FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: CLASS 1 NICKEL AND TECHNOLOGY INC. (the "Issuer").

Trading Symbol: NICO

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

(a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.

(b) A description of the transaction(s), including those for which no amount has been recorded.

(c) The recorded amount of the transactions classified by financial statement category.

(d) The amounts due to or from Related Persons and the terms and conditions relating thereto.

(e) Contractual obligations with Related Persons, separate from other contractual obligations.

(f) Contingencies involving Related Persons, separate from other contingencies.

2. Summary of securities issued and options granted during the period.

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions, 203,193,248 outstanding common shares

(b) number and recorded value for shares issued and outstanding, 203,193,248 shares and $ 24,361,621

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value,

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer. N/A

4. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

Name	**Position**
David Fitch	President & Executive Director
Mathew Gilbertson	Non-Executive Director
David Crevier	Non-Executive Director
Omar Gonzales	Chief Financial Officer
Monique Hutchins	Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CSE Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated August 14, 2026.

David Fitch
Name of Director or Senior Officer

"David Fitch"
Signature

President
Official Capacity

Issuer Details Name of Issuer Class 1 Nickel and Technology Inc.	For Quarter Ended June 30, 2026	Date of Report YY/MM/DD 26/08/14
Issuer Address 82 Richmond Street East,		
City/Province/Postal Code Toronto, ON M5C 1P1	Issuer Fax No. (416) 848-0790	Issuer Telephone No. (416) 848-7744
Contact Name David Fitch	Contact Position President	Contact Telephone No. (416) 848-7744
Contact Email Address info@class1nickel.com	Web Site Address www.class1nickel.com	

SCHEDULE A

FINANCIAL STATEMENTS ENDING JUNE 30, 2026

CLASS 1 NICKEL AND TECHNOLOGIES LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED JUNE 30, 2026

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Notice to reader

The accompanying unaudited condensed interim consolidated financial statements of Class 1 Nickel and Technologies Limited (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Class 1 Nickel and Technologies Limited
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at June 30, 2026	As at December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	**$ 255,614**	$ 422,694
Prepaid expenses	**21,244**	36,531
Accounts receivable (note 3)	**8,165**	8,565
Due from related party (note 9)	**7,345**	7,345
Total assets	**$ 292,368**	$ 475,135
SHAREHOLDER'S (DEFICIT) EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	**$ 744,869**	$ 834,069
Deferred flow-through premium (note 10)	**-**	185,938
Liability component of convertible debentures (note 5)	**145,042**	2,135,042
Total liabilities	**889,911**	3,155,049
Shareholder's (deficit) equity		
Share capital (note 6)	**24,361,621**	21,570,803
Contributed surplus	**2,901,757**	2,901,757
Warrant reserve (note 8)	**1,339,716**	1,241,636
Equity component of convertible debentures (note 5)	**-**	590,486
Deficit	**(29,200,637)**	(28,984,596)
Total shareholder's (deficit) equity	**(597,543)**	(2,679,914)
Total shareholder's (deficit) equity and liabilities	**$ 292,368**	$ 475,135

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Nature of operations and going concern (note 1)
Commitments and contingencies (note 10)

Class 1 Nickel and Technologies Limited
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating expenses				
Exploration and evaluation (note 4)	**$ 60,140**	$ 243,801	**$ 168,590**	$ 529,081
General and administrative	**5,150**	5,155	**13,112**	10,244
Investor relations	**5,583**	53,021	**16,433**	63,288
Professional fees (note 9)	**92,156**	78,263	**172,916**	157,292
Regulatory	**9,447**	12,234	**19,663**	18,359
Travel	**-**	-	**1,265**	-
Loss before the following items	**172,476**	392,474	**391,979**	778,264
Finance expenses (note 5)	**-**	67,329	**10,000**	134,658
Interest income	**-**	(13)	**-**	(29)
Amortization of flow-through premium (note 10)	**-**	(50,141)	**(185,938)**	(103,958)
Net loss and comprehensive loss for the period	**$ (172,476)**	$ (409,649)	**$ (216,041)**	$ (808,935)
Net loss and comprehensive loss per share basic and diluted	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding basic and diluted	**143,306,896**	137,243,201	**190,002,053**	183,938,358

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Class 1 Nickel and Technologies Limited
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating activities		
Net loss for the period	**$ (216,041)**	$ (808,935)
Adjustments for:		
Finance expenses	**10,000**	134,658
Amortization of flow-through premium	**(185,938)**	(103,958)
Changes in non-cash working capital items:		
Accounts receivable	**400**	2,688
Prepaid expenses	**15,287**	19,396
Accounts payable and accrued liabilities	**(89,200)**	54,736
Due from related party	**-**	19,946
Net cash used in operating activities	**(465,492)**	(681,469)
Financing activities		
Proceeds from issuance of shares, net of shares issued cost	**298,412**	-
Net cash provided by financing activities	**298,412**	-
Net change in cash and cash equivalents	**(167,080)**	(681,469)
Cash and cash equivalents, beginning of period	**422,694**	1,478,778
Cash and cash equivalents, end of period	**$ 255,614**	$ 797,309

Supplemental information

Shares issued from convertible debenture	**$ 2,000,000**	$ -

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Class 1 Nickel and Technologies Limited
Condensed Interim Consolidated Statements of Changes in (Deficit) Equity
(Expressed in Canadian Dollars)
Unaudited

	Common Shares (#)	Share capital ($)	Contributed surplus	Warrants	ECCD (1)	Deficit	Total
Balance, December 31, 2024	**183,938,358**	**$ 21,570,803**	**$ 2,901,757**	**$ 1,241,636**	**$ 590,486**	**$ (27,398,559)**	**$ (1,093,877)**
Net loss for the period	-	-	-	-	-	(808,935)	(808,935)
Balance, June 30, 2025	**183,938,358**	**$ 21,570,803**	**$ 2,901,757**	**$ 1,241,636**	**$ 590,486**	**$ (28,207,494)**	**$ (1,902,812)**
Balance, December 31, 2025	**183,938,358**	**$ 21,570,803**	**$ 2,901,757**	**$ 1,241,636**	**$ 590,486**	**$ (28,984,596)**	**$ (2,679,914)**
Shares issued in private placement	2,588,224	222,860	-	98,080	-	-	320,940
Shares issue cost	-	(22,528)	-	-	-	-	(22,528)
Shares issued from convertible debentures	16,666,666	2,590,486	-	-	(590,486)	-	2,000,000
Net loss for the period	-	-	-	-	-	(216,041)	(216,041)
Balance, June 30, 2026	**203,193,248**	**$ 24,361,621**	**$ 2,901,757**	**$ 1,339,716**	**$ -**	**$ (29,200,637)**	**$ (597,543)**

(1) Equity component of convertible debentures

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operations and going concern

Nature of business

Class 1 Nickel and Technologies Limited ("Class 1" or the "Company") was incorporated on December 12, 1989 as "871900 Ontario Limited" under the laws of the Province of Ontario. The principal business of the Company is mining exploration and development of minerals and base metals in Canada. The corporate head office of the Company is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1.

Going concern uncertainty

At each reporting year, management assesses the basis of preparation of the financial statements. These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These unaudited condensed interim consolidated financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the three and six months ended June 30, 2026, the Company incurred a net loss of $172,476 and $216,041, respectively (three and six months ended June 30, 2025 - $409,649 and $808,935, respectively), had negative operating cash flows of $465,492 (June 30, 2025 - $681,469) and has working capital deficit of $597,543 (December 31, 2025 - working capital deficit of $2,679,914). The Company has an accumulated deficit of $29,200,637 since inception (December 31, 2025 - $28,984,596) and does not have sufficient cash as at June 30, 2026 to meet its expected ongoing obligations over the next twelve months. These factors raise significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. Material accounting policies

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of August 4, 2026. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements, except as noted below as at and for the year ended December 31, 2025. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2026 could result in restatement of these unaudited condensed interim consolidated financial statements.

