NICKEL NORTH EXPLORATION CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Unaudited –Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL REPORT

The accompanying unaudited interim financial report of the Company has been prepared by and is the responsibility of the Company's management. The Company's independent auditor has not performed a review of this financial report in accordance with securities legislation and the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

NICKEL NORTH EXPLORATION CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2025 AND DECEMBER 31, 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Note		June 30, 2025		December 31, 2024
					(Audited)
ASSETS					
Current assets					
Cash and cash equivalents		$	85,057	$	15,053
Sales tax recoverable and other receivables			7,486		11,630
Prepaid expenses and deposits			3,471		3,727
Total current assets			96,014		30,410
Total assets		$	96,014	$	30,410
LIABILITIES AND EQUITY					
Current liabilities					
Accounts and other payables	5/7	$	431,718	$	412,690
Loan payable	7		295,397		281,276
Convertible debenture	7		2,196,689		2,091,679
Current portion of government loan	10		31,832		28,728
Total current liabilities			2,955,636		2,814,373
Government loan	10		14,138		28,916
Total liabilities			2,969,774		2,843,289
Equity					
Share capital	6		12,318,042		12,118,042
Contributed surplus			818,506		818,506
Deficit			(16,010,308)		(15,749,427)
Total equity			(2,873,760)		(2,812,879)
Total liabilities and equity		$	96,014	$	30,410

Going concern (Note 2)

The financial statements were approved and authorized for issue by the board of directors on August 29, 2025 and were signed on behalf by:

" Jingbin Wang"
Director

"Yingting Guo"
Director

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

NICKEL NORTH EXPLORATION CORP.
CONDENSED STATEMENTS OF COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

		Three Months Ended		Six Months Ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
OPERATING EXPENSES					
Accounting and Audit		$ 8,731	$ 15,944	$ 24,781	$ 26,644
Bank charges and interest	7	61,392	54,852	120,797	106,183
Consulting fees	7	41,062	39,062	82,625	83,125
Legal		-	-	9,378	333
Media and conference		133	523	2,568	1,280
Office administration and miscellaneous		4,422	6,686	9,651	11,728
Transfer agent and filing fees		3,237	7,431	11,081	14,541
		(118,977)	(124,498)	(260,881)	(243,834)
EXPLORATION EXPENSES	4	-	(25,300)	-	(28,130)
Net and comprehensive loss for the period		$ (118,977)	$ (149,798)	$ (260,881)	$ (271,964)
Basic and diluted loss per common share		$ (0.001)	$ (0.001)	$ (0.003)	$ (0.003)
Weighted average number of common shares outstanding		100,435,497	103,888,536	100,435,497	103,888,536

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

NICKEL NORTH EXPLORATION CORP.
CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Contributed Surplus		Deficit		Total
Balance, January 1, 2024	100,435,497	$	12,118,042	$	818,506	$	(15,240,725)	$	(2,304,177)
Net and comprehensive loss for the period	-		-		-		(271,964)		(271,964)
Balance, June 30, 2024	100,435,497	$	12,118,042	$	818,506	$	(15,512,689)	$	(2,576,141)
Balance, January 1, 2025	100,435,497	$	12,118,042	$	818,506	$	(15,749,427)	$	(2,812,879)
Share issued for cash	5,000,000		200,000		-		-		200,000
Net and comprehensive loss for the period	-		-		-		(260,881)		(260,881)
Balance, June 30, 2025	105,435,497	$	12,318,042	$	818,506	$	(16,010,308)	$	(2,873,760)

The accompanying notes are an integral part of these condensed interim financial statements

