



Canada Nickel Company Inc.

Management's Discussion & Analysis

For the Three Months Ended January 31, 2026

(Expressed in Canadian Dollars, unless otherwise noted)

March 23, 2026

Canada Nickel Company Inc.
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Introduction

The following interim management's discussion and analysis (Interim MD&A) of Canada Nickel Company Inc. (the "Company" or "Canada Nickel") for the three months ended January 31, 2026 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion and analysis, being the management's discussion and analysis for the year ended October 31, 2025 (Annual MD&A). This Interim MD&A does not reflect any non-material events since the date of the Annual MD&A.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors of the Company (the Board), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This discussion should be read in conjunction with the Company's Annual MD&A, audited annual consolidated financial statements for the years ended October 31, 2025 and 2024, together with the notes thereto, and unaudited condensed interim consolidated financial statements for the three months ended January 31, 2026 and 2025, together with the notes thereto.

Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC). The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

This Interim MD&A has been prepared with reference to the MD&A disclosure requirements established under National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) of the Canadian Securities Administrators. Additional information regarding Canada Nickel is available on its website at www.canadanickel.com or through the Company's SEDAR+ profile available at www.sedarplus.ca, which also includes the Company's Annual Information Form for the year ended October 31, 2022. This Interim MD&A has been prepared as of March 23, 2026.

Caution Regarding Forward-Looking Statements

This MD&A contains or incorporates certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance, objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, or estimates or predictions of actions of customers, suppliers, partners, distributors, competitors or regulatory authorities. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward looking information includes, but is not limited to, the receipt and timing of all regulatory approvals, the construction of processing facilities, the ability of the Company to deliver nickel required to feed the high

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growth electric vehicle and stainless-steel markets, and the development of processes to allow the production of net zero carbon nickel, cobalt, and iron products. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: inability to repay the loan or convertible note; the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals or project costs could differ substantially and make any commercialization uneconomic; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in applicable laws; changes in project parameters as plans continue to be refined; accidents, labour disputes, the availability and productivity of skilled labour and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; mineral resource estimates relating to Crawford could prove to be inaccurate for any reason whatsoever; and if Crawford goes into production, there is no assurance that operations will be profitable.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors set out in **Risk Factors**. Readers are cautioned that the list of risk factors that may affect the forward-looking statements is not exhaustive, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Scientific and Technical Information

Stephen Balch, (P.Geo.), Vice President Exploration of Canada Nickel, a Qualified Person as defined by NI 43-101, has reviewed and approved the scientific and technical content contained in this MD&A.

Description of The Business

Canada Nickel was incorporated on October 11, 2019 under the laws of the Province of Ontario, Canada, and its head office is located at 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3. On February 27, 2020, the Company's common shares commenced trading on the TSX Venture Exchange (TSX-V) under the symbol "CNC" and its common shares also trade on the OTCQX Best Market under the symbol "CNIKF".

Canada Nickel is engaged in the exploration and discovery of nickel sulphide assets to deliver future supply for the high growth electric vehicle, green energy and stainless steel and alloy markets. In 2020, the Company acquired 100 per cent of the Crawford Nickel Sulphide Project (Crawford or the Crawford Project), which is located adjacent to major infrastructure in the world class Timmins-Cochrane mining camp of northern Ontario, Canada. The Company also owns or holds options to own 25 additional nickel targets located near the Crawford Project.

On July 21, 2020, the Company incorporated a wholly-owned subsidiary, NetZero Metals Inc. ("NetZero Metals") under the laws of the Province of Ontario. NetZero Metals is intended to develop a downstream nickel processing facility and a stainless steel and alloy facility in the Timmins region. On November 3, 2022, the Company incorporated a wholly-owned subsidiary, Central Timmins Nickel Company Inc.; also incorporated under the laws of the Province of Ontario. Central Timmins Nickel Company Inc. holds the

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interest in the Texmont property. On July 11, 2024, the Company incorporated NetZero Royalty Inc., a wholly owned subsidiary incorporated under the laws of the Province of Ontario. On January 24, 2025, East Timmins Nickel Ltd. ("East Timmins Nickel") was incorporated under the laws of the Province of Ontario. On February 21, 2025, Canada Nickel closed an agreement with Noble Mineral Resources Inc. ("Noble") whereby Canada Nickel and Noble contributed certain mining properties, including the existing Mann joint venture, into East Timmins Nickel to consolidate their respective interests in the portfolio of nickel projects northeast of Timmins.

