



**NICKEL 28 CAPITAL CORP.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JANUARY 31, 2026 AND 2025**

**(EXPRESSED IN UNITED STATES DOLLARS)**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Shareholders of Nickel 28 Capital Corp.:

### **Opinion**

We have audited the consolidated financial statements of Nickel 28 Capital Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at January 31, 2026 and 2025, and the consolidated statements of net and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at January 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended January 31, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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Key audit matter	How our audit addressed the key audit matter
<i>Investment in the Ramu Nickel Mine</i>	
Refer to Note 6	Our approach to addressing the matter included the following procedures, among others:
<p>As at January 31, 2026, the Company's investment in the Ramu Nickel Mine had a carrying amount of \$86,810,072.</p> <p>For the investment in the Ramu Nickel Mine the Company assesses if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment and the event or events has a measurable impact on the estimated future cash flows, at least at the end of each reporting period. In addition to these minimum criteria, management has elected to calculate the recoverable amount of the Ramu Nickel Mine as at January 31, 2026.</p> <p>The recoverable amount for the Ramu Nickel Mine was based on value in use using discounted cash flow projections. The significant assumptions and inputs applied by management in determining the value in use included life of mine, production rate, forecast commodity prices, and the discount rate. The recoverable amount of the investment in the Ramu Nickel Mine exceeds its carrying amount and accordingly, no impairment was recognized.</p> <p>We considered this a key audit matter due to the judgments and estimates by management in determining the recoverable amount, including the use of significant assumptions and inputs. This, in turn, led to a high degree of subjectivity and audit attention in performing procedures to test the significant assumptions.</p>	<p>Evaluated management's determination of the recoverable amount of the Ramu Nickel Mine which included the following procedures:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the value in use method employed and the mathematical accuracy of the discounted cash flow projections.</li> <li>Assessed the reasonableness of the projected cash flows by comparing actual cash flows of the Ramu Nickel Mine to the budgeted projections approved by management.</li> <li>Tested the underlying data used in the discounted cash flow projections with reference to internal and external sources.</li> <li>Professionals with specialized skill and knowledge in the field of valuation assisted in performing procedures, including testing the reasonableness of the discount rate applied by management.</li> </ul>

### Other Information

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Anna C. Moreton.

*Baker Tilly WM LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.  
May 27, 2026

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

	As at January 31, 2026	As at January 31, 2025
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 9,084,694	\$ 8,057,730
Amounts receivable and other assets (Note 5)	2,487,877	1,678,975
	<b>11,572,571</b>	<b>9,736,705</b>
<b>Non-Current Assets</b>		
Investment in Ramu Nickel Mine (Note 6)	86,810,072	95,706,529
Royalty contracts (Note 7)	25,457,821	25,457,821
Right-of-use assets (Note 8(a))	92,418	18,949
Property, plant and equipment	23,420	24,064
	<b>\$ 123,956,302</b>	<b>\$ 130,944,068</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities (Notes 13 and 19(ii))	\$ 245,849	\$ 401,616
Lease liability (Note 8(b))	33,095	20,252
Non-recourse debt (Notes 6(iv) and 9)	10,000,000	5,250,000
	<b>10,278,944</b>	<b>5,671,868</b>
<b>Non-Current Liabilities</b>		
Lease liability (Note 8(b))	59,754	-
Non-recourse debt (Notes 6(iv) and 9)	21,852,817	31,289,499
Deferred tax liabilities (Note 18)	11,138,629	11,483,795
	<b>43,330,144</b>	<b>48,445,162</b>
<b>Shareholders' Equity</b>		
Share capital (Note 11)	67,173,696	68,114,272
Reserves	834,732	705,913
Retained earnings	12,617,730	13,678,721
	<b>80,626,158</b>	<b>82,498,906</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 123,956,302</b>	<b>\$ 130,944,068</b>

Contingent Liabilities (Note 19)

Subsequent Events (Note 20)

**Approved on behalf of the Board:**"Craig Lennon", Director"David Whittle", Director

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

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

<b>Year Ended January 31,</b>	<b>2026</b>	<b>2025</b>
<b>Operating Expenses</b>		
General and administrative	\$ 402,397	\$ 638,576
Salaries and fees (Note 13)	840,909	2,657,410
Marketing and promotion	7,504	158,265
Professional fees (recovery) (Note 13)	(193,438)	2,284,008
Regulatory fees	25,540	52,760
Share based compensation (recovery) (Notes 12(a)(b) and 13)	24,720	(498,214)
<b>Operating Loss</b>	<b>(1,107,632)</b>	<b>(5,292,805)</b>
<b>Other Income (Expenses)</b>		
Interest income	358,969	407,567
Impairment of royalty contracts (Note 7)	-	(38,072)
Recovery of expenses (Note 11(b)(ii))	-	631,557
Share of operating profit from Ramu Nickel Mine (Note 6(ii))	1,119,571	5,507,922
Unrealized gain on marketable securities	-	46,724
Realized loss on marketable securities	-	(61,991)
Financing costs (Note 6(iv))	(1,823,736)	(2,087,823)
Foreign exchange gain (loss)	51,437	(67,659)
<b>Loss before Taxes</b>	<b>(1,401,391)</b>	<b>(954,580)</b>
Deferred tax recovery (expense) (Note 18)	340,400	(973,175)
<b>Net and Comprehensive Loss for the Year</b>	<b>\$ (1,060,991)</b>	<b>\$ (1,927,755)</b>
<b>Basic Loss per Share (Note 10)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Diluted Loss per Share (Note 10)</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>