NICKEL NORTH EXPLORATION CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Note		Six Months Ended June 30, 2025		Six Months Ended June 30, 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES					
Net loss for the year		$	(260,881)	$	(271,964)
Items not affecting cash:					
Accrued interest	7		119,131		105,832
Changes in non-cash working capital items:					
Sales tax recoverable and other receivables			4,144		7,657
Prepaid expenses and deposits			256		5,010
Account and other payables			19,028		73,967
Net cash used in operating activities			(118,322)		(79,498)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES					
Government loan	10		(11,674)		-
Issuance of capital stock			200,000		-
Loan from related party			-		100,000
Net cash provided by financing activities			188,326		100,000
Change in cash and cash equivalents during the year			70,004		20,502
Cash and cash equivalents, beginning of the year			15,053		26,582
Cash and cash equivalents, end of the year		$	85,057	$	47,084

The accompanying notes are an integral part of these condensed interim financial statements

1. NATURE OF BUSINESS

Nickel North Exploration Corp. (the "Company") was incorporated under the laws of British Columbia, Canada on February 27, 2007 as Orient Ventures Capital Inc. and changed its name to Nickel North Exploration Corp. on July 30, 2012. The Company maintains its registered and head office at Suite 890, 580 Hornby Street, Vancouver, British Columbia, Canada, V6C 2E7.

The Company is currently engaged in the acquisition, exploration and evaluation of mineral property interests in Canada. The Company's common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol "NNX".

2. BACKGROUND AND BASIS OF PREPARATION

Basis of preparation

These condensed interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS®"), as issued by International Accounting Standard Board ("IASB").

Basis of measurement

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values. 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 Canadian dollars, which is the Company's functional currency.

Going concern

The Company is an exploration stage company. At present, the Company's operations do not generate cash flow. As at June 30, 2025, the Company had a working capital deficiency of $2,859,622 and an accumulated deficit of $16,010,308. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the near future, which raises material uncertainty and may cast significant doubt about the Company's ability to continue as a going concern. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, believe that the going concern basis is appropriate in preparing its financial statements.

These condensed financial statements do not include adjustments that would be required if going concern was not deemed an appropriate basis for preparation of the financial statements. These adjustments could be material.

Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

2. BACKGROUND AND BASIS OF PREPARATION (continued)

Actual results could differ from these estimates. Significant areas requiring the use of management estimates and judgments include:

i) The determination of deferred income tax assets or liabilities requires judgment regarding future income tax rates and the likelihood of utilizing tax carry-forwards and temporary differences. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

ii) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its exploration projects and working capital requirements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these condensed financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash held at banks. There are no cash equivalents as of June 30, 2025.

Mineral properties and exploration expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with prospecting, sampling, mapping, drilling and other work involved in searching for minerals.

Evaluation expenditures are the costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of:

(i) establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;

(ii) determining the optimal methods of extraction and metallurgical and treatment processes;

(iii) studies related to surveying, transportation, and infrastructure requirements;

(iv) permitting activities; and

(v) economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

Exploration and evaluation expenditures incurred on a license where a NI 43-101 – Standards of Disclosure for Mineral Projects ("43-101") compliant resource has not yet been established are expensed as incurred until sufficient evaluation has occurred in order to establish a 43-101 compliant resource and on completion of a pre-feasibility study. Costs expensed during this phase are included in "exploration and evaluation expenses" in the consolidated statements of operations and comprehensive loss.

Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

3. MATERIAL ACCOUNTING POLICIES (continued)

Mineral properties and exploration expenditures (continued)

Mine development costs are capitalized if management determines that there is sufficient evidence to support probability of generating positive economic returns in the future. A mineral resource is considered to have economic potential when the technical feasibility and commercial viability of extraction of the mineral resource is demonstrable considering long-term metal prices. Prior to capitalizing such costs, management determines if there is a probable future benefit that will contribute to future cash inflows, the Company can obtain the benefit and control access to it, and if the transaction or event giving rise to the benefit has already occurred.

If the Company does not have sufficient evidence to support the probability of generating positive economic returns in the future, mine development costs are expensed in the consolidated statements of loss and comprehensive loss.