Key Developments – Three Months ended January 31, 2026 and up to March 23, 2026

Advancing Crawford to a Construction Decision

Strong Recognition from Canadian Government

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

The Company is working with the government and the Major Projects Office to unlock the financing and permitting necessary during 2026 to be able to make a construction decision. The Government of Canada's leadership in advancing projects of national significance will help the Company continue to advance development of Crawford and unlock the Timmins Nickel District as an important secure, domestic supply of critical minerals – nickel, cobalt, and North America's only domestic source of chromium.

The 1P1P framework is designed to better coordinate Ontario's permitting and review processes for major mining developments by aligning timelines, responsibilities and information sharing across provincial ministries. For Canada Nickel, this designation reflects the advanced state, scale, and strategic importance of the Crawford Nickel Project within Ontario's Critical Minerals Strategy. Canada Nickel has engaged in comprehensive consultations with the Province of Ontario and re-affirmed that the 1P1P framework will complement - not replace the Company's longstanding commitments to Indigenous Nations, environmental stewardship, or regulatory rigour. The framework is intended to enhance government coordination and efficiency, while maintaining the highest standards for project development and community engagement. Crawford is already advancing at the forefront of Canada's modernized regulatory framework, having become the first mining project in the country to submit an Impact Statement under the amended Impact Assessment Act, 2019, in November 2024.

Updated Engineering

The Company awarded two significant contracts to advance the Crawford Project.

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

On March 9, 2026 the Company announced that it had signed two agreements as part of the Ontario Energy Board's approved connection process with Hydro One Network Inc. ("Hydro One") to enable the commencement of engineering work to connect Crawford, located 42 kilometres north of Timmins Ontario, to Hydro One's Porcupine Station. The transmission line connecting Crawford to Porcupine Station is planned to be built for the Company via the previously announced project with Taykwa Tagamou Nation.

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Under the agreements, Hydro One will commence detailed engineering and design work for the line terminal and station entrance at the Porcupine Station. This scope includes facilitation, design and procurement required to connect Crawford, as well as associated engineering work and procurement of long-lead time equipment, including a 230kV circuit breaker. Upon conclusion of the engineering work, the Company will enter into a final agreement for Hydro One to commence construction activities at Porcupine to enable grid connection of the Crawford Project.

Permitting

On November 22, 2024, Canada Nickel submitted its Impact Statement for Crawford to the Impact Assessment Agency of Canada ("IAAC"). Following a public comment period and technical review involving federal and provincial authorities, Indigenous Nations, and the public, IAAC provided comments on May 30, 2025, outlining additional information required to complete the Impact Assessment. Canada Nickel submitted its responses to IAAC's comments on December 30, 2025. IAAC has advised that the information provided, together with the original Impact Statement, satisfies the requirements of subsection 19(1) of the federal Impact Assessment Act ("the Act"). On March 3, 2026, IAAC published a notice on the Canadian Impact Assessment Registry formally ending the Impact Statement phase and initiating the Impact Assessment phase.

IAAC will prepare a draft Impact Assessment Report based on information provided by Canada Nickel and input from federal and provincial authorities, Indigenous Nations, and the public. The draft report will include IAAC's preliminary conclusions regarding potential adverse effects within federal jurisdiction and whether any such effects are likely to be significant. The draft report will be made available for public comment prior to finalization and submission to the Minister of Environment and Climate Change and Nature to inform a decision under the Act.

Advancing into the Impact Assessment phase marks a significant step forward for Crawford, and builds on the extensive technical work, environmental planning, and Indigenous engagement that has gone into Crawford to date. The Company remains focused on ensuring the Project meets the highest environmental standards while contributing to Canada's critical minerals strategy and climate objectives.

With the collaborative, parallel processing approach alongside IAAC, the Company anticipates being in a position to receive the federal permitting decision by summer 2026. The Company will remain committed to working closely with all stakeholders and Rightsholders as it enters the critical next stage of development.