2. Material accounting policies (continued)

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 4, 2026.

Basis of presentation

These unaudited condensed interim consolidated have been prepared on a historical cost basis, with the exception of financial instruments classified at fair value through profit or loss ("FVTPL") as explained in the notes below. In addition, these unaudited condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Legendary Ore Mining Corporation and 2814250 Ontario Inc. All significant inter-company transactions have been eliminated upon consolidation.

New standards adopted

The following amendments were effective for the Company from January 1, 2026 and has been incorporated into the financial statements::

- Classification and measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 *Financial Instruments: Disclosures*

- Annual Improvements to IFRS Accounting Standards - Amendments to:
  - IFRS 7 *Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;*
  - IFRS 9 *Financial Instruments;*
  - IFRS 10 *Consolidated Financial Statements;* and
  - IAS 7 *Statement of Cash flows*

There was no material impact on the interim financial statements as a result of their adoption.

New standards issued but not effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2026:

- Presentation and Disclosure in Financial Statements (IFRS 18), which is effective for periods on or after January 1, 2027.

Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. The Company's financial statements are expected to include changes related to categorization and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

(Expressed in Canadian Dollars)

3. Accounts receivable

		As at June 30, 2026		As at December 31, 2025
Harmonized sales tax recoverable - (Canada)	**$**	**4,665**	$	5,065
Advance		**3,500**		3,500
Total	**$**	**8,165**	$	8,565

4. Mining interests

Alexo-Dundonald Project

The “Alexo-Dundonald Project” is an exploration stage, past-producing nickel-copper-cobalt sulphide project, located approximately 45 kilometers northeast of the city of Timmins, Ontario, Canada. The Alexo-Dundonald Project combines the Alexo-Kelex and Dundonald properties and consists of 29 patented claims (19 with both mining and surface rights, nine with mining rights only and one with surface rights only), 40 leased claims (31 with both mining and surface rights and nine with mining rights only), 21 single cell mining claims and five boundary cell mining claims. The Company owns all the outstanding equity of Legendary Ore Mining Corporation, which holds a 100% interest in the mining claims, leases and properties comprising the Alexo-Dundonald Project, subject to certain tenure agreements and any rights or claims asserted in connection with historic royalty agreements granted in respect of the Alexo-Kelex and Dundonald properties.

The Alexo deposit was discovered in 1907, and between the years 1913 to 1919, 51,851 tonnes grading 4.5% nickel and 0.7% copper was extracted and sent to Sudbury, Ontario, for processing. Canadian Arrow Mines Ltd shipped 6,000 tonnes grading 2.46% nickel, 0.31% copper, and 0.07% cobalt as part of a 10,000 tonne bulk sample permit held at the time, and started the reclamation of the project as part of a Closure Plan approved in 2004 and amended in 2011.

Under the purchase agreements for the Alexo-Kelex and Dundonald properties, the Company must incur an aggregate of $1,500,000 on the Alexo-Dundonald Project by November 9, 2021, of which the Company must incur at least $750,000 on the Alexo-Kelex property by October 18, 2021, otherwise the properties may be re-acquired by the vendors thereof. On July 12, 2021, the Company has completed the requisite minimum exploration expenditures on the Alexo-Dundonald Project, and now holds 100% interest in each properties, subject to a 2% net smelter return royalty on the Alexo Property and 2.5% net smelter return royalty on the Dundonald Property.

On August 10, 2021, the Company issued 50,000 common shares at $0.87 price per common share for $43,500 and granted 50,000 stock options to Matachewan First Nation ("MFN") as part of the exploration program on the Alexo-Dundonald Project.

On August 22, 2021, the Company acquired 100% of Platinum Group Elements Limited ("PGEL") strategic project portfolio of adjacent and adjoining's claims to the Company's Alexo-Dundonald project as well as Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of $550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as the "Bilson Cubric claims".

(Expressed in Canadian Dollars)

4. Mining interests (continued)

Alexo-Dundonald Project (continued)

Alexo-Kelex Property

The Company has spent the following on the Alexo-Kelex Property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 25,170**	$ 69,820	**$ 46,672**	$ 165,965
Field equipment	**-**	4,086	**7,586**	7,586
	$ 25,170	$ 73,906	**$ 54,258**	$ 173,551

Dundonald Property

The Company has spent the following on the Dundonald Property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 25,170**	$ 69,820	**$ 46,672**	$ 165,965
Field equipment	**-**	4,086	**7,586**	7,586
	$ 25,170	$ 73,906	**$ 54,258**	$ 173,551

Somanike Project

The Company has an option (the "Somanike Option") to acquire a 100% interest in the rights held by Vanicom Resources Limited, in an option to acquire the Somanike property, an exploration stage nickel-copper mine project, including the past-producing Marbridge Nickel Sulphide Mine located near Val d'Or, Quebec. The Company is concentrated on advancing the Alexo-Dundonald Project for the current time being and will continue to evaluate this option on an on-going basis. Prior to exercising the Somanike Option, the Company must complete 750m of drilling on certain mining claims held by Globex Mining Enterprises Inc. which comprise a portion of the Somanike property.

In August 2020, the Company issued an aggregate of 234,935 common shares (valued at $160,000) to satisfy all outstanding share issuances required by the Company. In order to earn its 100% undivided interest in the Somanike Property the Company must make cash payments of $25,000 due on or before June 15, 2022 and $50,000 in cash due on or before June 15, 2023. In February 2021, the Company paid $75,000 and $327,800 to earn 100% of interest and for reimbursement expenditures made on Somanike Property as part of the acquisition cost.

The Company has spent the following on the Somanike Property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 5,728**	$ (1,628)	**$ 47,664**	$ 9,291
	$ 5,728	$ (1,628)	**$ 47,664**	$ 9,291

(Expressed in Canadian Dollars)

4. Mining interests (continued)

River Valley Project

On August 22, 2021, the Company acquired 100% of Platinum Group Elements limited ("PGEL") strategic project portfolio of adjacent and adjoining's claims to the Company's Alexo-Dundonald project as well as Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of $550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as the "Bilson Cubric claims".

The Company has spent the following on the River Valley Property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 4,072**	$ 97,617	**$ 12,410**	$ 172,688
Total exploration expenditures	**$ 4,072**	$ 97,617	**$ 12,410**	$ 172,688

Total expenditures all properties:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 60,140**	$ 235,629	**$ 153,418**	$ 513,909
Field equipment	**-**	8,172	**15,172**	15,172
Total exploration expenditures	**$ 60,140**	$ 243,801	**$ 168,590**	$ 529,081

5. Convertible debentures

On December 5, 2022, the Company completed a non-brokered private placement of convertible debentures for aggregate proceeds of $1,000,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.105. In May 2026, $1,000,000 convertible debentures were converted into 8,333,333 common shares at $0.12 per share, and the carrying value of the liability at amount of $1,000,000 and equity component of $293,666 was transfer to sahre capital. See ((note 6) (b)). As at June 30, 2026, the accrued interest of $65,000 was outstanding (December 31, 2025 - $60,000).

On December 24, 2022, the Company completed a non-brokered private placement convertible debentures for aggregate proceeds of $500,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.11. In May 2026, $500,000 convertible debentures were converted into 4,166,1666 common shares at $0.12 per share, and the carrying value of the liability at amount of $500,000 and equity component of $148,410 was transfer to sahre capital. See ((note 6) (b)). As at June 30, 2026, the accrued interest of $32,500 was outstanding (December 31, 2025 - $30,000).

