the Company's annual general meeting on August 15, 2022. In May 2023, the Board announced that it had determined not to seek renewal of the Company's existing equity-based compensation plan at its shareholders meeting held in June 2023. The maximum aggregate number of shares reserved for issuance under the Company's Stock Option Plan, together with the RSU Plan (defined below), would not exceed a combined total of 10% of the Company's issued and outstanding shares. The exercise price was determined by the Board of Directors provided the minimum exercise price was set at the Company's closing share price on the day before the grant date. The options were granted for a maximum term of ten years and vesting terms were determined by the Board of Directors at the date of grant.

On October 30, 2024, the Company adopted and announced a Fixed Stock Option Plan. The maximum number of shares that may be issued under the stock option plan is fixed at 8,932,230 shares. The option exercise price per share that is subject of any option shall be fixed by the Board when any such option is granted. The exercise price shall not be less than the market price on the date of grant. Options shall not be granted for a term exceeding five years.

(Expressed in United States Dollars, unless otherwise indicated)

13. Stock Options, Restricted Share Units and Share Awards (Continued)

The following table reflects the continuity of stock options for the years ended January 31, 2025 and 2024:

	Number of stock options	Weighted average exercise price (CAD$)
Balance, January 31, 2023	**2,620,000**	**0.75**
Exercised (Note 12(b)(i))	(650,000)	0.56
Balance, January 31, 2024	**1,970,000**	**0.81**
Granted (i) (ii)	1,550,000	0.83
Expired/Forfeited	(1,670,000)	0.80
Balance, January 31, 2025	**1,850,000**	**0.84**

(i) On October 30, 2024, a total of 500,000 stock options were issued to an officer and director of the Company. The stock options are exercisable at a price of CAD$0.82 per share, expire on October 30, 2029 and vest one third on the date of grant and one third on each of the first and second anniversaries from the date of grant. The fair value of the stock options was estimated to be $167,074 using the Black-Scholes option pricing model and the following assumptions: exercise price of CAD$0.82, share price of CAD$0.80, risk free interest rate of 3.02%, an expected life of 5 years and an expected volatility of 68%. These options were granted under the Fixed Stock Option Plan adopted by the Company on October 30, 2024.

(ii) On January 27, 2025, a total of 1,050,000 stock options were issued to an officer of the Company. The stock options are exercisable at a price of CAD$0.84 per share, expire on January 27, 2030 and vest one third on February 1, 2026, February 1, 2027 and February 1, 2028, respectively. The stock options will only be earned if the following total shareholder return (“TSR”) performance criteria during the period from January 22, 2025 to close of market on January 30, 2026 are met: (i) 25% of the stock options will be earned if the TSR over this period is 20% or greater; (ii) a further 25% of the stock options will be earned if the TSR over this period is 40% or greater; (iii) a further 25% of the stock options will be earned if the TSR over this period is 60% or greater; and (iv) a further 25% of the stock options will be earned if the TSR over this period is 80% or greater. The fair value of the stock options was estimated to be $327,828 using the Black-Scholes option pricing model and the following assumptions: exercise price of CAD$0.84, share price of CAD$0.79, risk free interest rate of 2.91%, an expected life of 5 years and an expected volatility of 68%. These options were granted under the Fixed Stock Option Plan adopted by the Company on October 30, 2024.

During the year ended January 31, 2025, share based compensation expense for these stock options of $78,920 (year ended January 31, 2024 - $nil) was recorded in profit or loss.

The following table reflects the Company's stock options outstanding and exercisable as at January 31, 2025:

Options outstanding	Options exercisable	Grant date fair value ($)	Weighted average exercise price (CAD$)	Weighted average remaining contractual life (years)	Expiry date
300,000	300,000	112,008	0.87	1.85	December 8, 2026
500,000	166,667	167,074	0.82	4.75	October 30, 2029
1,050,000	-	327,828	0.84	4.99	January 27, 2030
1,850,000	466,667	606,910	0.84	4.42	

(Expressed in United States Dollars, unless otherwise indicated)

13. Stock Options, Restricted Share Units and Share Awards (Continued)

(b) Restricted share units ("RSU")

On December 16, 2019, the Company adopted a Restricted Share Unit Plan (the "RSU Plan"), subject to TSX-V and disinterested shareholder approval of the Company's Omnibus LTIP. The Company's Omnibus LTIP was approved at the Company's annual general meeting on August 15, 2022. In May 2023, the Board announced that it had determined not to seek renewal of the Company's existing equity-based compensation plan at its shareholders meeting held in June 2023. The maximum aggregate number of shares reserved for issuance under the RSU Plan, together with the Company's Stock Option Plan was not to exceed a combined total of 10% of the Company's issued and outstanding shares. In addition, the RSU Plan set out certain other restrictions in respect of grants to certain participants under the RSU Plan in accordance with the rules of the TSX-V.

