NorthX Nickel Corp.

(Formerly Archer Exploration Corp.)

Financial Statements

For the Twelve and Fifteen Months Ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

Tel: (604) 688-5421
Fax: (604) 688-5132
www.bdo.ca

BDO Canada LLP
Royal Centre, 1055 West Georgia Street
Unit 1100, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

Independent Auditor's Report

To the Shareholders of NorthX Nickel Corp.

Opinion

We have audited the financial statements of NorthX Nickel Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of loss and comprehensive loss, cash flows, and changes in shareholders' equity for the twelve month period and fifteen month period then ended, and the related notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and December 31, 2023 and its financial performance and its cash flows for the twelve month period and fifteen month period then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively "IFRS Accounting Standards").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) in the financial statements, which indicate that the Company is in the exploration and evaluation stage and has not generated revenue, has incurred a net loss for the twelve month period of $35,793,864 and has an accumulated deficit of $43,354,388. As stated in Note 1(a), these events and conditions, along with other matters as set forth in Note 1(a), indicate that material uncertainties exist that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms

Assessment of Impairment Indicators on Exploration and Evaluation Assets

Description of the key audit matter

At each reporting date, management assesses the Company's exploration and evaluation assets for indicators of impairment in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). This assessment involves judgment, including whether the rights to tenure for the areas of interest are current, and the Company's ability and intention to continue to evaluate and develop the area of interest. We have therefore considered this a Key Audit Matter due to the significant judgment involved in the assessment of indicators of impairment.

Please refer to Note 3(a) to the financial statements for the Company's accounting policy on exploration and evaluation assets, and Note 4(a) and Note 10 which details the critical judgments used in assessing impairment indicators and other details relating to the exploration and evaluation assets.

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtained and examined management's assessment of impairment indicators under IFRS 6;
- Obtained an understanding of the current exploration program and any associated risks through discussions with management, technical personnel and through review of available technical reports;
- Assessed that the Company's rights to tenure for the areas of interest are current, which included obtaining supporting documentation for the mining licenses;
- Assessed the Company's ability and intention to continue to evaluate the areas of interest, which included performing an assessment of the Company's annual budget, discussions with management as to the intentions and the strategy of the Company, and comparison of these to other audited information; and
- Assessed the adequacy of the disclosures in the financial statements, including disclosures related to significant judgments and estimates.

Impairment of the Grasset Property

In assessing impairment indicators on exploration and evaluation assets, management concluded that indicators of impairment were present on the Grasset Property. Accordingly, an impairment was conducted to estimate the recoverable amount of the Grasset Property in accordance with IAS 36 *Impairment of Assets* ("IAS 36"), resulting in an impairment charge of $32,750,284. We have therefore considered this a Key Audit Matter due to the material nature of the impairment charge and the significant judgment and estimation involved in determining the recoverable amount.

Please refer to Note 3(a) to the financial statements for the Company's accounting policy on exploration and evaluation assets, and Note 4(a) and Note 10 which details the critical judgments and estimates used in estimating the recoverable amount and other details relating to the Grasset Property.

How the key audit matter was addressed in the audit

Our approach in addressing this matter included the following procedures, among others:

- Obtained and examined management's impairment test under IAS 36;
- Assessed and tested judgments and estimates applied by management;
- Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the reasonableness of the applied valuation methodology and in determining a reasonable range for the impairment charge; and
- Reviewing the adequacy of the disclosures in the financial statements, including disclosures related to significant judgments and estimates.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis (the "MD&A"). Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the MD&A prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Rob Scupham.