In parallel, work under Ontario's One Project, One Process (1P1P) framework has been formally initiated with the Province of Ontario for the Crawford Nickel Project, marking the beginning of a coordinated and integrated engagement process with provincial authorities. Through this framework, Canada Nickel is actively working with multiple ministries to align permitting timelines, streamline regulatory reviews, and improve cross-government information sharing.

Financing

The Company continues active dialogue with a number of strategic and industry participants to secure the funding package for Crawford. The Company is also pursuing a number of non-equity financing initiatives – including government funding – to provide the funding to complete the remaining permitting and engineering activities in 2026 and order placement of long-lead items.

The continued advancement of permitting and engineering through the first part of the year were managed through a \$15 million private placement in December 2025. Refer to the Cash Flows section of this Interim MD&A for specific details on this equity raise.

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Further, on February 9, 2026, the Company closed a US\$32 million bridge loan facility with Auramet International Inc. ("Auramet"). Proceeds from the loan will provide additional funding to advance the Crawford Project and were used to repay a US\$20 million loan. The bridge loan facility is due May 9, 2026, carries an interest rate of 1.00% per month, and is subject to a 2.5% arrangement fee. Auramet also received 1,750,000 warrants entitling them to acquire one common share of the Company at a price of \$2.03 per share until February 9, 2027. The loan is subject to such terms and conditions including certain specified positive and negative covenants that are customary for a transaction of this nature. The warrants and the underlying shares will be subject to a four-month hold period under applicable Canadian securities laws.

Unlocking Timmins Nickel District Exploration Potential

The Company has properties surrounding the Crawford Nickel Project, which are segmented into three regional areas, defined as:

- **Timmins South** – Sothman, Deloro, Texmont, Midlothian, Van Hise, Bannockburn and Playfair
- **Timmins East** (held by East Timmins Nickel Ltd.) – Stimson, Mortimer, Moody, McCool, Galna, Mann (North, West, Central and South), Newmarket, Reaume and Calder
- **Timmins Central** – Reid, MacDiarmid, Mahaffy, Nesbitt, Kingsmill and Dargavel.

Canada Nickel's properties are all located within 100 kilometres of Timmins and represent what the Company believes is an emerging nickel district where Canada Nickel will become a leader in the next generation of nickel supply through large, scalable, and low-carbon footprint projects. Each target has had recent work completed by the Company as well as some historical work suggesting that these targets contain similar serpentinized dunite and/or peridotite that hosts the Crawford mineralization and have the potential to permanently sequester CO₂.

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

Latest update on Regional Properties

Midlothian

The Midlothian property is located 70 kilometres south-southeast of Timmins, 25 kilometres west of Matachewan and is directly accessible by road all year round. In February 2026, Canada Nickel fulfilled its obligations under an option agreement and earned its 100% interest in the property.

In the Company's news release dated December 18, 2025, an initial resource was announced for Midlothian. The Company identified an Inferred Mineral Resource of 0.6 billion tonnes grading 0.28% nickel, for a total of 1.68 million tonnes of contained nickel. The approximate dimensions of the Midlothian mineral resource estimate are 2.5 kilometres long, up to 520 metres wide, extending to 500 metres deep, and remaining open to the east and at depth. An additional 0.4 to 1.0 billion tonnes grading between 0.25% and 0.27% nickel remain as an Exploration Target, pending further drilling. This Exploration Target is based on core drilling by the Company, the geophysical survey on the Project, and the understanding and calculation of the current Midlothian mineral resource estimate.

The technical report with respect to the Midlothian mineral resource estimate was filed on February 2, 2026. Infill drilling at the property will aim to increase and upgrade Inferred Resources to Indicated Resources in the next drilling campaign and mineralogical and metallurgical analysis will continue to better understand and estimate metal recoveries.

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Further, on February 26, 2026 the Company announced mineralogical and metallurgical results, which confirm significant recoverable awaruite with grades and scale comparable to other leading awaruite deposits. The results highlight the thoroughly serpentinized nature of the ultramafics and confirm the different mineral forms in which nickel is hosted. 79% of the total nickel at Midlothian is contained in awaruite, a high-grade nickel-iron alloy, this has been confirmed with mineralogical and Davis Tube Recoverable ("DTR") analysis, with DTR grades of 0.15%, 0.14%, and 0.12% nickel on composite samples. Brucite content is also significant, averaging 5.6%, more than 2.5 times higher than Crawford, indicating strong carbon storage potential.