Provision for decommissioning and restoration obligations

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected future cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. Such costs arise from the decommissioning of site preparation work, discounted to their net present value which is capitalized to the carrying amount of the asset. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at June 30, 2025 and December 31, 2024, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

Government assistance

Mining tax credits and mining duties are recorded in the year of receipt. Quebec mining exploration tax credits for certain exploration expenditures incurred in Quebec are treated as a reduction of the exploration and evaluation costs of the respective mineral property.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the amounts will be received.

Government grants toward current expenses are recognized in profit or loss for the period as other income.

Government grants towards expenses of future accounting periods are deferred and recognized in income as related expenses are incurred.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

i) Financial assets

All financial assets are classified and measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

Financial assets are initially recognized at fair value plus transaction costs, except for FVTPL. FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss when incurred.

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company does not have any financial assets measured at amortized cost.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company does not have any financial assets classified as FVTOCI.

By default, all other financial assets are measured subsequently at FVTPL. The Company's cash and cash equivalents and restricted cash are measured at FVTPL.

ii) Financial Liabilities

All financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities at amortized cost are initially recognized at fair value minus transaction costs, FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss when incurred.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method except for financial liabilities at FVTPL. The Company's accounts and other payables, loan payable， convertible debenture and government loan are measured at amortized cost.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statement of loss and comprehensive loss. The Company does not have any financial liabilities classified as FVTPL.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iii) Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of loss and comprehensive loss.

iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

The Company uses the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value (typically common shares) and then the residual value, if any, to the less easily measurable component (typically warrants).

Convertible Debentures

The convertible debenture is recorded using the residual method, where the convertible debenture was bifurcated into a debt component and equity component comprised of the convertible feature embedded within the liability. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortized cost until extinguished on conversion or maturity of the debenture. The remainder of the proceeds is allocated to the conversion option and is recognized in the contributed surplus within shareholders' equity, net of income tax effects.

Loss per share

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the earnings/loss attributable to common shareholders equals the reported earnings/loss attributable to owners of the Company. The diluted earnings/loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

3. MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to contributed surplus. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related contributed surplus is transferred to share capital.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, expected forfeitures, and the risk-free interest rate (based on government bonds).

Warrants

The Company uses the residual value approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

Income taxes

Current income taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards and other deductions. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Flow-through shares

Canadian tax legislation permits a company to issue flow-through shares whereby the deduction for tax purposes relating to qualified resource expenditures is claimed by the investors rather than the Company. On issue, share capital is recorded at the trading value of an ordinary common share. The difference between the proceeds and the ordinary common share value is recorded as a flow-through share premium liability. The flow-through share premium liability is reduced upon incurring qualifying expenditures and renouncement by the Company of the tax benefits associated with the related expenditures. To the extent that suitable deferred income tax assets are available, the Company will reduce any deferred income tax liability and record a deferred income tax recovery or expense.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Newly adopted and future accounting standards

Certain pronouncements have been issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2025 or later years. Management does not believe the adoption of these future standards will have a material impact on the Company's financial statements except as outlined below.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings or loss performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027, and also applies to comparative information. The Company is still in the process of assessing the impact of this standard on its financial statements.

Classification and measurement of financial instruments (amendments to IFRS 9, Financial Instruments and IFRS 7, financial Instruments – Disclosure)

In May 2024, the IASB issued amendments to IFRS 9 – Financial Instruments and IFRS 7 – Financial Instruments - Disclosure, which allows the entity to deem a financial liability that will be settled in cash using an electronic payment system to be discharged before the settlement date if the criteria are met. In addition, an entity would be required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss that relates to investments derecognized in the reporting period and the fair value gain or loss that relates to investments held at the end of the reporting period. The amendments require the disclosure of contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not related directly to changes in basic lending risks and costs. These amendments are effective for annual reporting periods commencing on or after January 1, 2026. The adoption of these amendments are not expected to have a material impact on the Company's financial statements.