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

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

	Year Ended Ended January 31,	
	2026	2025
<b>Operating Activities</b>		
Net loss for the year	\$ (1,060,991)	\$ (1,927,755)
Adjustments for:		
Recovery of expenses	-	(631,557)
Share of operating profit from Ramu Nickel Mine	(1,119,571)	(5,507,922)
Unrealized gain on marketable securities	-	(46,724)
Realized loss on marketable securities	-	61,991
Share based compensation (recovery)	24,720	(498,214)
Deferred tax (recovery) expense	(340,400)	973,175
Financing costs	1,823,736	2,087,823
Impairment of royalty contracts	-	38,072
Other	35,490	33,204
Change in non-cash working capital items:		
Amounts receivable and other assets	171,790	(220,140)
Accounts payable and accrued liabilities	(155,767)	(72,137)
<b>Net Cash Used in Operating Activities</b>	<b>(620,993)</b>	<b>(5,710,184)</b>
<b>Investing Activities</b>		
Ramu Nickel Mine distributions	2,524,917	6,998,027
Purchase of property, plant and equipment	(2,469)	-
Proceeds from the sale of marketable securities	-	14,591
<b>Net Cash Provided by Investing Activities</b>	<b>2,522,448</b>	<b>7,012,618</b>
<b>Financing Activities</b>		
Repurchase of treasury shares	(836,477)	(1,042,798)
Repayment of lease liability	(38,014)	(35,500)
<b>Net Cash Used in Financing Activities</b>	<b>(874,491)</b>	<b>(1,078,298)</b>
<b>Net change in Cash</b>	<b>1,026,964</b>	<b>224,136</b>
<b>Cash, Beginning of Year</b>	<b>8,057,730</b>	<b>7,833,594</b>
<b>Cash, End of Year</b>	<b>\$ 9,084,694</b>	<b>\$ 8,057,730</b>
<b>Supplemental Information</b>		
Interest received	\$ 358,969	\$ 407,567
Income taxes paid/received	\$ -	\$ -
Repayment of non-recourse debt through deemed distributions	\$ 6,510,418	\$ 9,643,115

During the year ended January 31, 2026, the Company recognized \$106,483 of right-of-use assets and lease liabilities related to a new lease arrangement, which are non-cash transactions (2025 - \$nil).

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

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

	Share Capital		Reserves	Retained Earnings	Total
	Number	Amount			
<b>Balance, January 31, 2024</b>	<b>95,108,944</b>	<b>\$ 71,780,711</b>	<b>\$ 1,494,836</b>	<b>\$ 13,323,683</b>	<b>\$ 86,599,230</b>
Restricted Share Units converted to common shares (Note 11(b)(i))	183,333	90,222	(90,222)	-	-
Shares returned to treasury (Note 11(b)(ii))	(4,965,222)	(2,914,350)	-	2,282,793	(631,557)
Repurchase of treasury shares (Note 11(b)(iii))	-	-	(1,042,798)	-	(1,042,798)
Treasury shares cancelled (Note 11(b)(iii))	(1,592,000)	(842,311)	842,311	-	-
Share based compensation (recovery) (Notes 12(a)(b) and 13)	-	-	(498,214)	-	(498,214)
Net and comprehensive loss for the year	-	-	-	(1,927,755)	(1,927,755)
<b>Balance, January 31, 2025</b>	<b>88,735,055</b>	<b>68,114,272</b>	<b>705,913</b>	<b>13,678,721</b>	<b>82,498,906</b>
Restricted Share Units converted to common shares (Note 11(b)(i))	116,666	68,948	(68,948)	-	-
Repurchase of treasury shares (Note 11(b)(iii))	-	-	(836,477)	-	(836,477)
Treasury shares cancelled (Note 11(b)(iii))	(1,874,500)	(1,009,524)	1,009,524	-	-
Share based compensation (Notes 12(a)(b) and 13)	-	-	24,720	-	24,720
Net and comprehensive loss for the year	-	-	-	(1,060,991)	(1,060,991)
<b>Balance, January 31, 2026</b>	<b>86,977,221</b>	<b>\$ 67,173,696</b>	<b>\$ 834,732</b>	<b>\$ 12,617,730</b>	<b>\$ 80,626,158</b>

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

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## **NICKEL 28 CAPITAL CORP.**

### **Notes to the Consolidated Financial Statements**

**Year Ended January 31, 2026 and 2025**

**(Expressed in United States Dollars, unless otherwise indicated)**

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#### **1. Nature of Operations**

Nickel 28 Capital Corp. (the "Company" or "Nickel 28") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on June 25, 2019. The head office and registered office of the Company is 666 Burrard Street, Suite 2700, Vancouver, British Columbia, Canada, V6C 2X8.

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

These consolidated financial statements of the Company for the year ended January 31, 2026 were approved and authorized for issue by the Board of Directors on May 26, 2026.

#### **2. Basis of Presentation**

##### Statement of compliance

These consolidated financial statements (the "financial statements") have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

##### Basis of presentation

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

##### Functional and presentation currency

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

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

**NICKEL 28 CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**Year Ended January 31, 2026 and 2025**  
**(Expressed in United States Dollars, unless otherwise indicated)**

**3. Material Accounting Policies**

(a) Basis of consolidation

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

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

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

Highlands, Ramu Nickel Limited, Nickel 28 Capital Pty Limited (formerly Highlands Pacific Australia Pty Limited) and Electric Metals Streaming Corp. have fiscal year-ends of December 31. Adjustments for material transactions between December 31, 2025 and January 31, 2026 have been made to adjust for the non-coterminous year-ends.