BDO Canada LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 29, 2025

NorthX Nickel Corp. (Formerly Archer Exploration Corp.)
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash		**875,556**	2,876,128
Receivables	6	**28,771**	234,729
Prepaid expenses	7	**55,789**	129,349
Assets held for sale	8	**2,655,709**	-
		3,615,825	3,240,206
Other assets	9	**57,500**	57,500
Exploration and evaluation assets	10	**3,466,634**	37,205,127
Property and equipment	11	**10,691**	88,135
Total assets		**7,150,650**	40,590,968
LIABILITIES			
Current			
Trade and other payables	12	**147,366**	739,549
Decommissioning and restoration provision	14	**-**	526,310
Liabilities held for sale	8	**2,655,709**	-
		2,803,075	1,265,859
Decommissioning and restoration provision	14, 8	**-**	2,100,729
Total liabilities		**2,803,075**	3,366,588
SHAREHOLDERS' EQUITY			
Share capital	15	**39,504,037**	38,189,779
Warrants reserve	15	**4,361,273**	3,389,060
Contributed surplus	15	**3,836,653**	3,206,065
Deficit		**(43,354,388)**	(7,560,524)
Total shareholders' equity		**4,347,575**	37,224,380
Total liabilities and shareholders' equity		**7,150,650**	40,590,968

Nature of operations and going concern (Note 1)
Subsequent events (Note 20)

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

NorthX Nickel Corp. (Formerly Archer Exploration Corp.)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	**Twelve months ended December 31, 2024**	Fifteen months ended December 31, 2023
		$	$
Operating expenses			
Consulting fees		**7,391**	534,715
Depreciation	11	**3,159**	3,950
Filing fees		**78,758**	116,208
General and administrative		**167,049**	246,365
Management fees	16	**773,324**	888,095
Marketing		**223,700**	503,766
Professional fees		**299,820**	499,794
Rent		**-**	50,839
Share-based payments	15	**531,672**	1,889,700
		2,084,873	4,733,432
Other income (expenses)			
Impairment of exploration and evaluation assets	10	**(33,237,173)**	-
Amortization of flow through liability	13	**-**	2,253,573
Change in decommissioning and restoration provision	14	**(508,881)**	(910,066)
Gain (loss) on foreign exchange		**563**	(2,987)
Interest expense		**(11,405)**	(122,523)
Interest income		**47,905**	228,900
Loss before income taxes		**(35,793,864)**	(3,286,535)
Income taxes			
Deferred income tax expense	19	**-**	(51,000)
Net loss and comprehensive loss		**(35,793,864)**	(3,337,535)
Basic and diluted loss per common share		**(1.43)**	(0.04)
Weighted average number of common shares outstanding – Basic and diluted		**24,991,428**	14,285,211

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

NorthX Nickel Corp. (Formerly Archer Exploration Corp.)
Statements of Cash Flows
(Expressed in Canadian dollars)

	Twelve months ended December 31, 2024	Fifteen months ended December 31, 2023
	$	$
Operating activities:		
Net loss for the period	**(35,793,864)**	(3,337,535)
Items not affecting cash:		
Impairment of exploration and evaluation assets	**33,237,173**	-
Depreciation	**3,159**	3,950
Share-based payments	**531,672**	1,889,700
Amortization of flow through liability	**-**	(2,253,573)
Change in decommissioning and restoration costs	**508,881**	910,066
Unrealized foreign exchange loss	**-**	1,106
Deferred income tax expense (recovery)	**-**	51,000
Changes in non-cash working capital:		
Receivables	**205,958**	473,444
Prepaid expenses	**73,560**	(122,699)
Trade and other payables	**(117,540)**	13,293
Other assets	**-**	(57,500)
Cash used in operating activities	**(1,351,001)**	(2,428,748)
Investing activities:		
Exploration and evaluation costs	**(1,847,698)**	(8,200,608)
Cash acquired in the Wallbridge assets acquisition	**-**	2,652,997
Cash included in assets held for sale	**(18,370)**	-
Purchase of equipment	**(12,300)**	(19,564)
Decommissioning and restoration costs	**(480,212)**	(644,178)
Finance assurance for decommissioning and restoration	**(481,629)**	-
Cash used in investing activities	**(2,840,209)**	(6,211,353)
Financing activities:		
Proceeds from exercise of stock options	**-**	2,000
Proceeds from issuance of units	**2,275,000**	3,848,192
Proceeds from issuance of flow-through units	**-**	4,372,339
Proceeds from issuance of charity flow-through units	**-**	3,999,999
Share issuance costs	**(84,362)**	(919,532)
Cash provided by financing activities	**2,190,638**	11,302,998
Change in cash	**(2,000,572)**	2,662,897
Cash, beginning of period	**2,876,128**	213,231
Cash, end of period	**875,556**	2,876,128
Supplemental cash flow information:		
Cash interest received	**(47,905)**	(228,900)
Accounts receivable acquired in the Wallbridge assets acquisition	**-**	612,230
Share-based payments included in exploration and evaluation	**194,749**	-
Change in exploration and evaluation costs included in trade and other payables	**474,641**	486,836
Exploration and evaluation costs from capitalized depreciation	**17,900**	-

