NICKEL NORTH EXPLORATION CORP.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Independent Auditor's Report

To the Shareholders of Nickel North Exploration Corp.:

Opinion

We have audited the financial statements of Nickel North Exploration Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits 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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company had a working capital deficiency and an accumulated deficit as at December 31, 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

MNP LLP
2200 - 1021 West Hastings Street, Vancouver BC, V6E 0C3 1.877.688.8408 T: 604.685.8408 F: 604.685.8594

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

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

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

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 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 Jian-Kun Xu.

Vancouver, British Columbia

MNP LLP

April 30, 2025

Chartered Professional Accountants

MNP

NICKEL NORTH EXPLORATION CORP.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Note		December 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash		$	15,053	$	26,582
Sales tax recoverable			11,630		13,815
Prepaid expenses and deposits			3,727		5,826
Total current assets			30,410		46,223
Total assets		$	30,410	$	46,223
LIABILITIES AND EQUITY					
Current liabilities					
Accounts and other payables	5/7	$	412,690	$	227,372
Loan payable	7		281,276		157,424
Convertible debenture	7		2,091,679		1,894,452
Current portion of government loan	11		28,728		-
Total current liabilities			2,814,373		2,279,248
Government loan	11		28,916		60,000
Deferred income tax liabilities			-		11,152
Total liabilities			2,843,289		2,350,400
Deficit					
Share capital	6		12,118,042		12,118,042
Contributed surplus			818,506		818,506
Deficit			(15,749,427)		(15,240,725)
Total equity			(2,812,879)		(2,304,177)
Total liabilities and equity		$	30,410	$	46,223

Going concern (Note 2)
Subsequent event (Note 12)

The financial statements were approved and authorized for issue by the board of directors on April 30, 2025 and were signed on behalf by:

" Jingbin Wang" — Director

"Yingting Guo" — Director

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

NICKEL NORTH EXPLORATION CORP.
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Note		2024		2023
OPERATING EXPENSES					
Accounting and audit		$	27,617	$	25,584
Bank charges and interest	7		231,204		190,508
Consulting fees	7		166,850		208,560
Legal			21,085		55,806
Media and conference			1,790		18,257
Office administration and miscellaneous			24,882		30,531
Transfer agent and filing fees			22,842		25,054
Share-based compensation	6		-		43,171
			(496,270)		(597,471)
EXPLORATION EXPENSES	4		(35,584)		(13,973)
OTHER ITEMS					
Interest income			-		486
Other income - non-refundable deposit	4		12,000		15,000
Other expense - government grants	11		-		(25,878)
					-
			12,000		(10,392)
Net loss before income taxes			(519,854)		(621,836)
Deferred income tax recovery	9		11,152		-
Net and comprehensive loss for the year		$	(508,702)	$	(621,836)
Basic and diluted loss per common share		$	(0.005)	$	(0.006)
Weighted average number of common shares outstanding - basica and diluted			100,435,497		100,435,497

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

NICKEL NORTH EXPLORATION CORP.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance, January 1, 2023	100,435,497	$ 12,118,042	$ 775,335	$ (14,618,889)	$ (1,725,512)
Share-based compensation	-	-	43,171	-	43,171
Net and comprehensive loss for the year	-	-	-	(621,836)	(621,836)
Balance, December 31, 2023	100,435,497	$ 12,118,042	$ 818,506	$ (15,240,725)	$ (2,304,177)
Balance, January 1, 2024	100,435,497	$ 12,118,042	$ 818,506	$ (15,240,725)	$ (2,304,177)
Net and comprehensive loss for the year	-	-	-	(508,702)	(508,702)
Balance, December 31, 2024	100,435,497	$ 12,118,042	$ 818,506	$ (15,749,427)	$ (2,812,879)

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

NICKEL NORTH EXPLORATION CORP.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in Canadian Dollars)