(b) Royalty contracts

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

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

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

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

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

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**NICKEL 28 CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**Year Ended January 31, 2026 and 2025**  
**(Expressed in United States Dollars, unless otherwise indicated)**

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**3. Material Accounting Policies (Continued)**

(c) Property, plant and equipment

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

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

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

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

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

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

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

(d) Investment in the Ramu Nickel Mine

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

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

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## NICKEL 28 CAPITAL CORP.

### Notes to the Consolidated Financial Statements

Year Ended January 31, 2026 and 2025

(Expressed in United States Dollars, unless otherwise indicated)

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### 3. Material Accounting Policies (Continued)

#### (e) Impairment of long-lived assets

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

The Company also assesses its investment in the Ramu Nickel Mine for indicators of impairment at each reporting date. Where indicators of impairment exist, or where management elects to perform an assessment, the recoverable amount of the investment is estimated using a value-in-use ("VIU") methodology based on discounted future cash flows. Refer to Note 6 for further details regarding the impairment assessment, key assumptions and sensitivities applied in determining the recoverable amount of the investment in the Ramu Nickel Mine.

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

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

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

#### (f) Segment reporting

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

#### (g) Financial instruments

### Recognition

The Company recognizes a financial asset or financial liability on the consolidated statement of financial position when it becomes party to the contractual provisions of the financial instrument except for other receivables which are initially recognized when they are originated. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is extinguished.

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

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**NICKEL 28 CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**Year Ended January 31, 2026 and 2025**  
**(Expressed in United States Dollars, unless otherwise indicated)**

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**3. Material Accounting Policies (Continued)**

(g) Financial Instruments (continued)

**Classification and measurement**

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

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

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportable forward-looking information.

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

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

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## NICKEL 28 CAPITAL CORP.

### Notes to the Consolidated Financial Statements

Year Ended January 31, 2026 and 2025

(Expressed in United States Dollars, unless otherwise indicated)

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### 3. Material Accounting Policies (Continued)

(h) Income (loss) per share

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

(i) Revenue from contracts with customers

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

- Royalty

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

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

(j) Share capital

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

(k) Share based compensation

The Company follows the fair value method of accounting for the issuance of stock options and restricted share units ("RSU") granted to officers, employees, directors, advisors and consultants. The grant date fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company's common shares and the expected life of the options. The Company grants performance shares with vesting conditions not related to the market price of the equity instruments of the Company and, as a result, they are non-market performance conditions. Upon grant or issuance into escrow, the fair value of performance shares are recorded to reserves based on management's assessment of whether the vesting conditions will be met. The evaluation of whether vesting conditions will be met is reassessed every reporting period and changes, if any, are reflected in future periods. Upon vesting, the fair value of performance shares is transferred to share capital. The number of stock option awards expected to vest are estimated using a forfeiture rate based on historical experience and future expectations. The fair value of the RSUs is determined by the quoted market price of the Company's common shares at date of grant. Share based compensation is recognized in profit or loss over the vesting period of the related option or RSU.

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**3. Material Accounting Policies (Continued)****(k) Share based compensation (continued)**

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

Option-pricing models require the use of highly subjective estimates and assumptions, including the expected stock price volatility and forfeiture rate, which may not be indicative of future actual forfeitures. Determining the appropriate forfeiture rate requires significant judgment and is based on historical experience, market conditions and management's expectations regarding future employee behaviour and vesting outcomes. Changes in these underlying assumptions can materially affect the estimated fair value and the amount of share-based compensation recognized. The expected volatility assumption is based on the estimated volatility of the Company's own trading history. The risk-free interest rate is based on yield curves on Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the options' expected life.

**(l) Income taxes**

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**3. Material Accounting Policies (Continued)**

## (n) Leases

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

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

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

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

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**3. Material Accounting Policies (Continued)****New and upcoming accounting standards and interpretations**

The Company considered the adoption of certain new standards, amendments and interpretations to existing standards, which have been published and are effective for accounting periods beginning on or after February 1, 2026 or later periods.

**IFRS 18 Presentation and Disclosure in the Financial Statements**

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

**Amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures**

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments.

The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on its consolidated financial statements and notes to the consolidated financial statements.

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**NICKEL 28 CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
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**4. Key Sources of Estimation Uncertainty and Critical Accounting Judgments**

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

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

**Judgments**

*Carrying amount of the Ramu Nickel Mine*

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

*Carrying amount of royalty contracts*

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

**Estimates**

*Non-recourse debt*

The Company classifies its non-recourse debt between current and non-current in accordance with the terms of the arrangement. The debt is contractually repayable from Ramu Nickel Limited's share of operating surpluses, after funding ongoing capital expenditure requirements. The current portion represents amounts contractually required to be applied to repayment within twelve months, determined based on the expected application of operating surpluses in accordance with the terms of the arrangement.