Reid

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

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

Drilling at Reid was completed in 2022, 2024 and 2025. The 2025 campaign successfully completed the goal of infilling previous sections to increase and upgrade Inferred Mineral Resources. A technical report describing the Mineral Resource Estimate was filed on February 26, 2026. Mineralogical studies and metallurgical testwork will continue through 2026, as well as infill drilling to better define higher grade horizons and further upgrade the mineral resource with the goal of producing a Preliminary Economic Assessment at a future date.

Bannockburn

The Bannockburn Property is located 62 kilometres south of Timmins and consists of 151 contiguous unpatented mining claims totaling 3,250 hectares. Bannockburn is situated near the Company's Sothman, Midlothian, Van Hise, properties (Timmins South) forming a southern cluster of highly prospective targets near established infrastructure in Matachewan, Ontario which is located approximately 75 kilometres southeast of Timmins.

In the Company's news release dated December 18, 2025, an initial resource was announced for Bannockburn. For the initial mineral resource estimate, a total of 8,528 metres of core drilling from 25 drill holes were utilized to calculate the Bannockburn resources in two categories. Seventeen drill holes belong to the Canada Nickel 2023-2024 drilling campaigns, while the remaining 8 holes are from an inherited dataset from Grid Metals drilling in 2021. Indicated Resources total 63 million tonnes grading 0.28% nickel,

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for a total of 0.18 million tonnes of contained nickel and Inferred Resources total 129 million tonnes grading 0.27% nickel, for a total of 0.34 million tonnes of contained nickel. The approximate dimensions of the Bannockburn mineral resource estimate are 1.2 kilometres long, up to 330 metres wide, extending to 500 metres deep, and remaining open in all directions. Drilling at Bannockburn was conducted in 2023 and 2024. The 2024 campaign successfully completed the goal of infilling previous sections to allow for the definition of an initial mineral resource estimate, gain understanding on the geology of the deposit, as well as systematically collecting samples for mineralogical analysis. Further details on the mineral resource estimate are found in the Company's news release dated December 18, 2025

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

2026 Outlook

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

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Review of Operations for the Three Months Ended January 31, 2026 and 2025

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

	For the three months ended January 31	
<i>(Canadian dollars)</i>	2026	2025
	\$	\$
Expenses		
Salaries	502,657	671,983
Consulting and advisory	760,256	761,819
Professional fees	135,407	211,768
General and administrative costs	466,004	365,060
Promotion and communication	226,288	75,732
Investor relations and marketing	180,533	81,885
Incentive compensation	2,151,243	1,044,283
Travel and other	329,297	232,220
Foreign exchange gain and interest income	(28,292)	(25,334)
Transaction costs and interest expense	1,605,838	2,239,574
	6,329,231	5,658,990
Flow-through share premium	(33,475)	(1,194,626)
Net loss before tax	6,295,756	4,464,364
Income tax recovery	(1,050,018)	(925,227)
Net loss	5,245,738	3,539,137
Weighted average shares outstanding	226,892,715	182,741,364
Loss per share	\$0.02	\$0.02

Salaries

Salaries have decreased between periods, reflecting a temporary reduction in headcount.

Consulting and advisory

Fees incurred are with respect to strategic consulting in the areas of feasibility study support, financing, business development, government relations and media.

Professional fees

Professional fees include legal, accounting and audit-related fees, and subscriptions. Professional fees are lower between periods, largely a function of lower legal spending.

General and administrative costs

General and administrative costs include general office expenses plus costs in relation to corporate governance requirements, filing and listing fees, and insurance. The increase in 2026 is due to an upgrade to certain information technology software.

Promotion and communication

Promotion and communication include costs related to website design and maintenance, advertising campaigns, social media and communication with shareholders.

Investor relations and marketing

Investor relations and marketing costs are for attendance at investor conferences, meetings and tradeshows, and were higher due to increased conference attendance.

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Incentive compensation

Incentive compensation includes cash-based incentive compensation related to short-term bonus and Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs") linked to the Company's share price, as well as non-cash stock-based compensation related to stock options and RSUs. The fair value of the cash based RSUs and DSUs reflect the period end share price, which has almost doubled from the previous period end resulting in a mark to market adjustment and a higher expense in the 3 months ending January 31, 2026.