On January 9, 2023, the Company completed a non-brokered private placement convertible debentures for aggregate proceeds of $500,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.12. In May 2026, $500,000 convertible debentures were converted into 4,166,1666 common shares at $0.12 per share, and the carrying value of the liability at amount of $500,000 and equity component of $148,410 was transfer to sahre capital. See ((note 6) (b)). As at June 30, 2026, the accrued interest of $32,500 was outstanding (December 31, 2025 - $30,000).

(Expressed in Canadian Dollars)

5. Convertible debentures (continued)

On January 24, 2023, the Company completed a non-brokered private placement convertible debentures (the "Convertible Debentures") for aggregate proceeds of $450,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.10. In May 2024, $450,000 convertible debentures were converted into 4,500,000 common shares at $0.10 per share, and the carrying value of the liability at amount of $1,000,000 and equity component of $293,666 was transferred to share capital. See ((note 6) (b)). As at June 30, 2026, the accrued interest of $12,375 was outstanding (December 31, 2025 - $12,375).

On January 12, 2024, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of $400,000. The convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into 8,000,000 common shares of the Company at a deemed price of $0.05. At initial recognition, $277,935 was recorded as liability while $296,820 (net of transaction cost of $4,746) was recorded as equity. in May 2024, $400,000 convertible debentures were converted into 8,000,000 common shares at $0.05 per share, and the carrying value of the liability at amount of $1,000,000 and equity component of $296,820 was transferred to share capital. See ((note 6) (b)). As at June 30, 2026, the accrued interest of $2,667 was outstanding (December 31, 2025 - $2,667).

As the debentures have a conversion feature, the equity and debt components must be bifurcated. The value assigned to the liability on the date of issuance was the present value of the contractually determined stream of future cash flows discounted at 15%, being the estimated rate that the market would apply to an instrument with comparable credit status and provide substantially the same cash flows, on the same terms, but without the conversion option. From the date of issuance, the liability component accretes up to its principal value using the effective interest method, with the charge recorded in finance expenses in the consolidated statement of loss. Finally, the residual balance of proceeds on the offering was assigned to the conversion feature.

The Company recorded as transaction costs $4,746 for the 2024 and $1,204 for the 2023 convertible debentures. The issuances of convertible debentures were fully subscribed by the President of the Company. (see note 9)

The components of the Company's convertible debentures as of June 30, 2026 are as follows:

	Liability Component	Equity Component	Total
Balance as at December 31, 2024	**$ 1,865,726**	**$ 590,486**	**$ 2,456,212**
Accretion	269,316	-	269,316
Balance, as at December 31, 2025	**$ 2,135,042**	**$ 590,486**	**$ 2,725,528**
Accretion	10,000	-	10,000
Conversion of debentures	(2,000,000)	(590,486)	(2,590,486)
Balance, as at June 30, 2026	**$ 145,042**	**$ -**	**$ 145,042**

During the three and six months ended June 30, 2026, the Company recognized interest expenses and accredition expenses of $nil and $10,000, respectively (three and six months ended June 30, 2025 - $67,329 and $134,658, respectively). As at June 30, 2026, the accrued and unpaid interest of $145,042 (December 31, 2025 - $135,042) was included in the liability component convertible debenture.

6. Share capital

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares without par value ("Common Shares"). All issued shares are fully paid.

(Expressed in Canadian Dollars)

6. Share capital (continued)

b) Common Shares issued

	Number of common shares	Amount
Balance, December 31, 2024 and December 31, 2025	**183,938,358**	**$ 21,570,803**
Shares issued in private placement (i)	**2,588,224**	**222,860**
Share issue cost (i)	**-**	**(22,528)**
Shares Issued for convertible debentures (ii)	**16,666,666**	**2,590,486**
Balance, June 30, 2026	**203,193,248**	**$ 24,361,621**

(i) In May 2026, the Company closed non-brokered private placements of 2,588,224 common shares of the Company at a price of $0.124 per share to raise aggregate gross proceeds of $320,940 and paid $22,528 in legal fees recorded in shared issue cost. A director of the Company subscribed 1,000,000 of the common shares in the placements.

The 1,294,112 finder' warrants assigned a fair value of $98,080 recorded in shared issue costs, which was determined using the Black-Scholes option pricing model using the following assumptions: share price - $0.18, dividend yield - 0%; expected volatility (base on historical price data of the Company's common share) - 180.6%; risk-free interest rate - 0.50%; and an expected life - 3 years.

(ii) In May 2026, the Company converted 8,333,332 common shares at $0.105 worth $1,000,000 related to the December 5, 2022. The carrying value of the liability at amount of $1,000,000 and equity component of $293,666 were transferred to share capital. In May 2026, the Company converted 4,166,667 common shares at $0.12 worth $500,000 and 4,166,667 common shares at $0.05 worth $500,000, related to the December 24, 2022 and January 9, 2023 convertible debentures, respectively. The carrying value of the liability at amount of $1,000,000 and equity component of $296,820 were transferred to share capital (note 5). A director of the Company fully subscribed the 12,499,999 of the commonsShares (note 9).

7. Stock options

On December 21, 2020, the Company's stock option plan (the "Option Plan") was approved by the Board of Directors (the "Board"). Pursuant to the terms of the Option Plan, the Board may designate directors, officers, employees and consultants of the Company eligible to receive options to acquire such numbers of common shares as the Board may determine, each option so granted being for a term specified by the Board up to a maximum of ten years from the date of grant. The maximum number of common shares reserved for issuance for options granted under the Option Plan at any time is 10% of the issued and outstanding common shares of the Company.

During the three and six months ended June 30, 2026, the Company recorded share based compensation of $nil (three and six months ended June 30, 2025 - $nil).

	Number of stock options	Weighted average exercise price
Balance, December 31, 2024, June 30, 2025, December 31, 2025 and June 30, 2026	**11,765,502**	**$ 0.09**

(Expressed in Canadian Dollars)

7. Stock options (continued)

The following table reflects the actual stock options issued and outstanding as of June 30, 2026:

Expiry date	Exercise price ($)	Weighted average Remaining contractual life (years)	Total Options	Options Exercisable
March 27, 2027	0.07	0.99	11,765,502	11,765,502
		0.99	11,765,502	11,765,502

8. Warrants

The following table reflects the continuity of warrants for years ended June 30, 2026 and December 31, 2025:

	Number of warrants	Weighted average exercise price
Balance, December 31, 2024 and December 31, 2025	-	$ -
Granted (note 6 (b) (i))	**1,294,112**	**98,080**
Balance, June 30, 2026	**1,294,112**	**$ 98,080**

The following table reflects the actual share purchase warrants issued and outstanding as of June 30, 2026:

Expiry date	Grant date fair value ($)	Remaining contractual life (years)	Number of warrants outstanding	Exercise price ($)
May 4, 2029	1,294,112	2.85	1,294,112	0.25
	1,294,112		1,294,112	

9. Related party transactions

Key management includes directors and other key personnel, including the CEO - President, General Manager and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

As at June 30, 2026, the Company has due from related party of $7,345 (December 31, 2025 - $7,345) from a company with a common shareholder of the Company and advance paid to the general manager.