*Deferred taxes*

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**5. Amounts Receivable and Other Assets**

	As at January 31, 2026	As at January 31, 2025
Other receivables <sup>(1)</sup>	\$ 2,137,635	\$ 1,156,943
Harmonized sales tax receivable	19,562	314,105
Prepaid expenses	67,557	57,321
Sundry receivables	263,123	150,606
	<b>\$ 2,487,877</b>	<b>\$ 1,678,975</b>

<sup>(1)</sup> Other receivables represent cash receipts anticipated from MCC Ramu NiCo Limited. In May 2026, the Company received a cash distribution of \$2,137,635 from MCC Ramu NiCo Limited for its distribution of the mine's operating surpluses for the second half of the 2025 calendar year.

**6. Investment in Ramu Nickel Mine**

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

The 8.56% interest in Ramu is held by the Company through its wholly-owned subsidiary Ramu Nickel Limited. The Company's interest in Ramu will increase to 11.3% at no cost to the Company once Nickel 28's share of the Ramu construction debt is repaid to the project manager and joint venture partner MCC (note 9). In addition to this, when the Company's interest increases to 11.3%, the Company will also have the option to purchase an additional 9.25% interest in the Ramu mine at market value, which if exercised, would take the Company's interest to 20.55%.

The Company recorded its share of operating profit of Ramu for the year based on the financial information of Ramu for the year ended December 31, 2025, which is within one month of the Company's year-end. Any significant transactions between December 31, 2025 and January 31, 2026 have been adjusted.

**(i) Continuity of investment in Ramu Nickel Mine**

	As at January 31, 2026	As at January 31, 2025
Opening balance	\$ 95,706,529	\$ 105,034,171
Share of operating profit from Ramu Nickel Mine	1,119,571	5,507,922
Distributions from MCC Ramu NiCo Limited	(10,016,028)	(14,835,564)
<b>Closing balance</b>	<b>\$ 86,810,072</b>	<b>\$ 95,706,529</b>

**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)****6. Investment in Ramu Nickel Mine (Continued)**

## (ii) Interest in Ramu Nickel Mine

	As at January 31, 2026	As at January 31, 2025
Current assets	\$ 147,688,000	\$ 130,201,000
Non-current assets	898,097,694	1,021,368,467
Current liabilities	(44,284,000)	(39,516,000)
Non-current liabilities	(40,313,000)	(38,232,000)
<b>Net assets</b>	<b>\$ 961,188,694</b>	<b>\$ 1,073,821,467</b>
Company's 8.56% share of net assets	\$ 82,277,752	\$ 91,919,118
Acquisition and timing adjustment	4,532,320	3,787,411
<b>Investment at carrying amount</b>	<b>\$ 86,810,072</b>	<b>\$ 95,706,529</b>

Year Ended January 31,	2026	2025
Share of revenue	\$ 45,360,916	\$ 41,075,063
Share of production costs	(30,597,855)	(23,691,426)
Share of other costs	(4,126,636)	(3,827,619)
Share of depreciation and amortization	(9,516,854)	(8,048,096)
<b>Share of operating profit from Ramu Nickel Mine</b>	<b>\$ 1,119,571</b>	<b>\$ 5,507,922</b>

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

Year Ended January 31,	2026	2025
Share of Ramu Nickel Mine's MHP Product (Wet Metric Tonnes)	18,376	17,452
Revenue from Sales of MHP Products	\$ 45,360,916	\$ 41,075,063

## (iv) Non-recourse debt (Note 9)

	As at January 31, 2026	As at January 31, 2025
Opening balance	\$ 36,539,499	\$ 44,094,791
Interest accrued	1,823,736	2,087,823
Loan repayments	(6,510,418)	(9,643,115)
<b>Closing balance</b>	<b>\$ 31,852,817</b>	<b>\$ 36,539,499</b>

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**6. Investment in Ramu Nickel Mine (Continued)**

On initial acquisition, a loan balance owing to MCC Ramu NiCo Limited for its 8.56% share of capped development costs plus accumulated interest for monies paid by MCC Ramu NiCo Limited to lenders on behalf of the joint venture parties up to January 1, 2015 was recognized. This debt is non-recourse to the Company (excluding Ramu Nickel Limited) and is to be repaid by Ramu Nickel Limited out of a portion of its distributions received (Note 9).

In assessing the carrying value of its interest in the Ramu Nickel Mine for impairment testing purposes, the directors have adopted a value in use ("VIU") methodology as to the present value of the expected future cash flows before financing from calendar 2026 through to 2040. The calculations use cash flow projections based on financial budgets covering the period from calendar 2026 to 2040.

Key assumptions

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

<b>Assumptions</b>	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Nickel Price (US\$/lb)	\$7.28 – \$7.59	\$7.51 – \$7.94
Cobalt Price (US\$/lb)	\$19.24 – \$23.14	\$12.10 – \$18.71
Life of Mine remaining years	14 years	13 years
Production Rate	100%	100%
After tax discount rate (Real)	14.5%	14.6%

Sensitivities

Management performed a sensitivity analysis on the commodity price of nickel, which is the key assumption that impacts impairment calculations. While holding all other assumptions constant, a positive 10% movement in the price assumptions range for nickel results in an increase in the present value of future cash flows of approximately \$24 million, while a negative 10% movement results in a reduction of approximately \$24 million.

Holding all other assumptions constant, a change in the weighted average cost of capital ("WACC") used for the discount rate to 16% would result in a decrease in the present value of future cash flows of \$8 million and a change in WACC to 13% would result in an increase of \$10 million.