Travel and other

Travel activities are mostly for financing purposes and investor relations and marketing. The spending has increased in 2026 which reflects the additional travel requirements with the advancement of work at NetZero Metals.

Foreign exchange gain and interest income

The foreign exchange gain is primarily due to the revaluation of US dollar cash balances to the Canadian dollar reporting currency and interest income results from excess cash on hand.

Transaction costs and interest expense

A summary of transaction costs and interest expense for the three months ended January 31:

	2026	2025
	\$	\$
Costs related to bridge facilities	610,873	2,153,773
Accretion and interest on convertible note	594,902	-
Part XII.6 tax	-	85,801
Costs related to financing facilities	73,063	-
Penalties and other interest charges	327,000	-
	1,605,838	2,239,574

Refer to *Cash provided from (used for) financing activities* for costs associated with the bridge loan facilities and convertible note. Part XII.6 relates to penalty interest charges incurred on the unspent funds received from flow-through share offerings.

Flow-through share premium

This amount represents the extinguishment of the flow-through share premium liability from the flow-through share financings. As the Company incurs eligible expenditures as required under the flow-through share agreements, the proportionate amount of liability is recognized as income.

Income tax expense

These are deferred income taxes (non-cash) resulting from the timing differences between tax and accounting for the Company's resource pools and costs related to share issuances. For tax purposes the Company has less resource pools available to offset future income taxes because the tax benefits of the pools have been transferred to the owner of the shares. Share issuances are capitalized for accounting and amortized for tax purposes, resulting in a timing difference. Included in deferred income taxes are tax recoveries related to operating losses.

Spending in relation to exploration and advancement of Crawford and regional exploration are included as *Exploration and evaluation assets* capitalized on the consolidated statements of financial position.

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Liquidity and Financial Condition

Cash flows

A summary of the Company's cash flow for the three months ended January 31, 2026 and 2025 are as follows:

	For the three months ended January 31	
<i>(Canadian dollars)</i>	2026	2025
	\$	\$
Cash used in operating activities:		
Before working capital changes	(2,990,465)	(2,488,934)
Working capital changes	(3,017,566)	8,200,242
	(6,008,031)	5,711,308
Cash used in investing activities:		
Exploration and evaluation expenditures	(3,230,320)	(11,538,380)
Purchase of equipment	-	(30,600)
	(3,230,320)	(11,568,980)
Cash provided from (used for) financing activities:		
Proceeds from share issuance, net of transaction costs	13,888,855	3,981,990
Repayment of lease obligations and interest on note	(327,092)	(27,003)
Proceeds from exercise of warrants and stock options	7,877,806	237,199
	21,439,569	4,192,186
Change in cash and cash equivalents	12,201,218	(1,665,486)
Opening cash and cash equivalents	1,629,843	4,655,260
Closing cash and cash equivalents	13,831,061	2,989,774

Cash used in operating activities

Cash used in operating activities before working capital changes mainly includes cash used for expenses of the business as shown in the consolidated statements of loss, except for non-cash related items such as share-based compensation, flow-through share premium, income tax expense and accretion charges. Transaction and interest costs related to the short-term loan facilities are included in financing activities when paid. The changes in working capital largely reflect the timing of harmonized sales tax (HST) refunds and the timing of expense payments. The Company had \$8.0 million owing in HST refunds at October 31, 2024 representing six months of HST claims that were delayed being refunded while the tax authorities completed their audit. The Company received the refunds in the first quarter of 2025.

Cash used in investing activities

Exploration and evaluation expenditures

Exploration and evaluation expenditures include costs related to exploration at the Company's regional properties, Crawford and NetZero Metals project advancement (feasibility study, engineering) and permitting. Approximately \$2.3 million was spent in relation to engineering work and permitting for the three months ended January 31, 2026 compared to \$6 million spent for the same period in 2025. Approximately \$0.5 million was spent on regional exploration for the three months ended January 31, 2026 and \$5 million for the same period in 2025.

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Acquisition of properties

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

Option payments of \$460,000 and 32,400 Canada Nickel shares are due in fiscal year 2026 to maintain the acquisition or earn-in on two properties, including the Midlothian Property (which earn-in was completed in February 2026 with the issuance of 27,400 Canada Nickel shares).