During the three and six months ended June 30, 2026, the Company incurred $25,000and $50,000, respectively (three and six months ended June 30, 2025 - $25,000 and $50,000, respectively) in consulting services fees. As of June 30, 2026, the Company owed $91,591 (December 31, 2025 - $74,093l) due to the general manager for consultant services recorded in accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

9. Related party transactions (continued)

During the three and six months ended June 30, 2026, the Company incurred $32,500 and $65,000, respectively (three and six months ended June 30, 2025 - $32,500 and $65,000, respectively) in directors fees. As of June 30, 2026, the Company owes two directors $379,500 (December 31, 2025 - $368,000) and these amounts are recorded in accounts payable and accrued liabilities.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and six months ended June 30, 2026, the Company incurred professional fees of $2,250 and $4,500, respectively (three and six months ended June 30, 2025 - $2,250 and $4,500, respectively) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping and other services to the Company and charged $nil and $13,822, respectively for the services (three and six months ended June 30, 2025 - $17,898 and $37,871), respectively. As at June 30, 2026, MSSI was owed $8,313 (December 31, 2025 - $3,364) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable and accrued liabilities.

As at June 30, 2026, all convertible debentures issued are held by the president of the Company (note 5).

As at June 30, 2026, directors and a significant shareholder of the Company, beneficially own 128,686,322 common shares carrying approximately 63.33% of the voting rights attached to all common shares.

Additional remuneration of officers and directors of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Directors and management compensation	**$ 59,750**	$ 59,750	**$ 119,500**	$ 119,500
	$ 59,750	$ 59,750	**$ 119,500**	$ 119,500

10. Commitments and contingencies

Matachewan First Nation ("MFN")

The Company entered into a signed Memorandum of Understanding ("MOU") whereby the Company recognizes the traditional values of the MFN and commits the Company to consult and establish a mutually beneficial cooperative and productive relationship to advance the Alexo-Dundonald Nickel Project. The agreement also provides MFN opportunity to participate in the benefits of the Project through business opportunities, employment and training, financial compensation, and consultation on environmental matters.

Environmental contingencies

The Company's exploration activities are subject to various federal, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

(Expressed in Canadian Dollars)

10. Commitments and contingencies (continued)

Flow-through shares

As at June 30, 2026, pursuant to the issuance of flow-through shares in December 2024, the Company is required to incur qualifying expenditures of $1,650,000 by December 31, 2025, as part of the flow-through funding agreement closing in December 2024 (see note 6). As at June 30, 2026, the Company has spent $720,311 related to the flow-through agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company is subject to Part XII.6 taxes on any unspent flow-through expenditures after January 1, 2026 for flow-through funds raised in 2024, and paid $129,891 during the six months ended June 30, 2026. The Company will indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Company not meeting its expenditure commitments.

11. Financial instruments and risks management

Below is a summary showing the classification and measurement bases of the Company's financial instruments:

Classification	IFRS 9
Cash and cash equivalents	FVTPL
Accounts receivables	Amortized cost
Due from related party	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Deferred flow-through premium	Amortized cost
Convertible debentures	Amortized cost

Financial instrument are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as "fair value through profit and loss" ("FVTPL"), directly attributable transaction costs.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the three and six months ended June 30, 2026, there were no transfers between levels 1, 2 and 3 and there were no changes in valuation techniques.

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 has exposure to credit risk through its cash and cash equivalents, accounts receivable and amounts due from related parties. The Company manages credit risk in respect of cash and cash equivalents by maintaining cash at highly rated financial institutions.

11. Financial instruments and risks management (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at June 30, 2026, the Company have sufficient cash and cash equivalent, and accounts receivables to settle accounts payable and accrued liabilities of $744,869 (December 31, 2025 - $834,069).

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and price risk.

Interest rate risk

The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to material interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that its monetary assets and liabilities are denominated in currencies other than the Canadian Dollar. The Company has no monetary assets and liabilities in currencies other than the Canadian Dollar, therefore the Company is not exposed to foreign currency risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices as they relate to the base metals industry to determine the appropriate course of action to be taken by the Company.

SCHEDULE C

MANAGEMENT'S DISCUSSION AND ANALYSIS Q2 2026

Class 1 Nickel and Technologies Limited

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

THREE AND SIX MONTHS ENDED JUNE 30, 2026

(EXPRESSED IN CANADIAN DOLLARS)

INTRODUCTION

The following interim Management's Discussion & Analysis ("Interim MD&A") of Class 1 Nickel and Technologies Limited ("Class 1" or the "Company") for the three and six months ended June 30, 2026 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2025. This Interim MD&A does not provide a general update to the Annual MD&A, nor reflect any non-material events since date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the years ended December 31, 2025, and 2024, together with the notes thereto, and unaudited condensed interim financial statements for the three and six months ended June 30, 2026, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of August 4, 2026, unless otherwise indicated.

For the purposes of preparing this interim MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Class 1 common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information related to the Company is available for view on SEDAR+ at **www.sedarplus.ca**.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this document constitute forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", and "believe", used by any of the Company's management, are intended to identify forward-looking statements. Such statements reflect the Company's forecasts, estimates and expectations, as they relate to the Company's views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Company's performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Company does not intend and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events, or developments.

Forward-looking statements	Assumptions	Risk factors
Potential of the Company's properties to contain economic deposits of precious and base metals.	Financing will be available for future exploration and evaluation of the Company's properties; the actual results of the Company's exploration and evaluation activities will be favourable; operating, exploration and evaluation costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Company; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Precious and base metals price volatility; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; availability of financing for and actual results of the Company's exploration and evaluation activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits.
While the Company has no source of revenue, it believes it will be able to meet its administrative overhead and maintain its mineral investments for twelve months starting from June 30, 2026, depending on future events. The Company expects to incur further losses in the development of its business	The operating and exploration activities of the Company for the next year and beyond, starting from June 30, 2026, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned for the next twelve months; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions.
Management's outlook regarding future trends, including the future price of precious and base metals and availability of future financing.	Financing will be available for the Company's exploration and operating activities; the price of precious and base metals will be favourable to the Company.	Precious and base metals price volatility; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing.

Forward-looking statements	Assumptions	Risk factors
The Company's ability to meet its working capital needs at the current level for the twelve-month period ending June 30, 2027.	Financing will be available for the Company's exploration and evaluation activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Company will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of gold and/or other applicable metals will be favourable to the Company; no title disputes exist with respect to the Company's properties.	Nickel and other metals price volatility, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Company's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company's ability to retain and attract skilled staff; availability of permits; market competition.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this interim MD&A.

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

NATURE OF BUSINESS

The Company

Class 1 was incorporated on December 12, 1989 as "871900 Ontario Limited" under the *Business Corporations Act* (Ontario). The Company's head office and registered office is located at 82 Richmond Street East, Toronto, Ontario M5C 1P1. Class 1 was formerly named "Lakefield Marketing Corporation" until it completed a business combination transaction (the "Transaction") with Legendary Ore Mining Corporation on September 24, 2019, whereby it changed its name to "Class 1 Nickel and Technologies Limited".

On August 20, 2020, the Company commenced trading on the Canadian Securities Exchange under the symbol "NICO".

Principal Business

The Company is engaged in the business of mineral exploration and the acquisition of mineral property assets in Canada. Its objective is to locate and develop economic base metal properties of merit and to conduct its exploration program on the Alexo-Dundonald Project. The Company, as of the date of this report, currently beneficially owns 100% of the Alexo-Dundonald Project and holds 100% interest in the Somanike Project located in the Abitibi Region of Quebec.

The Company is in exploration-stage and does not generate revenues, therefore its ability to ensure continuing operations is dependent on acquiring full control of its mineral property interests, the discovery of potentially economically recoverable Mineral Resources reserves, confirmation of its interest in the underlying mineral claims, and its ability to obtain necessary financing to complete the exploration activities, development, if they are proven successful, and future profitable production.

Class 1's goal is to deliver superior returns to shareholders by concentrating on the exploration of its existing properties and the acquisition of properties that have the potential to contain nickel sulphide. The Company currently plans to focus on its material properties.