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

## NICKEL 28 CAPITAL CORP.

### Notes to the Consolidated Financial Statements

Year Ended January 31, 2026 and 2025

(Expressed in United States Dollars, unless otherwise indicated)

#### 7. Royalty Contracts

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

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

As of January 31, 2026 and January 31, 2025, the Company's royalty contracts consisted of the following:

Royalty Name	Owner	Property Location	Stage	Primary Metal(s), Royalty Type and %	January 31, 2026 Carrying amount	January 31, 2025 Carrying amount
Dumont Project <sup>(1)</sup>	Waterton Global Res. Mgmt.	Québec	Development	Ni-Co 1.75% NSR	\$15,263,086	\$15,263,086
Turnagain Project <sup>(2)</sup>	85% Giga Metals Corporation 15% Mitsubishi Corporation	British Columbia	Exploration	Ni-Co 2% NSR	7,241,392	7,241,392
Flemington Project <sup>(3)</sup>	Australian Mines Ltd.	Australia	Exploration	Ni-Co-Sc 1.5% GRR	1,943,514	1,943,514
Nyngan Project <sup>(4)</sup>	Scandium International Mining Corp.	Australia	Development	Sc- Ni-Co 1.7% GRR	971,757	971,757
North Canol Properties <sup>(5)</sup>	Fireweed Metals Corp.	Yukon	Exploration	Ag-Pb-Zn-Co 2% Co NSR	38,072	38,072
Sunset Mineral Property	Three Individuals	British Columbia	Exploration	Cu-Zn-Co 2% Co NSR	nil	nil
Sewa Bay	Queensland Pacific Metals Ltd.	Papua New Guinea	Exploration	Ni-Co 5% FOB GRR	nil	nil
Professor and Waldman Properties <sup>(5)</sup>	70% Golden Deepes 30% New Found Gold Corp.	Ontario	Exploration	Co-Ag 2% Co NSR	nil	nil
<b>Total Royalty Contracts</b>					<b>\$25,457,821</b>	<b>\$25,457,821</b>

(1) The Dumont Nickel-Cobalt Royalty is a life-of-mine 1.75% NSR royalty.

(2) The Turnagain Royalty is a 2.0% NSR royalty on all future metal production from the Turnagain Nickel-Cobalt Project.

(3) The Flemington Royalty is a life-of-mine 1.5% GRR.

(4) The Nyngan Royalty is a life-of-mine 1.7% GRR.

(5) Two separate mineral properties to which a Co NSR applies.

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**8. Right-of-Use Assets and Lease Liability**

## (a) Right-of-use assets

	As at January 31, 2026	As at January 31, 2025
Balance, beginning of year	\$ 18,949	\$ 50,192
Additions	106,483	-
Depreciation	(33,014)	(31,243)
Balance, end of year	\$ 92,418	\$ 18,949

## (b) Lease liability

	As at January 31, 2026	As at January 31, 2025
Balance, beginning of year	\$ 20,252	\$ 52,597
Additions	106,483	-
Finance costs	4,128	3,155
Repayment of principal	(38,014)	(35,500)
Balance, end of year	92,849	20,252
Less: current liabilities	(33,095)	(20,252)
Non-current liabilities	\$ 59,754	\$ -
<u>Minimum lease payments</u>		
Not later than 1 year	\$ 40,331	\$ 20,708
Later than 1 year and not later than 5 years	63,857	-
Total	104,188	20,708
Less: finance costs	(11,339)	(456)
Balance, end of year	\$ 92,849	\$ 20,252

**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)****9. Non-Recourse Debt**

	As at January 31, 2026	As at January 31, 2025
Loan from MCC Ramu NiCo Limited - current	\$ 10,000,000	\$ 5,250,000
Loan from MCC Ramu NiCo Limited - non-current	21,852,817	31,289,499
	<b>\$ 31,852,817</b>	<b>\$ 36,539,499</b>

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

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

The non-recourse debt has no fixed or prescribed repayment schedule and is repayable in accordance with the terms of the arrangement, which require repayment from the Company's share of operating surpluses after funding ongoing capital expenditure requirements. At each reporting date, the portion classified as current represents the amount expected to be applied to repayment within twelve months based on the contractual application of operating surpluses (the Company's 35% cash share) in accordance with the terms of the arrangement. The borrowings under the construction debt bear an interest rate of 5.05% annually.

During the year ended January 31, 2026, the Company made repayments on the non-recourse debt of \$6,510,418 (year ended January 31, 2025 - \$9,643,115) from distributions received from MCC Ramu Nico Limited.

**10. Loss per share**

Year Ended January 31,	2026	2025
Net loss	\$ (1,060,991)	\$ (1,927,755)
Weighted average number of common shares - basic	87,189,668	92,046,022
Dilutive effect of stock options and RSUs	-	-
Weighted average number of common shares - diluted	87,189,668	92,046,022
Basic loss per share	\$ (0.01)	\$ (0.02)
Diluted loss per share	\$ (0.01)	\$ (0.02)

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## NICKEL 28 CAPITAL CORP.

### Notes to the Consolidated Financial Statements

Year Ended January 31, 2026 and 2025

(Expressed in United States Dollars, unless otherwise indicated)

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#### 11. Share Capital

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

(b) Common shares issued:

(i) During the year ended January 31, 2026, 116,666 RSUs (year ended January 31, 2025 - 183,333 RSUs) with a grant date fair value of \$68,948 (year ended January 31, 2025 - \$90,222) were converted into common shares.