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

NorthX Nickel Corp. (Formerly Archer Exploration Corp.)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars; except number of shares)

	Common shares	Share capital	Warrants reserve	Contributed surplus	Deficit	Total shareholders' equity
	#	$	$	$	$	$
Balance, October 1, 2022	1,851,848	3,186,256	699,457	414,785	(4,222,989)	77,509
Shares issued on exercise of options	1,111	3,000	-	(1,000)	-	2,000
Shares issued for other compensatory awards	4,166	12,500	-	(12,500)	-	-
Issuance of common shares in the Transaction	11,035,211	28,564,545	-	-	-	28,564,545
Shares issued as Finders' fees in the Transaction	275,883	714,114	-	-	-	714,114
Issuance of non-flow-through units in private placement	2,524,642	2,461,469	1,386,723	-	-	3,848,192
Issuance of flow-through units in private placement	2,790,255	2,914,633	1,457,706	-	-	4,372,339
Issuance of charity flow-through units in private placement	483,091	3,337,422	662,577	-	-	3,999,999
Flow-through premium liability	-	(2,253,573)	-	-	-	(2,253,573)
Share issuance costs	-	(750,587)	(117,945)	-	-	(868,532)
Share-based payments	-	-	-	2,105,322	-	2,105,322
Reclassification from reserves to contributed surplus upon the expiration of warrants	-	-	(699,458)	699,458	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(3,337,535)	(3,337,535)
Balance, December 31, 2023	18,966,207	38,189,779	3,389,060	3,206,065	(7,560,524)	37,224,380
Issuance of non-flow-through units in private placement	9,479,166	1,302,787	972,213	-	-	2,275,000
Share issuance costs net of tax	-	(84,362)	-	-	-	(84,362)
Shares issued for other compensatory awards settled	187,216	95,833	-	(95,833)	-	-
Share-based payments	-	-	-	531,672	-	531,672
Share-based payments - exploration-related	-	-	-	194,749	-	194,749
Net loss and comprehensive loss for the period	-	-	-	-	(35,793,864)	(35,793,864)
Balance, December 31, 2024	**28,632,589**	**39,504,037**	**4,361,273**	**3,836,653**	**(43,354,388)**	**4,347,575**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

In August 2023, the Company announced the change in its fiscal year end from September 30 to December 31, effective as of December 31, 2023. Accordingly, for the 2024 reporting year, the Company will report its audited financial statements for the twelve month period ended December 31, 2024, along with its comparative figures for the fifteen month period ended December 31, 2023.

At December 31, 2023 the Company had one wholly owned subsidiary, 1273600 B.C. Ltd. On January 25, 2024 1273600 B.C. Ltd. was dissolved by way of voluntary dissolution under the Business Corporations Act.

On May 1, 2024 the Company changed its name to NorthX Nickel Corp. (formerly Archer Exploration Corp.) (“NorthX” or the “Company”). The Company was incorporated under the laws of the Province of British Columbia on October 26, 2018. The Company is focusing on the exploration of mineral claims located in Québec and Ontario, Canada. The Company’s registered and records office is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, BC V7X 1T2. On February 11, 2021, the shares of the Company began trading on the Canadian Securities Exchange (the “Exchange”) under the symbol “RCHR”. Effective May 1, 2024, coincident with the name change, the Company commenced trading on the Canadian Securities Exchange under the new trading symbol "NIX".

In December 2024, the Company entered into an agreement (Note 8) whereby Magna Mining Inc. (“**Magna**”) will acquire the Company’s portfolio of nickel and base metal assets located in the Sudbury Basin (“**Sudbury Properties**”). The assets and liabilities relating to this agreement were classified as held for sale as at December 31, 2024.

a) Going concern

These financial statements for the twelve and fifteen months ended December 31, 2024 and 2023 (the “financial statements”) have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

There are material uncertainties that may cast significant doubt about the appropriate use of the going concern assumption as the Company is in the exploration and evaluation stage and has not generated any revenues. As at December 31, 2024, the Company has a deficit of $43,354,388 (December 31, 2023 - $7,560,524) and for the twelve and fifteen months ended December 31, 2024 and 2023, the Company incurred a net loss of $35,793,864 (2023 –$3,377,535).