CORPORATE HIGHLIGHTS

In May 2026, the Company closed non-brokered private placements of 10,400,000 common shares of the Company at a price of $0.124 per share to raise aggregate gross proceeds of $520,000 and paid $7,837 in legal fees recorded in shared issue cost. A director of the Company subscribed 1,000,000 of the common shares in the placements.

The 1,294,112 finder' warrants assigned a fair value of $98,080 recorded in shared issue costs, which was determined using the Black-Scholes option pricing model using the following assumptions: share price - $0.18, dividend yield - 0%; expected volatility (base on historical price data of the Company's common share) - 180.6%; risk-free interest rate - 0.50%; and an expected life - 3 years.

In May 2026, the Company converted 4,500,000 common shares at $0.105 worth $1,000,000 related to the December 5, 2022. The carrying value of the liability at amount of $370,282 and equity component of $133,211 were transferred to share capital. In May 2026, the Company converted 8,000,000 common shares at $0.12 worth $500,000 and 4,166,667 common shares at $0.05 worth $500,000, related to the December 24, 2022 and January 9, 2023 convertible debentures, respectively. The carrying value of the liability at amount of $291,451 and equity component of $296,820 were transferred to share capital. A director of the Company fully subscribed the 12,500,000 of the commons shares.

TRENDS AND ECONOMIC CONDITIONS

There can be no assurance that additional funding will be available to the Company, which could delay some of the Company's planned or proposed business activities. In addition, external risks like a trade dispute with the U.S. could put significant strain on Canada's broader economy. Tit-for-tat import tariffs are generally inflationary and would raise costs. Management, in conjunction with the Board of Directors, will continue to monitor these developments and their effect on the Company's business.

Strong equity markets are favourable conditions for completing a public merger, financing, or acquisition transactions. Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Inflation increases major operating expenses like service provider costs such as accounting, costs of being a reporting issuer, legal and audit costs. The Company works to counteract rising expenses. Despite the best efforts to control costs where possible, inflationary pressures nonetheless introduce added financial burdens on the Company.

Apart from these and the risk factors noted under the heading “Risk Factors” and “Cautionary Note Regarding Forward-Looking Information”, management is not aware of any other trends, commitments, events, or uncertainties that would have a material effect on the Company’s business, financial condition, or results of operations.

MINERAL PROPERTY INTERESTS

Eugene Puritch, P.Eng, FEC, CET is an independent Qualified Person under the definition of National Instrument 43-101. Mr. Puritch has approved the disclosure contained under the heading “Mineral Property Interests” and has verified the scientific and technical data contained herein.

Alexo-Dundonald Project

A comprehensive NI 43-101 Technical Report is available for the Alexo-Dundonald Project from the Company’s website at www.class1nickel.com and from its profile at www.sedarplus.ca.

The Alexo-Dundonald Nickel Project is located approximately 45 km northeast of the City of Timmins, Ontario, Canada. It covers an area of approximately 1,895 hectares and comprises 95 Boundary Cell Mining Claims, Single Cell Mining Claims, Leased Claims and Patented Claims.

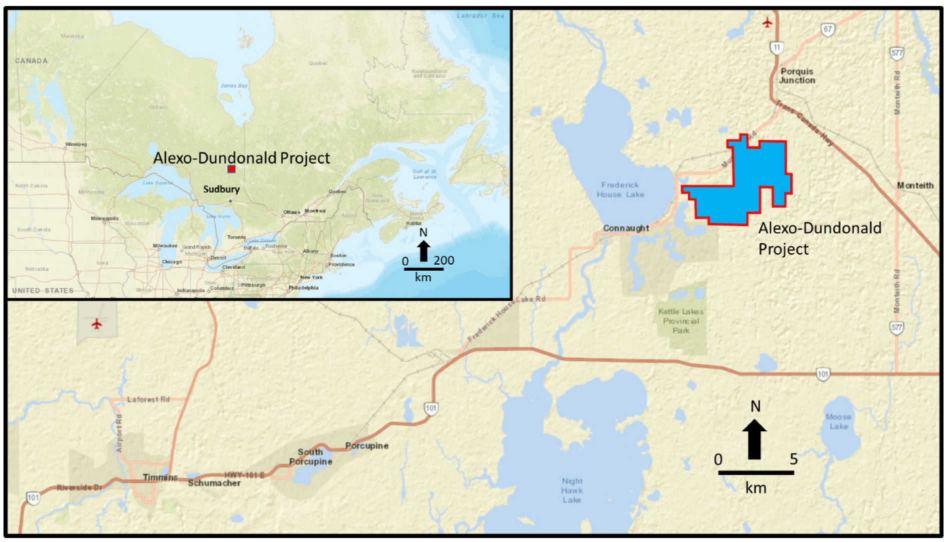


Figure 1 – Geographical location of Alexo-Dundonald Project

The geological setting of the Alexo-Dundonald Project area corresponds to the depositional equivalent environment of the Kidd-Munro assemblage. The Kidd-Munro assemblage is subdivided into lower and upper parts. The lower part of the Kidd-Munro assemblage (2719–2717 Ma) includes localised, regionally discontinuous depositional centres of predominantly intermediate to felsic calc-alkaline volcanic rocks. The upper part of the Kidd-Munro assemblage (2717–2711 Ma) extends across the Abitibi greenstone belt. It consists of tholeiitic and komatiitic volcanic rocks with minor centimetre- to metre-scale graphitic metasedimentary rocks and localised felsic volcanic centres. It has been interpreted that the upper Kidd-Munro assemblage reflects the impact of widespread mantle plume-related magmatism on localised lower Kidd-Munro arc-magmatism volcanic centres.

Previous exploration activity and results in the Alexo-Dundonald Project area have been extensively reviewed and documented by the NI 43-101 Technical Reports prepared by Montgomery (2004), Harron (2009) and Puritch *et al* (2010, 2012). Significant drill intersections reported therein represent the latest rounds of drilling by the last companies to drill on the various target areas within the Project (Canadian Arrow at Alexo-Kelex in 2004–2005 and 2010–2011; First Nickel at Dundonald in 2004–2005; and Falconbridge at Dundeal in 1989) and are presented as an indication of nickel grade and continuity of mineralisation typical of the Project. For more information, please refer to the NI 43-101 Technical Report on the Alexo-Dundonald Project posted to the Company's SEDAR+ profile on August 14, 2020 at www.sedarplus.ca.

Summary of Completed Activities (Year Ended December 31, 2025)	(A) Spent (approx.) (For the Six Months Ended June 30, 2026)	Plans for the Project (Fiscal 2026)	(B) Planned Expenditures (approx.)
The Company completed a VTEM™ survey on the Alexo-Dundonald Nickel Project, thereby completing phase 1 of the exploration program as recommended under the Amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company continues to finalize the interpretation of anomalies identified by the VTEM™ survey. See Note 1 below.	$93,344	Continue interpreting the anomalies identified by the VTEM™ survey conducted on the Alexo-Dundonald Project. The Company intends to further explore the anomalies identified by the VTEM™ survey. The Company intends to undergo a 10,000m diamond drilling campaign on the Alexo-Dundonald Project focusing on the VTEM™ anomalies, as recommended as the phase 2 exploration program under the amended NI 43-101 Technical Report on the Alexo-Dundonald Nickel Project dated June 30, 2020. The Company had raised equity capital during 2023 to fund its exploration work requirements. The major variables are expected to be the size, timing and results of the Company's exploration program and its ability to continue to access capital to fund its ongoing operations.	$2,000,000
	$93,344		$2,000,000

As of June 30, 2026, the accumulated spent incurred in completing phase 1 of the exploration program is $7,420,274.