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

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

(iii) On July 24, 2024, the TSX-V accepted the Company's notice to implement a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 7,153,629 of its common shares, representing approximately 7.9% of Nickel 28's issued and outstanding common shares over a twelve month period commencing on July 26, 2024. The NCIB expired July 25, 2025. Nickel 28 appointed Haywood Securities Inc. to administer the NCIB on behalf of the Company. The price that the Company paid for common shares in open market transactions was equal to the market price at the time of purchase.

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

During the year ended January 31, 2026, the Company repurchased 1,522,000 treasury shares for aggregate cost of \$836,477. All 1,522,000 treasury shares repurchased during the period, together with 352,500 treasury shares repurchased in the prior year with an aggregate cost of \$173,047 were cancelled as at January 31, 2026.

**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)****12. Stock Options, Restricted Share Units and Share Awards**

## (a) Stock options

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

The following table reflects the continuity of stock options for the years ended January 31, 2026 and 2025:

	Number of stock options	Weighted average exercise price (CAD\$)
<b>Balance, January 31, 2024</b>	<b>1,970,000</b>	<b>0.81</b>
Granted (i)(ii)	1,550,000	0.83
Expired/Forfeited	(1,670,000)	0.80
<b>Balance, January 31, 2025</b>	<b>1,850,000</b>	<b>0.84</b>
Expired/Forfeited	(1,287,500)	0.83
<b>Balance, January 31, 2026</b>	<b>562,500</b>	<b>0.86</b>

(i) On October 30, 2024, a total of 500,000 stock options were issued to an officer and director of the Company. The stock options were exercisable at a price of CAD\$0.82 per share, expire on October 30, 2029 and vested one third on the date of grant and one third on each of the first and second anniversaries from the date of grant. The fair value of the stock options was estimated to be \$167,074 using the Black-Scholes option pricing model and the following assumptions: exercise price of CAD\$0.82, share price of CAD\$0.80, risk free interest rate of 3.02%, forfeiture rate of 0%; an expected life of 5 years and an expected volatility of 68%. These options were granted under the Fixed Stock Option Plan adopted and announced by the Company on October 30, 2024.

(ii) On January 27, 2025, a total of 1,050,000 stock options were issued to an officer of the Company. The stock options are exercisable at a price of CAD\$0.84 per share, expire on January 27, 2030 and vest one third on February 1, 2026, February 1, 2027 and February 1, 2028, respectively. The fair value of the stock options was estimated to be \$327,828 using the Black-Scholes option pricing model and the following assumptions: exercise price of CAD\$0.84, share price of CAD\$0.79, risk free interest rate of 2.91%, forfeiture rate of 0%; an expected life of 5 years and an expected volatility of 68%. These options were granted under the Fixed Stock Option Plan adopted and announced by the Company on October 30, 2024.

During the year ended January 31, 2026, share based compensation expense for vested stock options of \$48,461 (year ended January 31, 2025 - \$78,920) was recorded in profit or loss.

The following table reflects the Company's stock options outstanding and exercisable as at January 31, 2026:

Options outstanding	Options exercisable	Grant date fair value (\$)	Weighted average exercise price (CAD\$)	Weighted average remaining contractual life (years)	Expiry date
300,000	300,000	112,008	0.87	0.85	December 8, 2026
262,500	-	81,957	0.84	3.99	January 27, 2030
562,500	300,000	193,965	0.86	2.32	

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**12. Stock Options, Restricted Share Units and Share Awards (Continued)****(b) Restricted share units ("RSU")**

On December 16, 2019, the Company adopted a Restricted Share Unit Plan (the "RSU Plan"), subject to TSX-V and disinterested shareholder approval of the Company's Omnibus LTIP. The Company's Omnibus LTIP was approved at the Company's annual general meeting on August 15, 2022. The maximum aggregate number of shares reserved for issuance under the RSU Plan, together with the Company's Stock Option Plan was not to exceed a combined total of 10% of the Company's issued and outstanding shares. In addition, the RSU Plan set out certain other restrictions in respect of grants to certain participants under the RSU Plan in accordance with the rules of the TSX-V. The Omnibus LTIP is not currently effective, certain historical grants remain outstanding and governed by their respective original terms and conditions.

	<b>Number of RSUs</b>
<b>Balance, January 31, 2024</b>	<b>2,249,997</b>
Converted into common shares	(183,333)
Settled in cash	(33,332)
Cancelled	(1,916,665)
<b>Balance, January 31, 2025</b>	<b>116,667</b>
Converted into common shares	(116,667)
<b>Balance, January 31, 2026</b>	<b>-</b>

For the year ended January 31, 2026, the Company recorded share based compensation expense (recovery) for RSU's of \$(23,741) (year ended January 31, 2025 - \$(577,134)).

**13. Related Party Transactions and Balances**

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties include key management personnel and may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

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

<b>Year Ended January 31,</b>	<b>2026</b>	<b>2025</b>
Salaries and fees <sup>(1)(2)</sup>	<b>\$ 624,689</b>	\$ 2,323,617
Share based compensation (recovery)	<b>50,393</b>	(425,933)
	<b>\$ 675,082</b>	\$ 1,897,684

(1) Management fees and salaries paid to the executive officers and directors for their services.

(2) Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$168,105 as at January 31, 2026 (January 31, 2025 - \$55,316).