4. EXPLORATION AND EVALUATION EXPENSES

The following is a summary of accumulated exploration and evaluation expenses:

		Hawk Ridge Property, Quebec
December 31, 2023		11,096,099
Expenditures		35,584
December 31, 2024	$	11,131,683
Expenditures		-
June 30, 2025	$	11,131,683

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENSES (continued)

The exploration expenditures incurred on the property in Quebec are entitled to certain Quebec mining exploration tax credits. The following is a summary of exploration and evaluation expenses for Hawk Ridge Property,

	June 30, 2025	June 30, 2024
Claim cost	$ -	$ 26,105
Geological consulting	-	2,025
Total cost	$ -	$ 28,130

Hawk Ridge Property:

On May 1, 2013, the Company has fulfilled all option payments and acquired 100% ownership of the Hawk Ridge Property.

The property is subject to a 3% net smelter returns royalty (“NSR”) and the Company has the option to purchase one-third of the NSR (1%) for $1,000,000.

The Company entered into an option agreement dated March 6, 2023 to sell a 100% undivided interest in the Hawk Ridge Project to 1844 Resources Inc. (“1844”) in exchange for a series of cash payments, share issuances and funding of exploration expenditures. On December 12, 2023, the Company and 1844 entered into an amended and restated option agreement with respect to the option agreement and the Company received from 1844 a non-refundable deposit of $15,000 in cash. It was recorded as other income in the statements of loss and comprehensive loss. On February 29, 2024, the amended and restated option agreement was terminated due to market conditions.

The Company has entered into a new option agreement with 1844 on December 11, 2024, pursuant to which the Company granted options to 1844 to acquire up to 100% Interest in the Hawk Ridge property. Upon execution of the Option Agreement, Nickel North received from 1844 a non-refundable cash payment of $12,000. Additionally, within five business days of the effective date (the “Effective Date”) that is defined in the Option Agreement as two business days following receipt of the final acceptance by the Exchange, 1844 will be required to pay to Nickel North $200,000 and issue to Nickel North 5,000,000 common shares in the capital of 1844 (“EFF Shares”). The Option Agreement is subject to the approval of the TSX Venture Exchange.

First Option

Pursuant to the terms of the Option Agreement, the Company granted 1844 an option (the “First Option”) to earn an 80% interest in the Hawk Ridge Property by:

Date	Cash payment	Number of shares	Expenditures
First Anniversary	$ 250,000	3,000,000	$ 500,000
Second Anniversary	$ 250,000	3,000,000	$ 1,000,000
Third Anniversary	$ 250,000	3,000,000	$ 1,500,000
Fourth Anniversary	$ 250,000	3,000,000	$ 1,500,000
Fifth Anniversary	$ 300,000	4,000,000	$ 1,500,000
Total	$ 1,300,000	16,000,000	$ 6,000,000

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENSES (continued)

Second Option

Additionally, the Company granted to 1844 a further option (the "Second Option"), following 1844's exercise of the First Option, to earn the remaining 20% interest in the Hawk Ridge Property, subject to the Underlying Royalty and the NSR Royalty (as defined below), by paying to Nickel North an additional $2,000,000 before the date that is one year following the Fifth Anniversary. If 1844 exercises the Second Option, 1844 will grant to Nickel North a 2% net smelter returns royalty from all mineral production from the Hawk Ridge Property (the "NSR Royalty).

5. ACCOUNTS AND OTHER PAYABLES

The Company's accounts and other payables are as follows:

		June 30, 2025		December 31, 2024
Accounts payable	$	350,343	$	336,440
Accrued expenses		81,375		76,250
	$	431,718	$	412,690

Please also refer to Note 7 for breakdown of due to related party balances included in accounts and other payables.

6. SHARE CAPITAL

Authorized

The Company has authorized an unlimited number of common shares with no par value and an unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series.