	Note	2024	2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES			
Net loss for the year		$ (508,702)	$ (621,836)
Items not affecting cash:			
Accrued interest	7	221,079	189,791
Government grants	11	-	25,878
Share-based compensation		-	43,171
Deferred income tax recovery	9	(11,152)	-
Changes in non-cash working capital items:			
Sales tax recoverable		2,185	22,860
Prepaid expenses and deposits		2,099	36,181
Account and other payables		185,318	166,479
Net cash used in operating activities		(109,173)	(137,476)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Return of retricted cash		-	28,750
Net cash from investing activities		-	28,750
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES			
Government loan	11	(2,356)	-
Loan from related party		100,000	100,000
Net cash provided by financing activities		97,644	100,000
Change in cash and cash equivalents during the year		(11,529)	(8,726)
Cash and cash equivalents, beginning of the year		26,582	35,308
Cash and cash equivalents, end of the year		$ 15,053	$ 26,582

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

1. NATURE OF BUSINESS

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

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

2. BASIS OF PREPARATION, AND GOING CONCERN

Basis of preparation

The Company's financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

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

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Going concern

The Company is an exploration stage company. At present, the Company's operations do not generate positive cash flows. As at December 31, 2024, the Company had a working capital deficiency of $2,783,963 and an accumulated deficit of $15,749,427. The continuing operations of the Company are dependent upon its ability to raise adequate financing and to commence profitable operations in the future. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing in the near future, which raises material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The directors, after reviewing the current cash position and having considered the Company's ability to raise funds in the short term, believe that the going concern basis is appropriate in preparing its financial statements.

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

Use of estimates and judgements

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

2. BACKGROUND, BASIS OF PREPARATION AND GOING CONCERN (continued)

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents consist of cash held at banks. There are no cash equivalents as of December 31, 2024 and 2023.

Mineral properties and exploration expenditures

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

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

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

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

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

(iv) permitting activities; and

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

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Mineral properties and exploration expenditures (continued)

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

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

Provision for decommissioning and restoration obligations

The Company recognizes provisions for statutory, contractual, constructive, or legal obligations associated with the reclamation of mineral properties in the year in which it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Initially, a provision for a decommissioning liability is recognized based on expected future cash flows required to settle the obligation and discounted at a pre-tax rate specific to the liability. Such costs arise from the decommissioning of site preparation work, discounted to their net present value which is capitalized to the carrying amount of the asset. The capitalized amount is depreciated on the same basis as the related asset. Following the initial recognition of the decommissioning liability, the carrying amount of the liability is increased for the passage of time and adjusted for changes to the current market-based discount rate and the amount or timing of the underlying cash flows needed to settle the obligation. The increase in the provision due to passage of time is recognized as interest expense. Significant judgments and estimates involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. As at December 31, 2024 and 2023, the Company has no known restoration, rehabilitation or environmental liabilities related to its mineral properties.

Government assistance

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

Government grants

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

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

i) Financial assets

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

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

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

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

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

ii) Financial Liabilities

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

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

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

iii) Derecognition of financial assets and financial liabilities

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

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

iv) Offsetting financial instruments

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

Share capital

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

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

Convertible Debentures

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

Loss per share

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

3. MATERIAL ACCOUNTING POLICIES (continued)

Share-based payments

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

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

Warrants

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

Income taxes

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

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

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

Flow-through shares

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

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (continued)

Newly adopted and future accounting standards

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

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

4. EXPLORATION AND EVALUATION EXPENSES

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

		Hawk Ridge Property, Quebec
December 31, 2022		11,082,126
Expenditures		13,973
December 31, 2023	**$**	11,096,099
Expenditures		35,584
December 31, 2024	**$**	11,131,683

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

		2024		2023
Claim cost	$	33,284	$	10,605
Assays		-		68
Geological consulting		2,300		3,300
Total cost	$	35,584	$	13,973

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION EXPENSES (continued)

Hawk Ridge Property:

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

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

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

The Company has entered into a new option agreement with 1844 on December 11, 2024, pursuant to which the Company granted options to 1844 to acquire up to 100% Interest in the Hawk Ridge property.

Upon execution of the Option Agreement, Nickel North received from 1844 a non-refundable cash payment of $12,000. Additionally, within five business days of the effective date (the "Effective Date") that is defined in the Option Agreement as two business days following receipt of the final acceptance by the Exchange, 1844 will be required to pay to Nickel North $200,000 and issue to Nickel North 5,000,000 common shares in the capital of 1844 ("EFF Shares"). The Option Agreement is subject to the approval of the TSX Venture Exchange.