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**13. Related Party Transactions (Continued)**

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

On May 6, 2024, the Company announced that Mr. Anthony Milewski, former Chief Executive Officer of the Company, Mr. Justin Cochrane, former President of the Company, and Mr. Conor Kearns, former Chief Financial Officer of the Company, were terminated for cause with immediate effect (Note 11(b)(ii)).

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

**14. Segmented Information**

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

<b>Year Ended January 31, 2026</b>	<b>Royalties</b>	<b>Ramu Nickel</b>		<b>Total</b>
		<b>Mine</b>	<b>Corporate</b>	
Share of operating profit from Ramu Nickel Mine	\$ -	\$ 1,119,571	\$ -	\$ 1,119,571
Operating expenses	-	(887,570)	(220,062)	(1,107,632)
Financing costs	-	(1,823,736)	-	(1,823,736)
Interest income	-	13,530	345,439	358,969
Foreign exchange gain	-	17,081	34,356	51,437
Deferred tax recovery	-	340,400	-	340,400
<b>Net income (loss)</b>	<b>\$ -</b>	<b>\$ (1,220,724)</b>	<b>\$ 159,733</b>	<b>\$ (1,060,991)</b>

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**14. Segmented Information (Continued)**

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

<b>As at January 31, 2026</b>	<b>Canada</b>	<b>Asia Pacific</b>	<b>Total</b>
Current assets	\$ 8,916,713	\$ 2,655,858	\$ 11,572,571
Non-current assets	25,457,821	86,925,910	112,383,731
<b>Total assets</b>	<b>\$ 34,374,534</b>	<b>\$ 89,581,768</b>	<b>\$ 123,956,302</b>

  

<b>As at January 31, 2025</b>	<b>Canada</b>	<b>Asia Pacific</b>	<b>Total</b>
Current assets	\$ 8,124,281	\$ 1,612,424	\$ 9,736,705
Non-current assets	25,457,821	95,749,542	121,207,363
<b>Total assets</b>	<b>\$ 33,582,102</b>	<b>\$ 97,361,966</b>	<b>\$ 130,944,068</b>

**15. Financial Instruments****Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

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

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

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

As of January 31, 2026, the Company's financial instruments consist of cash, other receivables, sundry receivables and accounts payable and accrued liabilities and non-recourse debt. The fair values of cash, other receivables, sundry receivables and accounts payable and accrued liabilities approximate their carrying amounts because of the short-term nature of these instruments. The non-recourse debt is stated at amortized cost, the fair value is not materially different to the carrying amounts, as the interest payable is close to current market rates.

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**NICKEL 28 CAPITAL CORP.**  
**Notes to the Consolidated Financial Statements**  
**Year Ended January 31, 2026 and 2025**  
**(Expressed in United States Dollars, unless otherwise indicated)**

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**16. Financial Risks**

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

Credit Risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Financial liquidity represents the Company's ability to fund future operating activities. The Company may generate cash from the sale of additional equity securities, as well as through debt financing. The Company plans to fund its ongoing operations with its existing cash balance and amounts receivable from MCC Ramu NiCo Limited. Although the Company may enter into commitments to acquire royalties and direct interests in mineral properties those commitments are normally funded by use of the Company's available cash and are contingent on its ability to raise funds through the sale of additional equity securities or debt financing. The Company's accounts payable and accrued liabilities are due within the next 12 months. The non-recourse debt is estimated to be due as follows: \$10,000,000 within the next 12 months and \$21,852,817 after 12 months, however this loan is only repayable to the extent the Company's share of the Ramu Nickel Mine's operations are in surplus. The Company's management of liquidity risk has not changed materially from that of the prior year.

Market risk

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

(i) Interest rate risk

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

Interest-bearing cash accounts and short-term deposits are subject to the movement of interest rates and the Company does not enter into long-term deposits. The Company has AUD\$107,260 on deposit at rates ranging between 3.75% and 4.34%.

The rate of the Company's long-term borrowings is 5.05%. As at January 31, 2026, the Company has estimated that for a 1% decrease or increase in the interest rate, all other variables remaining constant, the result would be a decrease or increase in profit or loss of approximately \$180,000.

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**16. Financial Risks (Continued)****(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows from the Company's financial instruments will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency. The Company's functional currency is United States dollars. The Company incurs expenses in Canadian dollars, Australian dollars and Papua New Guinea Kina. As at January 31, 2026, the Company had approximately CAD\$387,700 (\$286,200), AUD\$199,000 (\$139,200) and PGK\$757,000 (\$173,700) of net assets. As at January 31, 2026, the Company has estimated that a 10% decrease or increase in the value of the Canadian dollar, Australian dollars and Papua New Guinea Kina, all other variables remaining constant, the result would be a decrease or increase in profit or loss of approximately \$55,000.

**(iii) Other price risk**

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

**17. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of shareholders' equity of \$80,626,158 at January 31, 2026 (January 31, 2025 - \$82,498,906).

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

**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)****18. Income Taxes**

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

<b>Year Ended January 31,</b>	<b>2026</b>	<b>2025</b>
Loss before tax	\$ (1,401,391)	\$ (954,580)
Statutory tax rate	26.50 %	26.50 %
Expected tax recovery based on statutory rate	(371,368)	(252,963)
Adjustment to expected tax expense:		
Foreign rate difference	(54,754)	39,058
Non-deductible interest	547,121	626,347
Net accounting income not deductible for tax	(150,968)	(340,656)
Net taxable income subject to tax holiday	(428,424)	-
Change in deferred tax assets not recognized	117,993	901,389
<b>Total tax (recovery) expense</b>	<b>\$ (340,400)</b>	<b>\$ 973,175</b>

The significant components of the deferred tax liabilities as at January 31, 2026 and 2025 are as follows:

<b>As at January 31,</b>	<b>2026</b>	<b>2025</b>
Investment in Ramu Nickel Mine	\$ (11,207,549)	\$ (11,546,213)
Provision for employee entitlements	68,920	62,418
<b>Deferred tax liabilities</b>	<b>\$ (11,138,629)</b>	<b>\$ (11,483,795)</b>

The following table summarizes losses that can be applied against future taxable profits as at January 31, 2026.