Cash provided from (used for) financing activities

Equity Financings 2026:

On December 11, 2025, the Company closed a private placement (the "December Brokered Offering") for gross proceeds of \$15,000,000. Under the December Brokered Offering, the Company sold 12,500,000 units of the Company (the "December Brokered Units") at a price of \$1.20 per December Brokered Unit. Each December Brokered Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole warrant, a "December Warrant"). Each December Warrant entitles the holder to purchase one common share of the Company at a price of \$1.80 at any time on or before December 11, 2028.

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

The Company plans to use the net proceeds of the December Brokered Offering for the advancement of the Crawford Project as well as for working capital and general corporate purposes.

Equity Financings First Quarter 2025:

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

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

Commitments and Contingencies

At January 31, 2026, the Company has \$3.5 million (October 31, 2025 - \$3.7 million) in payables owing with respect to exploration and evaluation assets, has approximately \$1.7 million remaining to spend on its July 2025 Flow-Through Offering and has lease obligations of \$131,437 related to 2026 and \$65,758 for fiscal years 2027 to 2028. Option payments of \$460,000 in cash obligations and share obligations of 32,400 Canada Nickel shares are due in fiscal year 2026 to maintain the acquisition or earn-in on two properties.

Canada Nickel entered into agreements with the Matachewan and Mattagami First Nations, Taykwa Tagamou Nation and Apitipi Anicinapek Nation in relation to exploration and development operations at Crawford. The agreements establish a commitment by Canada Nickel to engage in ongoing consultation and establish a mutually beneficial cooperative and productive relationship with the First Nations located in the Crawford Project area. The agreement also provides the communities with an opportunity to participate in the benefits of the Crawford Project through business opportunities, employment and training, financial compensation and consultation on environmental matters. Financial compensation includes a commitment to pay a specified percentage of the annual expenses related to the Company's exploration program and a three-year commitment of approximately \$1.6 million for specific impact assessment programs.

On January 6, 2025, a definitive agreement was signed with the primary surface rights holder ("Surface Rights Holder") in Crawford and surrounding townships to secure access to 32,000 acres of surface rights required to build Crawford. Securing access to 32,000 acres of surface rights was a critical step for the Company to complete permitting and move toward a construction decision on Crawford in 2025. As part of the surface rights agreement, the Company will transfer 47,750 acres of mining rights in Kingsmill and Mabee townships—where no known exploration targets exist—to the Surface Rights Holder. This transfer aims to create future certainty over a substantial area of land, facilitating the effective development of sustainable forestry and wildlife habitat preservation.

The definitive agreement with the Surface Rights Holder (the "Surface Rights Transaction") provides Canada Nickel with an option to acquire 32,000 acres of surface rights in Crawford and surrounding townships. As part of the transaction, Canada Nickel issued 5.5 million shares and transferred mining rights (not required for any exploration target) of approximately 47,750 acres in Kingsmill and Mabee townships. Additional consideration will be paid to exercise the option on a construction decision. The Company has the right to exercise the option by December 31, 2026 and can extend the option annually up to a further five years for an additional payment for each extension.

In the ordinary course of operating, the Company may from time to time be subject to various legal claims or possible legal claims. Management believes that there are no legal claims or possible legal claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain, and management's view of these matters may change in the future.

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Financial Condition

The application of the going concern concept assumes that the Company will continue in operation for at least the next twelve months and will be able to realize its assets and discharge its liabilities in the normal course of operations. As the Company has no revenue producing mines, the Company's ability to continue as a going concern is dependent upon its ability to raise funds in the capital markets, or through the sale of assets. The Company is in the exploration and evaluation stage and as is common with many exploration companies, it raises financing for its exploration and acquisition activities in discrete tranches. The Company has a working capital balance deficit of \$22,805,114 at January 31, 2026, and has incurred losses and negative cashflows from operations and has an accumulated deficit of \$63,893,323. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate financing from lenders, shareholders and other investors and/or generate operating profitability and positive cash flow. On February 9, 2026 the Company repaid its US\$20 million loan facilitated by BT Capital with proceeds from a US\$32 million bridge facility from Auramet Inc.

There can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows. If the Company is unable to obtain adequate financing, the Company may be required to curtail operations, exploration, and development activities. All of these outcomes are uncertain and taken together indicate the existence of material uncertainties that may cast significant doubt over the ability of the Company to continue as a going concern.