The Company’s continuing operations as intended are dependent upon the ability to obtain the necessary financing to explore and commercialize its mineral claims and administer overhead expenses. Should the Company fail to commercialize its mineral claims, or raise sufficient financing to maintain operations, the Company may be unable to realize the carrying value of its net assets. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

b) Share consolidation

On November 8, 2022, the Company completed a consolidation of its common shares on a three to one basis and on May 1, 2024, the Company completed a consolidation of its common shares on a six to one basis. All share and per share amounts have been retrospectively adjusted to reflect the consolidations. Any references to common shares are on a post-consolidation basis. Numbers of warrants and stock options and their respective exercise prices have been retrospectively adjusted to reflect the effects of the consolidations.

c) Wallbridge assets acquisition

On July 12, 2022, the Company entered into an asset purchase agreement with Wallbridge Mining Company Limited (“Wallbridge”) whereby the Company would acquire from Wallbridge a 100% interest in certain mineral properties located in Québec and Ontario (collectively the “Nickel Assets”) in exchange for 11,035,212 common shares of the Company (the “Transaction” or “Wallbridge assets acquisition”).

The Company granted Wallbridge a 2% Net Smelter Return (“NSR”) royalty less the amount of any pre-existing royalties on encumbered portions of the Grasset Project (Note 5). As a condition precedent to the closing of the Transaction, the Company was required to complete an equity financing for gross proceeds of at least $10,000,000. The equity financing closed on November 18, 2022 for gross proceeds of $10,182,500 (Note 15).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on April 29, 2025.

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

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

b) Adoption of new accounting pronouncements

The IASB issued an amendment to IAS 1, Presentation of Financial Statements for annual periods beginning on or after January 1, 2024, to clarify one of the requirements under the standard for classifying a liability as non-current in nature, specifically the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendment includes:

- Specifying that an entity's right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement;
- Clarifying how lending conditions affect classification; and
- Clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Company has adopted this amendment in the current period. There has been no impact on the financial statements as a result of the adoption, as the Company's existing liability classification was consistent with the clarified requirements.

c) Future accounting pronouncements

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are assessed below if applicable or are expected to have a significant impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18") which replaces IAS 1 Presentation of Financial Statements.

IFRS 18 introduces:

(i) New requirements on presentation within the statement of profit or loss;
(ii) Disclosure standards regarding management defined performance measures; and
(iii) Principles for aggregation and disaggregation of financial information in the financial statements and the notes.

IFRS 18 will be effective for annual reporting periods beginning on or after January 1, 2027. IFRS 18 is to be applied retrospectively. The Company is currently assessing the impact that IFRS 18 will have on its financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Exploration and evaluation assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as mineral concession taxes, option payments, diamond drilling, sonic drilling, wages and salaries, surveying, geological consulting and laboratory costs, field supplies, travel and administration. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they are incurred. The Company may occasionally enter into option or royalty arrangements, whereby the Company will transfer part of its mineral properties, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would have otherwise been undertaken by the Company. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Once the technical feasibility and commercial viability of extracting a mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to mineral properties and mine development costs. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property when received.

b) Assets and liabilities held for sale

The Company classifies non-current assets as held for sale when their carrying amount is expected to be recovered through a sale transaction rather than continuing use. For this classification, the following conditions must be met:

(i) The asset (or disposal group) is available for immediate sale in its present condition,
(ii) The sale must be highly probable, with an active program to locate a buyer and complete the sale,
(iii) The asset must be actively marketed for sale at a reasonable price relative to its fair value,
(iv) The sale is expected to be completed within one year from the date of classification.

Upon classification as held for sale:

(i) Non-current assets and disposal groups are measured at the lower of carrying amount and fair value less costs to sell.
(ii) Depreciation ceases for non-current assets classified as held for sale.
(iii) The related liabilities directly associated with the disposal group are separately presented as liabilities held for sale.