Note 1

Alexo-Kelex Property

The Company acquired a 100% interest (subject to a vendor buy-back) in Legendary Ore Mining Corporation, which held the Alexo-Kelex Property, under the Alexo-Kelex Agreement dated October 18, 2018 between Vanicom Resources Limited ("Vanicom"), Tartisan Nickel Corp. ("Tartisan") and Canadian Arrow Mines Limited ("Canadian Arrow"). The Alexo-Kelex Property consists of 55 mining claims and leases covering 940.43 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Alexo-Kelex Property is subject to a 0.5% NSR with, which could be bought out by the Company for $1,000,000. The Alexo-Kelex Property is also subject to an existing 1.5% NSR granted to Outokumpu Mines Ltd.

The Alexo-Kelex Agreement allows Tartisan to re-acquire the Alexo-Kelex Property from Legendary for $1.00 if Legendary fails to incur by October 18, 2021 (a) $750,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Kelex Property; and (b) $1,500,000 worth of Exploration Expenditures (as defined thereunder) on the Alexo-Dundonald Project. On July 12, 2021, the Company completed the requisite minimum exploration expenditures on the Alexo-Kelex Project, and now holds a 100% interest in each properties, subject to a 2% net smelter return royalty on the Alexo Property.

On August 10, 2021, the Company issued 50,000 common shares at a price of $0.87 price per common share for $43,500 and granted 50,000 stock options to Matachewan First Nation ("MFN") as part of the exploration program on the Alexo-Dundonald Project.

On August 22, 2021, the Company acquired 100% of Platinum Group Elements limited ("PGEL") strategic project portfolio of adjacent and adjoining claims to the Company's Alexo-Dundonald project as well as the Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of $550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as "Bilson Cubric" claims.

For the years ended June 30, 2026 and 2025, the Company has spent the following on the Alexo-Kelex Property:

	Three Months Ended June 30, 2026	**Three Months Ended June 30, 2025**	**Six Months Ended June 30, 2026**	**Six Months Ended June 30, 2025**
Exploration and evaluation	**$ 25,170**	$ 69,820	**$ 46,672**	$ 165,965
Field equipment	**-**	4,086	**7,586**	7,586
	$ 25,170	$ 73,906	**$ 54,258**	$ 173,551

Dundonald Property

The Company acquired a 100% interest (subject to a vendor buy-back) in the Dundonald Property under the Dundonald Agreement dated November 9, 2018 between Legendary Ore Mining Corporation (a subsidiary of the Company) and Transition Metals Corp. ("Transition"). The Dundonald Property consists of 40 mineral claims and leases covering 954.075 hectares located in the Clergue and Dundonald townships near Timmins, Ontario. The Dundonald Property is subject to a 2.5% NSR royalty granted to Transition by Legendary upon acquisition of the property.

The Dundonald Agreement allows Transition to re-acquire the Dundonald Property from Legendary for $1.00 if Legendary fails to incur by November 9, 2021 $1,500,000 worth of Exploration Expenditures on the Alexo-Dundonald Project. On July 12, 2021, the Company completed the requisite minimum exploration expenditures on the Dundonald Project, and now holds a 100% interest in the property, subject to a 2.5% net smelter return royalty on the Dundonald Property.

For the years ended June 30, 2026 and 2025, the Company has spent the following amount on the Dundonald property:

		Three Months Ended June 30, 2026		Three Months Ended June 30, 2025		Six Months Ended June 30, 2026		Six Months Ended June 30, 2025
Exploration and evaluation	**$**	**25,170**	$	69,820	**$**	**46,672**	$	165,965
Field equipment		**-**		4,086		**7,586**		7,586
	$	**25,170**	$	73,906	**$**	**54,258**	$	173,551

Somanike Project

The Company has acquired a 100% interest in the Somanike Property pursuant to an option agreement dated September 24, 2019, as amended and restated April 27, 2020, between Legendary (a wholly-owned subsidiary of the Company) and Vanicom (the “Legendary Somanike Option Agreement”). Under the Legendary Somanike Option Agreement, the Company may exercise the option granted to Vanicom by Quebec Precious Metals Corporation (“QPMC”) under an option agreement dated August 20, 2018, as amended (the “QPMC Option Agreement”), by paying Vanicom $1.00 plus reimbursing Vanicom for all expenses made on the Somanike Property prior to the Company exercising said option. The Somanike Property consists of 110 mining titles covering 5146.06 hectares located in the Abitibi area of the Province of Quebec. The Legendary Somanike Option Agreement was entered into following a reorganization of Vanicom, whereby Vanicom divested its ownership of Legendary to Vanicom shareholders, which was completed on September 19, 2019.

Exploration in the Somanike Project (the “Project“) area has been dormant since the early 1970s following the closing of the Marbridge Ni-Cu Mine in 1968. Historical exploration programs focused on Ni-Cu with the majority of assays conducted for Ni and very limited Cu. Very few assays were taken for Au, Zn, Cu, and Ag. The entire project area was not investigated by modern surveys until 2014-15 when Sphinx Resources Ltd. (“Sphinx”) flew a VTEM survey over the entire Project with the objective of identifying nickel-copper, gold and VMS targets. Compilation of all historical drill data in conjunction with the new VTEM survey identified previously unrecognized sulphide iron formations occurring across the Project. Numerous targets were generated and programs designed for the commodities listed above.

To maintain the option to the Somanike Property under the QPMC Option Agreement, the Company has issued 181,089 Common Shares to QPMC and 53,846 Common Shares to Globex Mining Enterprises Inc. Prior to exercising its option under the Legendary Somanike Option Agreement, the Company must pay QPMC $25,000 in cash prior to June 15, 2022 and $50,000 in cash prior to June 15, 2023. Also, prior to exercising the option on the Somanike Project, the Company must drill 750m of core on certain claims held by Globex Mining Enterprises Inc. As of December 31, 2021, the Company has paid QPMC an aggregate of $327,800 and has drilled the necessary 750m of core on certain claims held by Globex Mining Enterprises Inc.

Figure 2 – Geographical location of Somanike Project

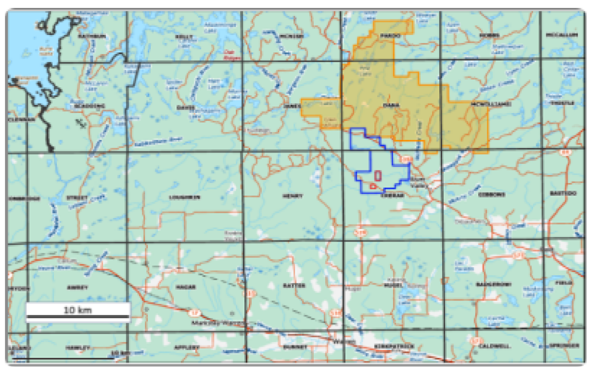
For the years ended June 30, 2026 and 2025, the Company has spent the following amount on the Somanike property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 5,728**	$ 1,628	**$ 47,664**	$ 9,291
	$ 5,728	$ 1,628	**$ 47,664**	$ 9,291

River Valley PGE Project

On August 22, 2021, the Company acquired 100% of Platinum Group Elements Limited ("PGEL") strategic project portfolio of adjacent and adjoining's claims to the Company's Alexo-Dundonald project as well as Somanike project, and a complementary primary PGE project in Sudbury, Ontario, for a total consideration of $550,000 in cash and issuance of 10 million common shares, subject to a 2% net smelter returns royalty on certain claims known as Timmins, River Valley and Metals Creek claims and a 2% gross metal royalty on certain claims known as the "Bilson Cubric claims".