The Company has demonstrated a strong track record by growing exponentially over the last five years using funds raised in the market to successfully advance the Crawford Project and significantly expand its regional exploration base around Crawford.

The Company will continue to source other funding and may increase or decrease expenditures as necessary to adjust to a changing capital market environment.

See ***Caution Regarding Forward-Looking Statements*** and ***Risk Factors***.

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Review of Last Eight Quarters

The following is a summary of Canada Nickel's statement of loss (income) on a quarterly basis for the last eight quarters.

<i>(Canadian dollars)</i>	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026
	\$	\$	\$	\$	\$	\$	\$	\$
Expenses								
Salaries	524,312	479,536	638,774	671,983	716,498	557,012	635,251	502,657
Consulting and advisory	494,389	689,973	869,216	761,819	701,541	684,723	1,347,110	760,256
Professional fees	279,667	311,132	336,759	211,768	323,009	378,596	31,886	135,407
General and administrative costs	437,950	226,549	450,150	365,060	358,754	439,180	295,308	466,004
Promotion and communication	74,260	150,009	90,026	75,732	73,703	278,927	214,311	226,288
Investor relations and marketing	145,130	185,600	102,063	81,885	64,671	353,604	125,329	180,533
Incentive compensation	1,058,190	1,026,375	746,697	1,044,283	666,974	632,704	2,318,392	2,151,243
Travel and other	325,960	348,917	254,979	232,220	247,824	83,423	(46,731)	329,297
Foreign exchange gain and interest income	(733,838)	(162,276)	(110,587)	(25,334)	(76,272)	34,677	(30,561)	(28,292)
Transaction costs and interest expense	96,829	1,079,150	1,312,408	2,239,574	897,004	3,252,092	2,485,075	1,605,838
	2,702,849	4,334,965	4,690,485	5,658,990	3,973,706	6,694,938	7,375,370	6,329,231
Flow-through share premium	(1,865,267)	(3,013,555)	(6,251,126)	(1,194,626)	(497,202)	(102,329)	(342,194)	(33,475)
Net loss (income) before tax	837,582	1,321,410	(1,560,641)	4,464,364	3,476,504	6,592,609	7,033,176	6,295,756
Income tax expense (recovery)	(592,857)	(844,798)	(660,910)	(925,227)	8,264,059	(1,759,654)	(931,162)	(1,050,018)
Net loss (income)	244,725	476,612	(2,221,551)	3,539,137	11,740,563	4,832,955	6,102,014	5,245,738
Weighted average shares outstanding	172,163,324	181,209,453	181,214,844	182,741,364	188,836,568	201,492,786	215,925,792	226,892,715
Net loss (income) per share	\$0.00	\$0.00	\$(0.02)	\$0.02	\$0.06	\$0.02	\$0.03	\$0.02

Financial information is presented for the last eight quarters to demonstrate the trends. Accounting principles have been applied consistently amongst the periods. Certain comparative amounts have been reclassified to conform with the current quarter presentation.

Salaries - have been trending higher as the Company significantly increased its activities in financing, permitting and engineering to prepare for the construction of Crawford. The expenses in the third quarter of 2025 are lower than previous quarters reflecting a re-allocation of certain salaries to exploration and evaluation assets. The reduction in the first quarter of 2026 is due to a temporary reduction in head count.

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Consulting and advisory - costs throughout 2024 and 2025 include additional advisory in the areas of government relations, government assistance and project debt financing in order to advance its financing strategy for Crawford construction. The fourth quarter of 2025 reflects additional costs incurred with the commencement of the project debt financing activities and other costs incurred related to financing initiatives.

Professional fees – Fees have remained similar between quarters even as the Crawford project advanced. Fluctuations in quarters typically is a result of external legal requirements.

Promotion and Communication, and Investor Relations and Marketing – The third quarter of 2025 is higher than previous quarters due to additional efforts required with the financings in that same quarter.

General and administrative costs - Variations in costs between quarters tend to be based on timing of payments for annual filing and listing requirements. Costs in the fourth quarter of 2024 include additional fees in relation to the short-term loan facility and costs in the third quarter of 2025 and first quarter of 2026 include additional technology related fees.