Any subsequent write-downs to fair value less costs to sell are recognized in the statement of loss and comprehensive loss. If the fair value less costs to sell exceeds the carrying amount of the asset, a gain is recognized, but not to exceed any previous impairment losses recognized on the asset.

If the criteria for held-for-sale classification are no longer met, the assets and liabilities are reclassified to their original categories and remeasured at the lower of:
(i) Their carrying amount before the asset was classified as held for sale, adjusted for depreciation, and
(ii) Their recoverable amount at the date of reclassification.

c) Property and equipment

Property and equipment are stated at historical cost net of accumulated depreciation and impairment losses. The cost of an item of property and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as property and equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

The carrying amounts of property and equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, whichever is shorter. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use. A summary of the Company's annual depreciation rates and methods is as follows:

Class of property and equipment	Depreciation rate	Depreciation method
Bridges	25 years	Straight-line
Computers	55%	Declining balance
Equipment	5 years	Straight-line

d) Decommissioning and restoration provision

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of exploration and evaluation assets. Provisions for decommissioning and restoration are recognized in the period in which the obligation is incurred or acquired and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset. These costs are depreciated on a basis consistent with the depreciation, depletion, and amortization of the underlying assets. Any change in estimates are recognized in the statement of loss and comprehensive loss.

e) Flow-through shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized as other income through the statement of loss and comprehensive loss as the eligible expenditures are incurred.

f) Warrants issued in equity financing transactions

Share purchase warrants are classified as a component of equity. Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the relative fair value method, whereby the total proceeds are allocated to the shares and warrants in proportion to their fair values. The fair value of shares is based on the market close price on the issuance date of the units and the fair value of the share purchase warrants is determined using the Black-Scholes option pricing model at the date of issuance of the units.

Share purchase warrants are initially recorded as a part of warrants reserve in equity at the recognized fair value. Upon exercise of the share purchase warrants the previously recognized fair value of the warrants exercised is reallocated to share capital from warrants reserve. The proceeds generated from the payment of the exercise price are also allocated to share capital. Should the warrants expire before exercise the previously recognized fair value of the warrants expired is reallocated to contributed surplus from warrants reserve.

g) Share-based payments

The Company operates an Omnibus Equity Incentive Plan that allows the Company to grant equity-based compensation to directors, officers, employees, consultants and management company employees. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Estimating fair value for equity-based compensation awards requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or award, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

The Company recognizes all forms of share-based payments, including stock option grants, deferred share units, and restricted share units, at their fair value on the grant date, which are based on the estimated number of awards that are ultimately expected to vest.

Estimating fair value for granted omnibus awards requires estimating the number of awards likely to vest on grant and at each reporting date up to the vesting date. The estimated forfeiture rate is adjusted for actual forfeitures in the period.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

h) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed or if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses. Transaction costs directly attributable to the issue of common shares and share purchase warrants are recognized as a deduction from equity, net of any tax effects.

i) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are the calculated in the same manner. In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding share options and warrants on loss per share would be anti-dilutive.

j) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the statements of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and deferred income tax liabilities are offset only when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity.

k) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:

i. Fair value through profit or loss (FVTPL)
ii. Fair value through other comprehensive income (FVTOCI)
iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statements of loss and comprehensive loss. The Company has no financial assets in the category as at December 31, 2024 or 2023.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive loss. The Company has no financial assets in the category as at December 31, 2024 or 2023.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company classifies cash and accounts receivable in this category.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

k) Financial instruments (continued)

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statements of loss and comprehensive loss. The Company has no financial liabilities in the category as at December 31, 2024 or 2023.

Other financial liabilities

This category includes trade and other payables, which are recognized at amortized cost using the effective interest method. The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in the statements of loss and comprehensive loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation asset impairment

At each reporting period, management applies judgment in assessing whether there are any indicators of impairment relating to exploration and evaluation assets at the Cash-Generating Unit ("CGU") level to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of the impairment loss (if any). A CGU is the smallest identifiable group of assets that has the potential to generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. For the Company, the CGUs are defined as its key exploration and evaluation projects grouped in a distinct geographic area, reflecting the future economic benefits expected from these assets. Management uses judgment in determining what constitutes a CGU.