The River Valley PGE Project is located in Crerar and Dana townships, approximately 60 km east-northeast of Sudbury in northeastern Ontario, Canada, immediately south of New Age Metals' River Valley Palladium Project.



Township-scale location of the River Valley PGE Project mining claims (blue outline) in the West Nipissing District, about 60 km east of Sudbury, northeastern Ontario. Also outlined are the New Age Metals mining claims and leases (orange) that comprise their River Valley PGE Project.

Figure 3 – Geographical location of River Valley Project

The Company has spent the following on the River Valley Property:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 4,072**	$ 97,617	**$ 12,410**	$ 172,688
Total exploration expenditures	**$ 4,072**	$ 97,617	**$ 12,410**	$ 172,688

Total expenditures all properties:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Exploration and evaluation	**$ 60,140**	$ 238,885	**$ 153,418**	$ 513,909
Field equipment	**-**	8,172	**15,172**	15,172
Total exploration expenditures	**$ 60,140**	$ 247,057	**$ 168,590**	$ 529,081

SUMMARY OF QUARTERLY RESULTS

Three months ended June 30, 2026, compared with three months ended June 30, 2025

The Company recorded a net loss and comprehensive loss of $172,476 compared to $409,649 in the prior period. The decrease in the net loss and comprehensive loss of $237,173 was mainly attributed to the following: a decrease in exploration and evaluation of $183,661 due to decrease in drilling cost, a decrease in general and administrative expenses of $5, due to decrease in corporate general expenses, a decrease in investor relations of $47,438 due to lower investor relations activities, a decrease in regulatory expenses of $2,787 due to decrease in filings expenses, an increase in professional fees of $13,893 due to higher consulting expenses, a decrease in finance expenses of $67,329, relate to the conversion of convertible debentures, a decrease in interest income of $13 and decrease the amortization of flow-through premium of $50,141.

Six months ended June 30, 2026, compared with six months ended June 30, 2025

The Company recorded a net loss and comprehensive loss of $216,041 compared to $808,935 in the prior period. The decrease in the net loss and comprehensive loss of $592,894 was mainly attributed to the following: a decrease in exploration and evaluation of $360,491 due to decrease in drilling cost, an increase in general and administrative expenses of $2,868, due to increase in corporate general expenses, a decrease in investor relations of $46,855, due to lower investor relations activities, an increase in regulatory expenses of $1,304, due to increase in filings expenses, an increase in professional fees of $15,624 due to higher consulting expenses, a decrease in finance expenses of $124,658, relate to the conversion of convertible debentures, a decrease in interest income of $29 and an increase the amortization of flow-through premium of $81,980.

LIQUIDITY AND CAPITAL

Class 1 is an exploration-stage company and does not generate revenues. As such, it finances all of its operations and the exploration of its mineral properties entirely through the issuance of share capital. Although the Company has to date been successful in its attempts to raise capital, there can be no assurance that its future efforts will likewise be successful. The mineral exploration business is high risk and the vast majority of exploration projects on which capital is spent will not result in producing mines. The success of future financing will depend on a variety of factors including geological success – i.e. obtaining superior results from exploration; a positive investment climate encompassing strong metal prices, solid stock market conditions, and a “risk-on” appetite among investors; and the Company’s track record and management’s ability and experience. If such financing is unavailable, the Company may be unable to retain its mineral interests and execute its business plans. As at June 30, 2026, the Company has not earned significant revenue and has an accumulated deficit of $29,200,637 (December 31, 2025 - $28,984,596). In order to reach sustainable business operations, the Company is actively seeking additional sources of liquidity.

The Company’s cash and cash equivalents balance as of June 30, 2026 was $255,614 compared to $422,694 as of December 31, 2025. As of June 30, 2026, the Company had current assets of $292,368 (December 31, 2025 – $475,135), current liabilities of $889,911 (December 31, 2025 – $3,155,049), and a working capital deficit of $597,543 (December 31, 2025 working capital deficit – $2,679,914).

Operating Activities

During the six months ended June 30, 2026 and 2025, the Company's operating activities used cash of $465,492. Cash used in operating activities for the six months ended June 30, 2026 is mainly attributable to net loss for the six months endedthree and six months ended of $216,041 (six months ended June 30, 2025 - $808,935), amortization of flow-though premium of $185,938 (six months ended June 30, 2025 - $103,958), a decrease in accounts payable and accrued liabilities of $89,200 (six months ended June 30, 2025 - increase of $54,736), offset by decrease in accounts receivable of $400 (six months ended June 30, 2025 - $2,688), and decrease in prepaid expenses of $15,287 (six months ended June 30, 2025 - $19,396).

Financing Activities

During the six months ended June 30, 2026 and 2025, the Company's financing activities generated cash of $298,412 (six months endedthree and six months ended June 30, 2025 - $nil). The cash generated from financing activities during the six months ended June 30, 2026, were for proceeds from issuance of shares, net of issuance cost of $298,412 (six months endedthree and six months ended June 30, 2025 - $nil).

Going concern uncertainty

At each reporting period, management assesses the basis of preparation of the financial statements. These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to amounts and classifications of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

For the six months ended June 30, 2026, the Company incurred a net loss of $216,041 (six months ended June 30, 2025 - $808,935), had negative operating cash flows of $465,492 (December 31, 2025 - $681,469) and had working capital deficit of $597,543 (December 31, 2025 - $2,679,914). The Company has an accumulated deficit of $29,200,637 since inception (December 31, 2025 - $28,984,596) and has sufficient cash as at June 30, 2026 to meet its remaining expected obligations over the next twelve months.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate cash flows from operations and to complete negotiations to obtain and successfully close additional funding from debt financing, equity financings or through other arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future on terms favourable for the Company. The Company may need to raise additional capital to fund operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The Company believes it will be able to acquire sufficient funds to cover planned operations through the next twelve months by securing additional financing through additional private placements if required. The outcome of these matters cannot be predicted at this time.

RELATED PARTY TRANSACTIONS

Key management includes directors and other key personnel, including the CEO - President and CFO, who have authority and responsibility for planning, directing, and controlling the activities of the Company.

As at June 30, 2026, the Company has due from related party of $7,345 (December 31, 2025 - $7,345) from a company with a common shareholder of the Company and advance paid to the general manager.

During the three and six months ended June 30, 2026, the Company incurred $25,000 and $50,000, respectively (three and six months ended June 30, 2025 - $25,000 and $50,000, respectively) in consulting services fees. As of June 30, 2026, the Company owed $91,591 (December 31, 2025 - $74,093) due to general manager for consultant services, which is recorded in accounts payable and accrued liabilities.

During the three and six months ended June 30, 2026 the Company incurred $32,500 and $65,000, respectively (three and six months ended June 30, 2025 - $32,500 and $65,000, respectively) in directors fees. As of June 30, 2026, the Company owes three directors $379,500 (December 31, 2025 - $368,000) these amounts are recorded in accounts payable and accrued liability.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and six months ended June 30, 2026, the Company incurred professional fees of $2,250 and $4,500, respectively (three and six months ended June 30, 2025 - $2,250 and $4,500, respectively) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping and other services to the Company and charged $nil and $13,822, respectively for the services (three and six months ended June 30, 2025 - $17,898 and $19,973, respectively). As at June 30, 2026, MSSI was owed $8,313 (December 31, 2025 - $3,364) with respect to services provided. The balance owed was recorded in the statement of financial position in accounts payable and accrued liabilities.

As at June 30, 2026, directors and a significant shareholder of the Company, beneficially own 128,686,322 common shares carrying approximately 63.33% of the voting rights attached to all common shares.