	Number of RSUs
Balance, January 31, 2023	**6,256,663**
Converted into common shares	(2,731,746)
Settled in cash	(1,274,920)
Balance, January 31, 2024	**2,249,997**
Converted into common shares	(183,333)
Settled in cash	(33,332)
Cancelled	(1,916,665)
Balance, January 31, 2025	**116,667**
Vested, January 31, 2025	**nil**

For the year ended January 31, 2025, the Company recorded share-based compensation expense (recovery) for RSU's of $(577,134) (year ended January 31, 2024 - $2,582,383).

14. 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. Related parties include key management personnel and 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.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's current and former executive officers and members of the Board of Directors.

Remuneration of key management personnel of the Company was as follows:

Year Ended January 31,	2025	2024
Salaries and fees [1][2]	**$ 2,323,617**	$ 3,382,915
Share based compensation (recovery)	**(425,933)**	2,531,235
Change in share award liability	**-**	75,178
	$ 1,897,684	$ 5,989,328

[1] Management fees and salaries paid to the executive officers and directors for their services.

[2] Included in accounts payable and accrued liabilities are fees owing to officers and directors of $55,316 as at January 31, 2025 (January 31, 2024 - $74,917).

(Expressed in United States Dollars, unless otherwise indicated)

14. Related Party Transactions (Continued)

During the year ended January 31, 2025, the Company reimbursed Pelham Investment Partners, LP, a company controlled by a director of Nickel 28, $711,127 for legal and professional expenses incurred on Nickel 28's behalf.

On May 6, 2024, the Company announced that Mr. Anthony Milewski, former Chief Executive Officer of the Company, Mr. Justin Cochrane, former President of the Company, and Mr. Conor Kearns, former Chief Financial Officer of the Company, were terminated for cause with immediate effect (Note 12(b)(iii)).

In connection with the termination of the officers, the Company cancelled 850,000 stock options with an exercise price of $0.87 and 1,549,999 RSUs.

15. Segmented Information

The Company has three reportable operating segments, being the royalties, Ramu Nickel Mine and corporate. Operating segment information is as follows:

Year Ended January 31, 2025	**Royalties**	**Ramu Nickel Mine**	**Corporate**	**Total**
Share of operating profit from Ramu Nickel Mine	$ -	$ 5,507,922	$ -	$ 5,507,922
Operating expenses	-	(1,505,160)	(3,787,645)	(5,292,805)
Financing costs	-	(2,087,823)	-	(2,087,823)
Recovery of expenses	-	-	631,557	631,557
Unrealized gain on marketable securities	-	-	46,724	46,724
Realized loss on marketable securities	-	-	(61,991)	(61,991)
Impairment of royalty contracts	(38,072)	-	-	(38,072)
Interest income	-	20,761	386,806	407,567
Foreign exchange gain (loss)	-	5,233	(72,892)	(67,659)
Deferred tax expense	-	(973,175)	-	(973,175)
Net income (loss)	**$ (38,072)**	**$ 967,758**	**$ (2,857,441)**	**$ (1,927,755)**

Year Ended January 31, 2024	**Royalties**	**Ramu Nickel Mine**	**Corporate**	**Total**
Share of operating profit from Ramu Nickel Mine	$ -	$ 10,426,179	$ -	$ 10,426,179
Operating expenses	-	(1,965,082)	(9,464,023)	(11,429,105)
Financing costs	-	(2,658,369)	-	(2,658,369)
Unrealized gain on marketable securities	-	-	7,385	7,385
Interest income	-	18,151	287,040	305,191
Foreign exchange (loss)	-	5,758	(38,862)	(33,104)
Deferred tax expense	-	(2,802,412)	-	(2,802,412)
Net income (loss)	**$ -**	**$ 3,024,225**	**$ (9,208,460)**	**$ (6,184,235)**

(Expressed in United States Dollars, unless otherwise indicated)

15. Segmented Information (Continued)

The Company has an administrative office in Canada and joint venture and royalty interests in the Asia Pacific region, predominantly Papua New Guinea. Geographical information is as follows:

As at January 31, 2025	Canada	Asia Pacific	Total
Current assets	$ 8,124,281	$ 1,612,424	$ 9,736,705
Non-current assets	25,457,822	95,749,541	121,207,363
Total assets	**$ 33,582,103**	**$ 97,361,965**	**$ 130,944,068**

As at January 31, 2024	Canada	Asia Pacific	Total
Current assets	$ 7,462,194	$ 3,665,672	$ 11,127,866
Non-current assets	25,495,893	105,113,112	130,609,005
Total assets	**$ 32,958,087**	**$ 108,778,784**	**$ 141,736,871**

16. Financial Instruments

Fair value of financial instruments

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 establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Valuations based on directly or indirectly observable inputs for the asset or liability, other than quoted Level 1 prices, such as quoted interest rates or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not observable, such as discounted cash flow methodologies based on internal cash flow forecasts.