Indicators of impairment may include: (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; and (iii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

When there is objective evidence that a CGU is impaired, the carrying amount of the CGU is compared to its recoverable amount, being the fair value less costs of disposal ("FVLCD"). In the absence of market related comparative information, management makes estimates based on a variety of factors, including market transactions for comparable quality projects, prevailing market sentiment, current economic conditions, and the financial performance of the Company. Management’s estimate of recoverability is based on inputs which have a significant effect on fair value that are not directly observable from market data. These estimates and assumptions include inherent uncertainty and any changes to these assumptions may have a material impact on estimated recoverable amounts.

(Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

During the period ended December 31, 2024, the Company recognized impairment charges on certain properties. No impairments were recognized during the financial year ended December 31, 2023 (Note 10).

b) Asset acquisition versus business combination

With each acquisition, the Company has to determine whether it should be accounted for as a business combination or an asset acquisition. As dictated by IFRS 3, the components of a business must include inputs, processes and outputs. Management has assessed the acquisition from Wallbridge (Note 5) and has concluded that it did not include all the necessary components of a business. As such, it has been recorded as an asset acquisition, being the purchase of mineral properties and/or working capital.

c) Decommissioning and restoration provision

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing, and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each mining operation and exploration and development property. In addition, future changes to environmental laws and regulations may increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning and restoration. The provision represents management’s best estimate of the present value of the future decommissioning and restoration obligation.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future decommissioning and restoration costs are subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and changes in mine life, and as new information concerning the Company’s closure and reclamation obligations becomes available.

5. WALLBRIDGE ASSETS ACQUISITION

On November 18, 2022, the Company completed its previously announced Transaction. As consideration for the Nickel Assets, the Company issued to Wallbridge 11,035,212 common shares at approximately $2.58 per share for an aggregate fair value of $28,564,545. The Company granted to Wallbridge a 2% NSR royalty on production from the Grasset Project (Note 10). In connection with the Transaction, the Company entered into a finders’ fee agreement with two parties. As compensation for the introduction of the Company and Wallbridge, the Company issued to the finders 275,883 common shares at approximately $2.58 per share for an aggregate fair value of $714,114. The Company incurred $250,696 in legal fees prior to the closing of the Transaction and the amount is allocated as part of the consideration.

The acquisition has been accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payment*. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs that together constitute a business did not exist in the Company or the Nickels Assets at the time of acquisition. Accordingly, no goodwill was recorded with respect to the acquisition. A summary of the Company's consideration paid and the net assets acquired from Wallbridge as at the November 18, 2022 acquisition date is as follows:

	$
Purchase price:	
Fair value of common shares issued to Wallbridge	28,564,545
Fair value of finders’ shares	714,114
Transaction costs	250,696
	29,529,355
Net assets acquired:	
Cash	2,652,997
Account receivable with Magna	612,230
Exploration and evaluation assets (Note 10)	28,538,141
Property and equipment (Note 11)	87,138
Decommissioning and restoration provision (Note 14)	(2,361,151)
	29,529,355

(Expressed in Canadian dollars, except where noted)

6. RECEIVABLES

A summary of the Company's receivables is as follows:

	December 31, 2024	December 31, 2023
	$	$
Input Tax Credits recoverable	**28,771**	234,729
	28,771	234,729

7. PREPAID EXPENSES

A summary of the Company's prepaid expenses is as follows:

	December 31, 2024	December 31, 2023
	$	$
Insurance	**32,616**	41,456
Vendor prepayments	**23,173**	87,893
	55,789	129,349

(Expressed in Canadian dollars, except where noted)

8. ASSETS AND LIABILITIES HELD FOR SALE

On December 18, 2024, the Company entered into a definitive asset purchase agreement to sell the property, assets, rights and obligations related to its Sudbury Properties. The closing of the transaction is expected to be completed in the second quarter of 2025.

As the sale was considered highly probable at December 31, 2024, the assets and liabilities of the Sudbury Properties were classified as assets and liabilities (a disposal group) held for sale and presented separately under current assets and current liabilities, respectively, on the Company's Statement of Financial Position.