Issued share capital

On February 26, 2025, the Company closed a non-brokered private placement, raising $200,000 through the sale of 5 million units at $0.04 per unit. Each unit includes one common share and one warrant, with the warrant allowing the purchase of an additional share at $0.05 within 24 months.

The number of issued and outstanding shares as of June 30, 2025 was 105,435,497 (December 31, 2024 -100,435,497).

Stock options

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option shall not be less than the market price of the Company's stock at the date of grant. The options can be granted for a maximum term of 5 years and vest as determined by the board of directors.

During the year ended December 31, 2022, 5,600,000 stock options were granted to employees, directors, and external consultants of the company. The options will vest over a period of one year, with 25% vested every three months starting on January 24, 2023, and will expire on October 24, 2024.

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock options (continued)

	Number of options	Weighted average Exercise price
Outstanding, December 31, 2023	5,600,000	$ 0.06
Expired	5,600,000	0.06
Outstanding, December 31, 2024	-	$ -

As of June 30, 2025, nil options (June 30, 2024 – 5,600,000) were outstanding exercisable.

Warrants

During the year ended December 31, 2024, 16,622,700 were expired. On February 26, 2025, the Company closed a non-brokered private placement, raising $200,000 through the sale of 5 million units at $0.04 per unit. Each unit includes one common share and one warrant, with the warrant allowing the purchase of an additional share at $0.05 within 24 months.

	Number of warrants	Weighted average Exercise price
Outstanding, December 31, 2023	16,622,700	$ 0.075
Expired	16,622,700	0.075
Outstanding, December 31, 2024	-	$ -
Granted	5,000,000	0.05
Outstanding, June 30, 2025	5,000,000	$ 0.05

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following related party transactions for the six months ended June 30, 2024 and 2023:

a) Incurred consulting fees of $60,000 (June 30, 2024 - $60,000) from a company controlled by the Chief Executive Officer (“CEO”) of the Company.

b) Incurred consulting fees of $16,500 (June 30, 2024 - $15,000) from the Chief Finance Officer (“CFO”) of the Company.

c) The Company maintained a long-standing loan relationship with its majority shareholder, Sinotech (Hong Kong) Corporation Limited. The original loan was initiated on November 2, 2016, in the principal amount of $300,000, with an 8% annual interest rate and a short-term maturity date of December 31, 2016. Over time, the loan underwent a series of amendments that extended the repayment terms multiple times, increased the principal balance, and raised the interest rate to 10% annually. These amounts of $1,092,296 were consolidated into a new principal balance in January 2020, which included all previous advances and accrued interest. This consolidated loan balance continued to accrue interest at 10% per annum, under the terms of the original agreement as modified. All terms remained unchanged unless specifically amended by mutual agreement.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

On August 19, 2022, the loan outstanding balance was $1,676,505. The Company settled an aggregate amount of $1,654,995 in loan from SinoTech through the issuance of a convertible debenture due on August 19, 2023, with an interest rate of 10% per annum. SinoTech has the right to convert the loan amount to the common shares of the company at the price of $0.05 per share. The convertible debenture was not repaid or converted as of June 30, 2025. It is due on demand. As at June 30, 2025, the convertible debentures balance was $2,196,689 including interest (December 31, 2024 - $2,091,679).

On May 6, 2023, the Company entered into a loan agreement with Sinotech for a loan to the company in the principal amount of $100,000 fir a term of one year. The principal amount will bear interest at a fixed rate of 10 per cent per annum. The loan is unsecured and due on demand.

On April 1, 2024, the Company entered into a loan agreement with SinoTech for a loan to the Company in the principal amount of $100,000 for a term of one year. The principal amount will bear interest at a fixed rate of 10 per cent per annum and is unsecured.

As at June 30, 2025, the loan payable balance was $295,397 (December 31, 2024 - $281,276).