First Option

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

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

Second Option

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

(Expressed in Canadian Dollars)

5. ACCOUNTS AND OTHER PAYABLES

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

	December 31, 2024	December 31, 2023
Accounts payable	$ 336,440	$ 164,872
Accrued expenses	76,250	62,500
	$ 412,690	$ 227,372

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

6. SHARE CAPITAL

Authorized

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

Issued share capital

During the year ended December 31, 2024, the company did not issue any common shares. The number of issued and outstanding shares as of December 31, 2024 and 2023 was 100,435,497.

Stock options

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

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

	Number of options	Weighted average Exercise price
Outstanding, December 31, 2023 and 2022	5,600,000	$ 0.06
Expired	5,600,000	0.06
Outstanding, December 31, 2024	-	$ -

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

Stock options (continued)

As of December 31, 2024, nil options (2023 – 5,600,000) were outstanding and exercisable.

In the year ended December 31, 2024, the Company recorded nil (December 31, 2023 - $43,171) share-based compensations related to the stock options granted in 2022.

	2023
Expected stock price volatility	**138% - 221%**
Risk-free interest rate	**4.11% - 4.90%**
Expected life of options	**1 – 1.75 Years**
Forfeiture rate	**0%**

Warrants

During the year ended December 31, 2024 and 2023, there were no warrants issued to the agents.

	Number of warrants	Weighted average Exercise price
Outstanding, December 31, 2023 and 2022	16,622,700	$ 0.075
Expired	16,622,700	0.075
Outstanding, December 31, 2024	**-**	**$ -**

7. RELATED PARTY TRANSACTIONS AND BALANCES

The Company entered into the following related party transactions for the years ended December 31, 2024 and 2023:

a) Incurred consulting fees of $120,000 (2023 - $129,000) from companies controlled by the Chief Executive Officer ("CEO") of the Company.

b) Incurred consulting fees of $30,000 (2023 - $30,000) from the Chief Finance Officer ("CFO") of the Company.

c) Incurred corporate consulting fees of $nil (2023 - $10,000) from the Company's majority shareholder.

(Expressed in Canadian Dollars)

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

On August 19, 2022, the loan outstanding balance was $1,676,505, The Company settled an aggregate amount of $1,654,995 in the loan from Sinotech through the issuance of a convertible debenture due on August 19, 2023, with an interest rate of 10% per annum. Sinotech has the right to convert the loan amount to the common shares of the company at the price of $0.05 per share. The Company determined that the fair value of the debt component of the convertible debt approximates the total value. Therefore, no amount was recorded for the equity component. The convertible debenture was not repaid or converted as of December 31, 2024. It is due on demand. As at December 31, 2024, the convertible debentures balance was $2,091,679 including interest (December 31, 2023 - $1,894,452).

The loan payable balance was $281,276 (December 31, 2023 - $157,424).

On May 06, 2023, the Company entered into a loan agreement with Sinotech for a loan to the Company in the principal amount of $100,000 for a term of one year. The principal amount will bear interest at a fixed rate of 10 per cent per annum. The loan is unsecured and due on demand.

On March 20, 2024, the Company entered into a loan agreement with SinoTech for a loan to the Company in the principal amount of $100,000 for a term of one year. The principal amount will bear interest at a fixed rate of 10 per cent per annum and is unsecured.

	Convertible Debenture	Loan Payable
December 31, 2022	1,716,280	45,805
Interest	178,172	11,619
Additions	-	100,000
December 31, 2023	1,894,452	157,424
Interest	197,227	23,852
Additions	-	100,000
December 31, 2024	2,091,679	281,276

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

During the year ended December 31, 2024, the Company incurred interest expense of $23,852 in relation to the loan payable (2023 - $11,619) and interest expense of $197,227 (2023 - $178,172) in relation to the convertible debenture.

d) Incurred director fees of $13,750 (2023 - $16,250) from the directors of the Company which have been included in consulting fees in the statement of loss and comprehensive loss.

e) Included in account and other payables is $312,500 (2023 - $163,250) due to directors, officers and companies controlled by directors and officers for services rendered and unpaid director fees. These amounts are unsecured, non-interest bearing, and have no specific terms of repayment.