As of January 31, 2025, the Company’s financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities and non-recourse debt. The fair values of cash and cash equivalents, amounts receivable and accounts payable and accrued liabilities approximate their carrying amounts because of the short-term nature of these instruments. The non-recourse debt is stated at amortized cost, the fair value is not materially different to the carrying amounts, as the interest payable is close to current market rates.

17. Financial Risks

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company’s credit risk exposure includes the carrying amounts of cash and cash equivalents and amounts receivable. To limit the credit risk exposure on its cash and cash equivalents, the Company holds all its cash and cash equivalents in credit worthy financial institutions. The Company believes no impairment is necessary in respect of amounts receivable from MCC Ramu NiCo Limited and other receivables as balances are monitored on a regular basis with the result that exposure to credit losses is immaterial. The Company’s management of credit risk has not changed materially from that of the prior year.

17. Financial Risks (Continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Financial liquidity represents the Company's ability to fund future operating activities. The Company may generate cash from the sale of additional equity securities, as well as through debt financing. The Company plans to fund its ongoing operations with its existing cash balance and amounts receivable from MCC Ramu NiCo Limited. Although the Company may enter into commitments to acquire royalties and direct interests in mineral properties those commitments are normally funded by use of the Company's available cash and are contingent on its ability to raise funds through the sale of additional equity securities or debt financing. The Company's accounts payable and accrued liabilities are due within the next 12 months. The non-recourse debt is estimated to be due as follows: $5,250,000 within the next 12 months and $31,289,499 after 12 months, however this loan is only repayable to the extent the Company's share of the Ramu Nickel Mine's operations are in surplus. The Company's management of liquidity risk has not changed materially from that of the prior year.

Market risk

Market risk is the risk to the Company that the fair value or future cash flows of financial instruments will fluctuate due to changes in market prices. Market risk comprises interest rate risk, currency risk and other price risk. Management believes the Company is not significantly exposed to other price risk. The Company's management of market risk has not changed materially from that of the prior year.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate fluctuations as a result of its interest-bearing cash accounts, short-term deposits and borrowings.

Interest-bearing cash accounts and short-term deposits are subject to the movement of interest rates and the Company does not enter into long-term deposits. The Company has AUD$122,060 on deposit at rates ranging between 4.51% and 4.60%.

The rate of the Company's long-term borrowings is 5.05%. As at January 31, 2025, the Company has estimated that for a 1% decrease or increase in the interest rate, all other variables remaining constant, the result would be a decrease or increase in net loss before taxes of approximately $300,000.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows from the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's functional currency is United States dollars. The Company incurs expenses in Canadian dollars, Australian dollars and Papua New Guinea Kina. As at January 31, 2025, the Company had approximately CAD$602,700, AUD$200,000 and PGK$628,000 of net assets. As at January 31, 2025, the Company has estimated that a 10% decrease or increase in the value of the Canadian dollar, Australian dollars and Papua New Guinea Kina, all other variables remaining constant, the result would be a decrease or increase in net loss before taxes of approximately $65,000.

(Expressed in United States Dollars, unless otherwise indicated)

17. Financial Risks (Continued)

(iii) Commodity price risk

The Company is exposed to commodity price risk. This arises from the sale of nickel and cobalt that is priced on, or benchmarked to, open market exchanges. The products are sold by MCC Ramu Nico Limited at prevailing market prices such as the London Metal Exchange (LME) and Metal Bulletin (MB). The products, predominantly nickel and cobalt, are provisionally priced, that is the selling price is determined preceding the month of shipment followed by an adjustment using the average price of the month of shipment after delivery to the customers. Derivative commodity contracts may be used to align realized prices to manage risk exposure although at the year end date there were no derivative commodity contracts being used.

18. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of $82,498,906 at January 31, 2025 (January 31, 2024 - $86,599,230).

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

19. Income Taxes

The income tax expense differs from the amount resulting from the application of the combined Canadian statutory income tax rate to the income before tax as follows:

Year Ended January 31,	**2025**	**2024**
Loss before tax	**$ (954,580)**	$ (3,381,823)
Statutory tax rate	**26.50 %**	26.50 %
Expected tax (recovery) expense based on statutory rate	**(252,963)**	(896,183)
Adjustment to expected tax expense:		
Foreign rate difference	**39,058**	232,437
Non-deductible interest	**626,347**	797,511
Net accounting expenses (income) not deductible for tax	**(340,656)**	(51,252)
Change in deferred tax assets not recognized	**901,389**	2,719,899
Total tax expense	**$ 973,175**	$ 2,802,412

The significant components of the deferred tax liabilities as at January 31, 2025 are as follows:

	As at January 31, 2025	**As at January 31, 2024**
Investment in Ramu Nickel Mine	**$ (11,546,213)**	$ (10,482,177)
Provision for employee entitlements	**62,418**	(34,323)
Deferred tax liabilities	**$ (11,483,795)**	$ (10,516,500)

(Expressed in United States Dollars, unless otherwise indicated)

19. Income Taxes (Continued)

The following table summarizes losses that can be applied against future taxable profits as at January 31, 2025.