	Convertible Debenture	Loan Payable
December 31, 2023	1,894,452	157,424
Interest	197,227	23,852
Additions	-	100,000
December 31, 2024	2,091,679	281,276
Interest	105,010	14,121
June 30, 2025	2,196,689	295,397

During the six months ended June 30, 2025, the Company incurred interest expense of $14,121 (June 30, 2024 - $10,192) in relation to the loan payable and interest expense of $105,010 (June 30, 2024 - $95,640) in relation to the convertible debenture.

d) Incurred director fees of $5,125 (June 30, 2024 - $8,125) from the directors of the Company which have been included in consulting fees in the statement of comprehensive loss.

e) Included in accounts and other payables is $379,575 (June 30, 2024 - $228,125) due to directors, officers and companies controlled by directors and officers for services rendered and unpaid director fees. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

(Expressed in Canadian Dollars)

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, and acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management.

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

9. FINANCIAL INSTRUMENTS

Fair values

The Company's financial instruments include cash and cash equivalents, accounts and other payables, loan payable, convertible debenture and government loan. The fair value of these financial instruments approximates their carrying value due to their current nature or short terms of maturity.

The following table summarizes the carrying values of the Company's financial instruments:

			June 30, 2025		June 30, 2024
FVTPL	(i)	$	85,057	$	47,084
Other financial liabilities	(ii)	$	2,955,636	$	2,559,046

(i) Cash and cash equivalents
(ii) Accounts and other payables, loan payable, convertible debenture and government loan

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices 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 that are not based on observable market data

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as follows:

		Level 1		Level 2		Level 3		Total June 30, 2025
Cash and cash equivalents	$	85,057	$	-	$	-	$	85,057

(Expressed in Canadian Dollars)

9. FINANCIAL INSTRUMENTS (continued)

Financial risk management

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, and interest rate risk. The Company's exposures to these risks and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents. The credit risk with respect to its cash and cash equivalents is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at June 30, 2025, the Company had a working capital deficiency of $2,859,622 (December 31, 2024 – working capital deficiency of $2,783.963). All of the Company's financial liabilities are classified as current. $2,955,636 of the Company's financial liabilities are classified as current liabilities and $14,138 are classified as non-current liabilities.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements, issuance of debt, and the exercise of stock options and warrants. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings.

Significant contractual obligations in years subsequent to June 30, 2025 are as follows:

	Carrying value	Contractual cash flows	< 1 year	1 – 3 years
Accounts and other payables	$ 431,718	$ 431,718	$ 431,718	$ -
Loan payable	$ 295,397	$ 295,397	$ 295,397	$ -
Convertible debenture	$ 2,196,689	$ 2,196,689	$ 2,196,689	$ -
Government loan	$ 45,970	$ 45,970	$ 31,832	$ 14,138

Interest rate risk

The Company is exposed to interest rate risk relating to its loans. The interest rate risk on the loans is not considered significant as the related interest rates are fixed rates.

10. GOVERNMENT LOAN

Canada Emergency Business Account (CEBA) is intended to support businesses by providing financing for their expenses that cannot be avoided or deferred as they take steps to safely navigate a period of shutdown, thereby helping to position businesses for successful relaunch when the economy reopens during COVID-19 outbreak. This program provides interest-free loans of up to $60,000 to small businesses and not-for-profits.

The loan was converted to a term loan with full principal repayment due on December 31, 2026. The Company is required to pay monthly 5% interest payments on the full outstanding balance of the loan. The previously recognized forgivable portion of $25,878 was recorded as an expense in they year ended December 31, 2023

As at June 30, 2025, the Company has an outstanding balance of $45,970 (December 31, 2024-$57,644) in government loans. This balance includes a current portion of $31,832 (December 31, 2024 - 28,728), which is due for repayment within the next twelve months. The remaining balance of $14,138 is classified as a non-current liability. During the six months ended June 30, 2025, the Company incurred interest expense of $1,266 (June 30, 2024 - nil) in relation to the government loan payable.