Incentive compensation – Incentive compensation includes cash-based incentive compensation and non-cash share-based compensation. Share-based compensation tends to fluctuate depending on timing and vesting of grants and variations in the share price as it relates to cash based RSUs and DSUs. The first quarter of 2024 includes an expense related to incentive bonuses paid in the second quarter of 2024 and the fourth quarter of 2025 reflects the approval by the board of directors for incentive bonuses related to the fiscal 2025 year. The higher expenses in the first quarter of 2026 are due to mark-to-market adjustment of the cash based RSUs and DSUs to reflect the period end share price, which has almost doubled from the fourth quarter of 2025.

Travel and other – Largely includes costs related to travel for conferences, investor meetings and other development opportunities. Spending is dependent on timing of the travel.

Foreign exchange gain and interest income - The foreign exchange gain is primarily due to the revaluation of US dollar cash balances to the Canadian dollar reporting currency. In addition, excess cash in 2024 was invested in guaranteed investment certificates accumulating interest at approximately 5%.

Transaction costs and interest expense – These costs are associated with the bridge loan facilities (refer to *Cash provided by financing activities*) and in the third and fourth quarter of 2024 include \$0.6 million and \$0.4 million, respectively, in penalty charges incurred on the unspent funds received from the December 2023 flow-through share offering. In the second quarter and third quarters of 2025 there are also interest expense charges from overdue vendor invoices and advisory specifically related to third quarter financing transactions.

Flow-through share premium – the revenue recorded correlates with the proportionate amount of spending of the eligible expenditures in each of the quarters as required under the flow-through share agreements.

Income tax expense - refer to year over year description above.

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Transactions with Related Parties

Related parties and related party transactions impacting the consolidated financial statements are summarized below and include transactions with key management personnel, which includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel include the Board of Directors and senior officers of the Company.

A summary of the related party transactions are as follows:

	For the Three Months Ended January 31	
	2026	2025
	\$	\$
Salaries, consulting and directors' fees	649,875	614,365
Incentive compensation	2,066,550	915,876

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the amount of consideration established and agreed to by the related parties. No amounts were receivable to or payable from related parties at January 31, 2026 and 2025.

Management of Capital

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its expenditure obligations for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages the capital structure and adjusts it in light of changes in economic and industry conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its Shareholders' Equity as capital which was \$241,949,399 as at January 31, 2026.

Financial Instruments

Fair values

At January 31, 2026, the Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, bridge loan facilities and convertible note. Except for the convertible note, the fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

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

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Fair value hierarchy

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

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the period, there were no transfer of amounts between levels.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 – cash and cash equivalents

Level 2 – none

Level 3 - none

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations with cash and from time to time with equity. As at January 31, 2026, the Company's financial liabilities consist of accounts payable and accrued liabilities and short-term loan facilities, which have contractual maturity dates within one year and a convertible note, which is due in May 2030 unless the holder converts the note to common shares. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. There have been no changes in the Company's strategy with respect to credit/liquidity risk in the period.

Currency risk

The Company is exposed to foreign exchange risk arising from its bridge loan facility. At January 31, 2026, the estimated impact of a 5% US dollar change against the Canadian dollar would be \$1.5 million on pre-tax losses.

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Off-Balance-Sheet Arrangements

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

Share Capital

As at the date of this MD&A, March 23, 2026, the Company had 240,588,442 common shares issued and outstanding, 20,459,518 warrants outstanding, 14,443,988 stock options outstanding and 6,210,797 restricted share units outstanding. Each warrant, stock option and restricted share unit is exercisable or exchangeable for common shares of the Company on a one for one basis.

Internal Controls Over Financial Reporting

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence to ensure that (i) the unaudited condensed consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited condensed consolidated financial statements; and (ii) the unaudited condensed consolidated financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of: i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unaudited condensed consolidated financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in such certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of and annual filings and other reports provided under securities legislation.

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Risk Factors

The Company's business contains significant risk due to the nature of exploration and development activities. The Company is a junior resource company focused primarily on the exploration and development of mineral properties located in North America. The Company's properties have no established mineral reserves and there is no assurance that any of the Company's projects can be mined profitably. The Company is also exploring and developing other opportunities and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and base mineral price volatility.

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the Risk section in the Company's Annual Information for the fiscal year ended October 31, 2022, available on SEDAR+ at www.sedarplus.ca.