Additional remuneration of officers and directors of the Company was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Directors and management compensation	**$ 59,750**	$ 59,750	**$ 119,500**	$ 119,500
	$ 59,750	$ 59,750	**$ 119,500**	$ 119,500

OFF BALANCE SHEET ARRANGEMENTS

The Company is not a party to any off-balance sheet arrangements or transactions.

CONVERTIBLE DEBENTURES

On December 5, 2022, the Company completed a non-brokered private placement of convertible debentures for aggregate proceeds of $1,000,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.105. In May 2026, $1,000,000 convertible debentures were converted into 8,333,333 common shares at $0.12 per share, and the carrying value of the liability at amount of $1,000,000 and equity component of $293,666 was transfer to sahre capital. See ((note 6) (b)) .As at June 30, 2026, the accrued interest of $65,000 was outstanding (December 31, 2025 - $60,000).

On December 24, 2022, the Company completed a non-brokered private placement convertible debentures for aggregate proceeds of $500,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.11. In May 2026, $500,000 convertible debentures were converted into 4,166,1666 common shares at $0.12 per share, and the carrying value of the liability at amount of $500,000 and equity component of $148,410 was transfer to sahre capital. See (note 6) (b)). As at June 30, 2026, the accrued interest of $32,500 was outstanding (December 31, 2025 - $30,000).

On January 9, 2023, the Company completed a non-brokered private placement convertible debentures (the "Convertible Debentures") for aggregate proceeds of $500,000. These Convertible Debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.12. In May 2026, $500,000 convertible debentures were converted into 4,166,1666 common shares at $0.12 per share, and the carrying value of the liability at amount of $500,000 and equity component of $148,410 was transfer to sahre capital. See (note 6) (b)). As at June 30, 2026, the accrued interest of $32,500 was outstanding (December 31, 2025 - $30,000).

On January 24, 2023, the Company completed a non-brokered private placement convertible debentures (the "Convertible Debentures") for aggregate proceeds of $450,000. These convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into common shares of the Company at a deemed price of $0.10. In May 2024, $450,000 convertible debentures were converted into 4,500,000 common shares at $0.10 per share, and the carrying value of the liability at amount of $1,000,000 and equity component of $293,666 was transferred to share capital. As at June 30, 2026, the accrued interest of $12,375 was outstanding (December 31, 2025 - $12,375).

On January 12, 2024, the Company completed a non-brokered private placement of convertible debentures (the "Convertible Debentures") for aggregate proceeds of $400,000. The convertible debentures have a three-year term and bear interest rate at 2% per annum and are convertible at the option of the holder into 8,000,000 common shares of the Company at a deemed price of $0.05. At initial recognition, $277,935 was recorded as liability while $296,820 (net of transaction cost of $4,746) was recorded as equity. in May 2024, $400,000 convertible debentures were converted into 8,000,000 common shares at $0.05 per share, and the carrying value of the liability at amount of $1,000,000 was transferred to share capital. As at June 30, 2026, the accrued interest of $2,667 was outstanding (December 31, 2025 - $2,667).

As the debentures have a conversion feature, the equity and debt components must be bifurcated. The value assigned to the liability on the date of issuance was the present value of the contractually determined stream of future cash flows discounted at 15%, being the estimated rate that the market would apply to an instrument with comparable credit status and provide substantially the same cash flows, on the same terms, but without the conversion option. From the date of issuance, the liability component accretes up to its principal value using the effective interest method, with the charge recorded in finance expenses in the consolidated statement of loss. Finally, the residual balance of proceeds on the offering was assigned to the conversion feature.

The Company recorded as transaction costs $4,746 for the 2024 and $1,204 for the 2023 convertible debentures. The issuances of convertible debentures were fully subscribed by the President of the Company.

The components of the Company’s convertible debentures as of June 30, 2026 are as follows:

	Liability Component	Equity Component	Total
Balance as at December 31, 2024	**$ 1,865,726**	**$ 590,486**	**$ 2,456,212**
Accretion	269,316	-	269,316
Balance, as at December 31, 2025	**$ 2,135,042**	**$ 590,486**	**$ 2,725,528**
Accretion	10,000	-	10,000
Conversion of debentures	(2,000,000)	(590,486)	(2,590,486)
Balance, as at March 31, 2026	**$ 145,042**	**$ -**	**$ 145,042**

During the three and six months ended June 30, 2026, the Company accrued $nil and $10,000, respectively (three and six months ended June 30, 2025 - accrual $67,329 and $134,658, respectively) in finance expenses. As at June 30, 2026, the Company accrued interest payable for $145,042 (December 31, 2025 - $135,042) included in the convertible debenture liability component.

ACCOUNTING POLICIES

Cash and cash equivalents (including electronic payment arrangements)

Cash and cash equivalents consist of cash on hand and deposits held at financial institutions that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. The Company has early adopted the amendments to IFRS 9, Financial Instruments related to the derecognition of financial liabilities settled through electronic payment systems. In accordance with these amendments, a financial liability is derecognized before settlement when payment is effected through an electronic payment system and all of the following conditions are met: (i) the Company has no practical ability to withdraw, stop or cancel the payment instruction; (ii) the payment instruction results in the counterparty obtaining an enforceable right to receive cash; and (iii) the Company does not have access to the cash transferred once the payment instruction is initiated. When these conditions are satisfied, the related financial liability and the corresponding cash and cash equivalents balance are derecognized on the date the payment instruction is initiated rather than on the settlement date.

New standards adopted

The following amendments were effective for the Company from January 1, 2026 and has been incorporated into the financial statements::

- Classification and measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 *Financial Instruments: Disclosures*

- Annual Improvements to IFRS Accounting Standards - Amendments to:
  - IFRS 7 *Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;*
  - IFRS 9 *Financial Instruments;*
  - IFRS 10 *Consolidated Financial Statements;* and
  - IAS 7 *Statement of Cash flows*

There was no material impact on the interim financial statements as a result of their adoption.

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2026:

- Presentation and Disclosure in Financial Statements (IFRS 18), which is effective for periods on or after January 1, 2027.

Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. The Company's financial statements are expected to include changes related to categorization and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

COMMITMENTS AND CONTINGENCIES

Matachewan First Nation ("MFN")

The Company entered into a signed Memorandum of Understanding ("MOU") whereby the Company recognizes the traditional values of the MFN and commits the Company to consult and establish a mutually beneficial cooperative and productive relationship to advance the Alexo-Dundonald Nickel Project. The agreement also provides MFN opportunity to participate in the benefits of the Project through business opportunities, employment and training, financial compensation, and consultation on environmental matters.

Environmental contingencies

The Company's exploration activities are subject to various federal, provincial, and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

Flow-through shares

As at June 30, 2026, pursuant to the issuance of flow-through shares in December 2024, the Company is required to incur qualifying expenditures of $1,650,000 by December 31, 2025, as part of the flow-through funding agreement closing in December 2024 (see note 9). As at June 30, 2026, the Company has spent $720,311 related to the flow-through agreement. The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company is subject to Part XII.6 taxes on any unspent flow-through expenditures after January 1, 2026 for flow-through funds raised in 2024, and paid $129,891 during the three months ended June 30, 2026. The Company will indemnified the subscribers for any tax related amounts that become payable by the subscriber as a result of the Company not meeting its expenditure commitments.

OUTSTANDING SHARE DATA AS OF REPORT DATE

As of the date of this MD&A, the Company has the following securities issued and outstanding: (a) 203,193,248 common shares; (b) 11,765,502 stock options; and (c) warrants 1,294,112.

DISCLOSURE CONTROL AND PROCEDURES

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

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate filed by the Company does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing such certificate are not making any representations relating to the establishment and maintenance of:

I. controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

II. a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles (IFRS).

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

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2025, available on SEDAR+ at **www.sedarplus.ca**.