	<b>Canada</b>	<b>Papua New Guinea</b>
Deductible (taxable) temporary differences not recognized:		
Non-capital losses	\$ 27,646,854	\$ -
Capital losses	233,237	-
Eligible capital property	52,769	-
	<b>\$ 27,932,860</b>	<b>\$ -</b>

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

	<b>Canada</b>	<b>Papua New Guinea</b>
Deductible (taxable) temporary differences not recognized:		
Non-capital losses	\$ 27,194,286	\$ -
Capital losses	233,237	-
Eligible capital property	58,470	-
	<b>\$ 27,485,993</b>	<b>\$ -</b>

The tax losses are available to be carried forward for a maximum of 20 years in Canada. The losses in Canada expire from 2039 to 2046.

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## **NICKEL 28 CAPITAL CORP.**

### **Notes to the Consolidated Financial Statements**

**Year Ended January 31, 2026 and 2025**

**(Expressed in United States Dollars, unless otherwise indicated)**

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#### **19. Contingent Liabilities**

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

On February 5, 2020, the Madang Provincial government and 13 landowner plaintiffs sued RNML, the Joint Venture Manager, for alleged breach of various environmental laws and commitment of public and private nuisance and negligence by continuously dumping tailings and waste into the Astrolabe and Basamuk Bays. On March 23, 2020, RNML filed its defense. On September 8, 2020, the plaintiffs had then filed a Notice of Motion intending to stop the normal operation of the Ramu project. Subsequently, the Joint Venture Manager filed 51 affidavits to defend and a motion seeking to transfer the case to a commercial court. In October 2020, the State of Papua New Guinea through the Conservation and Environment Protection Authority (CEPA) filed an application to be added as a second defendant to support the Ramu project. This application was granted by the Court. As of the date of these financial statements, the case remains in the pre-trial stage. In October 2024, the Court issued directions regarding the further conduct of the proceedings. The plaintiffs have complied with term 1 of the directions by serving all their affidavits containing authorities to the defendants. The defendants have complied with term 2 of the direction orders by filing and serving the first defendants list of documents by January 17, 2025. The defendants noted that the plaintiffs have failed to comply with term 2 of the directions orders by failing to file and serve their list of documents on or before January 17, 2025. The matter returned to pre-trial status conference on July 10, 2025 where the defendants informed the Court of the defendants' compliance with the October 2024 orders and the plaintiffs' non-compliance. The Court, after hearing submissions on the status of compliance ordered: the plaintiffs shall respond to the defendants submission that the plaintiffs have failed to comply with the orders issued in October 2024 by March 2, 2026; the defendants are at liberty to file the necessary application if the plaintiffs have failed to comply with the orders issued in October 2024 by March 26, 2026; and in any event this matter shall return for pre-trial status conference on March 2, 2026.

As of January 31, 2026, the case remained in the pre-trial stage and the plaintiffs have not complied with the relevant court directions. Pursuant to the Court's further orders in July 2025, the defendants may apply to dismiss the proceedings in the event of continued non-compliance

The Joint Venture Manager is confident about successfully defending the case and does not have the intention to settle the case out of court. However, management is unable to reliably estimate the possible compensation amount until the case is closed. No provisions were recognized in the consolidated financial statements in relation to these two matters.

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

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

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

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**NICKEL 28 CAPITAL CORP.****Notes to the Consolidated Financial Statements****Year Ended January 31, 2026 and 2025****(Expressed in United States Dollars, unless otherwise indicated)**

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**20. Subsequent Events**

(i) On February 23, 2026, the Company instituted a new NCIB pursuant to which an aggregate of up to 7,050,819 common shares are able to be repurchased for cancellation, which NCIB expires on February 22, 2027. Subsequent to January 31, 2026, a total of 763,300 common shares of the Company were cancelled under the NCIB program.

(ii) On February 7, 2026, the Company granted 810,811 stock options to an officer. These stock options have an exercise price of \$1.01 and are exercisable for five years. The options vest ratably over a three-year period, commencing on February 7, 2027. Vesting of the options is subject to the achievement of specified total shareholder return ("TSR") performance conditions measured over the period from February 1, 2026 to January 31, 2027.

Under the terms of the grant: (a) 25% of the options will vest if TSR is 20% or greater, corresponding to a share price of \$1.31 or greater; (b) an additional 25% will vest if TSR is 40% or greater, corresponding to a share price of \$1.53 or greater; (c) an additional 25% will vest if TSR is 60% or greater, corresponding to a share price of \$1.74 or greater; and (d) the remaining 25% will vest if TSR is 80% or greater, corresponding to a share price of \$1.96 or greater.

For purposes of calculating TSR, the starting share price was determined to be \$1.09, representing 108% of \$1.01, being the highest TSR threshold achieved during the financial year ended January 31, 2026.