	Canada	Papua New Guinea
Non-capital losses	$ 27,194,286	$ -
Capital losses	233,237	-
Eligible capital property	58,470	-
	$ 27,485,993	$ -

The following table summarizes losses that can be applied against future taxable profits as at January 31, 2024.

	Canada	Papua New Guinea
Deductible (taxable) temporary differences not recognized:		
Non-capital losses	$ 23,794,114	$ -
Capital losses	225,604	-
Financing and share issuance costs	6,335	-
Eligible capital property	58,470	-
	$ 24,084,523	$ -

The tax losses are available to be carried forward for a maximum of 20 years in Canada. The losses in Canada expire from 2039 to 2045.

20. Contingent Liabilities

(i) On August 24, 2019, the Ramu Nickel Joint Venture (“RNJV”) was involved in an environmental incident that resulted in an investigation by the PNG authorities. The investigation has been completed, however the final investigation report is yet to be released. Ramu NiCo Management (MCC) Limited (“RNML”), the Joint Venture Manager, has implemented effective control measures to prevent similar incidents from occurring and compensated local residents approximately PGK 300,000. However, RNML is unable to estimate any possible further compensation amount until the final investigation report is released.

On February 5, 2020, the Madang Provincial government and 13 landowner plaintiffs sued RNML, the Joint Venture Manager, for alleged breach of various environmental laws and commitment of public and private nuisance and negligence by continuously dumping tailings and waste into the Astrolabe and Basamuk Bays. On March 23, 2020, RNML filed its defence. On September 8, 2020, the plaintiffs had then filed a Notice of Motion intending to stop the normal operation of the Ramu project. Subsequently, the Joint Venture Manager filed 51 affidavits to defend and a motion seeking to transfer the case to a commercial court. In October 2020, the State of Papua New Guinea through the Conservation and Environment Protection Authority (CEPA) filed an application to be added as a second defendant to support the Ramu project. This application was granted by the court. As of the date of these financial statements, the case remains in the pre-trial stage. In October 2024, the Court issued directions regarding the further conduct of the proceedings. The plaintiffs have complied with term 1 of the directions by serving all their affidavits containing authorities to the defendants. The defendants have complied with term 2 of the direction orders by filing and serving the first defendants list of documents by 17 January 2025. The defendants noted that the plaintiffs have failed to comply with term 2 of the directions orders by failing to file and serve their list of documents be or before 17 January 2025. In compliance with the October 2024 orders, the next step is for the defendants to file all relevant affidavits inclusive of expert evidence in which they intend to rely on at trial by or before 29 May 2025. The Joint Venture Manager is confident about successfully defending the case and does not have the intention to settle the case out of court. However, management is unable to reliably estimate the possible compensation amount until the case is closed.

20. Contingent Liabilities (Continued)

No provisions were recognized in the consolidated financial statements in relation to these two matters.

(ii) Accounts payable and accrued liabilities contain amounts which are held on behalf of former shareholders of Highlands Pacific Limited, which have not yet been claimed by shareholders following the purchase and subsequent delisting of Highlands Pacific Limited from the Australian Securities Exchange ("ASX").

(iii) On November 13, 2024, the Company became aware of an action commenced by Justin Cochrane, the Company's former President, against the Company and two of its directors. The Company believes that the action (a claim for $30 million) is meritless and is vigorously defending it. On December 18, 2024, the Company became aware that Conor Kearns, the Company's former Chief Financial Officer, had commenced a substantially similar action (a claim for $15 million) against the Company and two of its directors. The Company believes that the action is meritless and is vigorously defending it. No provision has been made for the claims.

21. Subsequent Events

(i) On May 16, 2025, the Company announced that it has served and filed statements of defence against the lawsuits brought against it by Justin Cochrane and Conor Kearns. The Company also lodged a counterclaim against Mr. Cochrane for, amongst other things, $12 million in damages for breach of contract, breach of fiduciary duties, and conspiracy, and against Mr. Kearns for, amongst other things, $5 million for breach of fiduciary duty, negligence, and conspiracy. In its counterclaims, the Company has sought a further $1 million in punitive damages against each of Messrs. Cochrane and Kearns.

(ii) Subsequent to January 31, 2025, a total of 1,530,500 common shares of the Company were cancelled under the NCIB program.