8. CAPITAL MANAGEMENT

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

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

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

(Expressed in Canadian Dollars)

9. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the years ended December 31, 2024 and December 31, 2023:

	2024	**2023**
	$	**$**
Net loss before tax	(519,854)	(621,836)
Statutory tax rate	27.0%	27.0%
Expected income tax (recovery)	(140,361)	(167,896)
Non-deductible items	37,897	43,663
Change in estimates	(11,152)	55,921
Change in deferred tax assets not recognized	102,464	68,312
Total income tax expense (recovery)	(11,152)	-

	2024	**2023**
	$	**$**
Current tax expense (recovery)	-	-
Deferred tax expense (recovery)	(11,152)	-
Total tax expense (recovery)	(11,152)	-

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. The unrecognized deductible temporary differences as at December 31, 2024 and December 31, 2023 is comprised of the following:

	2024	**2023**
	$	**$**
Non-capital losses carryforwards	6,592,985	6,281,181
Accrued liabilities	56,250	42,500
Fixed Assets	9,600	9,600
Exploration and evaluation expenses	5,489,074	5,453,490
Financing costs	22,964	34,446
Unpaid and compound interest payable	71,325	41,487
Government loan	20,000	20,000
Total unrecognized deductible temporary differences	12,262,198	11,882,704

(Expressed in Canadian Dollars)

9. INCOME TAXES (continued)

The Company has not recognized a deferred tax asset in respect of non-capital loss carry-forwards of approximately $6,592,985 (2023: $6,281,181) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	$
2028	286,049
2029	263,119
2030	79,657
2031	33,540
2032	911,483
2033	546,842
2034	888,164
2035	471,365
2036	360,991
2037	379,186
2038	382,730
2039	371,432
2040	304,879
2041	269,895
2042	326,056
2043	405,792
2044	311,805
Total	6,592,985

10. FINANCIAL INSTRUMENTS

Fair values

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

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

			2024		2023
FVTPL	(i)	$	15,053	$	26,582
Other financial liabilities	(ii)	$	2,814,373	$	2,279,248

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

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Fair value (continued)

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
Level 3 – Inputs that are not based on observable market data

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

	Level 1	Level 2	Level 3	Total 2024
Cash and cash equivalents	$ 15,053	$ -	$ -	$ 15,053

Financial risk management

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

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. As at December 31, 2024 the Company had a working capital deficiency of $2,783,963 (2023 – $2,233,025). $2,814,373 of the Company's financial liabilities are classified as current liabilities and $28,916 are classified as non-current liabilities.

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

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS (continued)

Financial risk management (continued)

Liquidity risk (continued)

Significant contractual obligations in years subsequent to December 31, 2024 are as follows:

		Carrying value		Contractual cash flows		< 1 year		1 – 3 years
Accounts and other payables	$	412,690	$	412,690	$	412,690	$	-
Loan payable	$	281,276	$	281,276	$	281,276	$	-
Convertible debenture	$	2,091,679	$	2,091,679	$	2,091,679	$	-
Government loan	$	57,644	$	57,644	$	28,728	$	28,916

Interest rate risk

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

11. GOVERNMENT LOAN

Canada Emergency Business Account (CEBA) is intended to support businesses by providing financing for their expenses that cannot be avoided or deferred as they take steps to safely navigate a period of shutdown, thereby helping to position businesses for successful relaunch when the economy reopens during COVID-19 outbreak. This program provides interest-free loans of up to $60,000 to small businesses and not-for-profits. Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of up to 33 percent (up to $20,000). The deadline to repay the loan was extended to January 18th, 2024 to keep the forgivable portion.

The Company did not repay the loan by January 18th, 2024. The loan is converted to a term loan with full principal repayment due on December 31, 2026. The Company is required to pay 5% interest per annum on the full outstanding balance of the loan. The previously recognized forgivable portion of $25,878 was recorded as an expense in the year ended December 31, 2023.

As at December 31, 2024, the Company has an outstanding balance of $57,644 (December 31, 2023-$60,000) in government loans. This balance includes a current portion of $28,728 (December 31, 2023 - nil), which is due for repayment within the next twelve months. The remaining balance of $28,916 is classified as a non-current liability. During the year ended December 31, 2024, the Company incurred interest expense of $2,356 (December 31, 2023 - nil) in relation to the government loan payable.

12. SUBSEQUENT EVENT

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