At December 31, 2024, the Sudbury Properties were stated at carrying value, which was determined to be the lower of carrying value and FVLCD, as follows:

	Note	**Amount**
		$
Cash		18,370
Finance assurance for closure plan	14	481,629
Exploration and evaluation assets (1)	10	2,087,025
Property and equipment	11	68,685
Total assets held for sale		2,655,709
Decommissioning and restoration provision	14	2,655,709
Total liabilities held for sale		2,655,709

(1) The exploration and evaluation assets included in the Sudbury Properties are certain claims relating to Wahnapitae, Northwest Ontario and Ontario Other as well as claims relates to Parkin, Sudbury West and Wisner Properties. An impairment charge of $486,889 was recognized on these properties to reflect the FVLCD in connection with the asset purchase agreement.

Under the terms of the Agreement, Magna will pay the Company $1.00 and Magna will assume all liabilities related to the Broken Hammer Project Mine Closure Plan, including lodging financial assurance with the Ministry of Mines in an amount of approximately $481,629. The Company will pay $500,000 to Magna to cover Broken Hammer closure financial assurance; and Magna will assume certain liabilities with respect to the Sudbury Properties, including acting as the operator of joint ventures, NSR royalty payments, and annual work commitments. This amount is included in the assets classified as held for sale.

The Transaction is subject to certain closing conditions specified in the Agreement, including the receipt of all required third party consents and regulatory approvals.

9. OTHER ASSETS

A summary of the Company's other assets is as follows:

	December 31, 2024	December 31, 2023
	$	$
Investments	**57,500**	57,500
	57,500	57,500

Investments represents Guaranteed Investment Certificates ("GICs") held with the bank as collateral for the Company's credit cards issued to key management personnel . The GICs bears interest at a rate of Prime less 2.9%.

(Expressed in Canadian dollars, except where noted)

10. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Grasset	Parkin	Sudbury W	Wahnapitae	Wisner	NW Ontario	Ontario Other	Quebec Other	Total
	$	$	$	$	$	$	$	$	$
Balance, October 1, 2022	-	-	-	-	-	-	-	-	-
Acquisition and Maintenance Costs	27,367,462	979,858	302,412	233,929	116,965	58,482	10,000	-	29,069,108
Assay and Analysis	111,170	-	-	-	-	27,385	-	-	138,555
Camp Costs	860,216	-	-	-	-	122	58,907	-	919,245
Communications	33,735	-	-	-	-	3,260	1,602	-	38,597
Drilling	2,979,344	-	-	-	-	-	-	-	2,979,344
Field and Equipment	157,724	5,063	-	-	-	11,007	14,211	-	188,005
Fuel	76,831	-	-	-	-	78	-	-	76,909
Geological Consulting	480,715	30,045	6,064	3,728	-	107,091	31,232	2,340	661,215
Geophysics	565,647	388,666	-	-	-	-	2,898	-	957,211
Ground Logistics	418,023	-	-	-	-	-	-	-	418,023
Helicopter	449,305	-	-	-	-	-	-	-	449,305
Permit and Environment	3,989	-	-	-	-	-	-	-	3,989
Property Maintenance	32,655	33,887	4,612	10,350	8,948	30,173	48,256	2,674	171,555
Salaries and Wages	748,724	49,791	-	92	-	14,214	-	-	812,821
Share-Based Payments	215,622	-	-	-	-	-	-	-	215,622
Travel and Transportation	87,681	281	-	-	-	13,316	4,345	-	105,623
	7,221,381	507,733	10,676	14,170	8,948	206,646	161,451	5,014	8,136,019
Balance, December 31, 2023	**34,588,843**	**1,487,591**	**313,088**	**248,099**	**125,913**	**265,128**	**171,451**	**5,014**	**37,205,127**
Acquisition and Maintenance Costs	-	12,000	20,000	-	-	-	-	-	32,000
Assay and Analysis	20,733	-	162	-	-	-	-	-	20,895
Camp Costs	113,825	-	-	-	-	-	24,180	-	138,005
Classified as Held for Sale	-	(1,131,363)	(281,640)	(204,789)	(111,551)	(47,419)	(310,263)	-	(2,087,025)
Communications	2,428	-	-	-	-	-	-	-	2,428
Drilling	311,684	-	-	-	-	-	-	-	311,684
Field and Equipment	54,533	-	-	-	-	-	550	-	55,083
Fuel	3,843	-	-	-	-	-	-	-	3,843
Geological Consulting	290,206	57,909	10,963	4,604	3,113	1,542	42,534	8,394	419,265
Geophysics	40,413	9,225	-	-	-	-	11,176	-	60,814
Government Grants	-	(200,000)	-	-	-	-	-	-	(200,000)
Ground Logistics	10,300	-	-	-	-	-	-	-	10,300
Health and Safety	366	-	-	-	-	-	75	-	441
Impairment Charge	(32,750,284)	(263,939)	(65,705)	(47,776)	(26,024)	(11,063)	(72,382)	-	(33,237,173)
Permit and Environment	517	-	-	-	-	-	-	-	517
Property Maintenance	22,540	28,577	3,132	295	8,549	10,998	6,804	1,136	82,031
Salaries and Wages	302,098	-	-	-	-	-	125,875	-	427,973
Share-Based Payments	194,749	-	-	-	-	-	-	-	194,749
Travel and Transportation	20,074	-	-	-	-	-	5,603	-	25,677
	(31,361,975)	(1,487,591)	(313,088)	(247,666)	(125,913)	(45,942)	(165,848)	9,530	(33,738,493)
Balance, December 31, 2024	**3,226,868**	**-**	**-**	**433**	**-**	**219,186**	**5,603**	**14,544**	**3,466,634**

10. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's primary mineral property is the Grasset Project in Quebec. The Company also holds a portfolio of 41 mineral properties in Ontario, of which 38 are situated in the Sudbury mining district. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee their titles. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects. The Company is required to make a $32,000 per year advance royalty payment in order to maintain certain property agreements in good standing, as outlined below. The Company is also required to make statutory license and property tax expenditures each year to maintain its properties in good standing.

Grasset Project, Québec

The Grasset Project is a resource-exploration stage Ni-Cu-Co-PGM project located in the James Bay territory in Nord-du-Québec administrative region of the province of Québec, Canada, approximately 77 kilometres west-northwest of the city of Matagami and 170 kilometres north of the town of Amos. The Grasset Project consists of 153 claims blocks and an aggregate area of 81.81 km2 located in the Archean Abitibi Subprovince of the southern Superior Province in the Canadian Shield. The Company owns a 100% interest in the Grasset Project, subject to a 2% net smelter return royalty ("NSR") on production from certain of the acquired assets.

On November 18, 2022 the Company and Wallbridge entered into an exploration cooperation agreement (the "Exploration Cooperation Agreement") whereby Wallbridge was granted the right to explore certain portions of the Grasset Project for gold under certain circumstances. The Exploration Cooperation Agreement applies to approximately 7,515 hectares of the Grasset Project and excludes approximately 665 hectares of coverage over the Grasset Deposit. If the results from either Wallbridge's or NorthX's exploration work on the 7,515 hectares that are subject to the Exploration Cooperation Agreement (the "Gold Cooperation Area") establish a mineral resource that consists of primary gold mineralization, then the parties will form a joint venture in which NorthX will have a 30% interest and Wallbridge will have a 70% interest. If the results from Wallbridge's exploration work in the Gold Cooperation Area establish a mineral resource that consists of primary mineralization other than gold, then the parties will form a joint venture in which NorthX will have a 70% interest and Wallbridge will have a 30% interest. The purpose of any such joint ventures will be to explore, develop and operate such mineral resource. The Exploration Cooperation Agreement has a term of five years and is subject to earlier termination in certain circumstances.

In accordance with the Company's accounting policy for mineral properties, exploration and evaluation expenditures are capitalized, and management applies judgment to assess whether indicators of impairment exist. This judgment includes considerations such as the period for which exploration rights are held, the likelihood of renewal of these rights, and the evaluation of exploration results. During the year ended December 31, 2024, the Company has identified an indicator of impairment related to the Grasset project due to a change in the substantive expenditures budgeted for further exploration and evaluation activities in the medium term due to decreased availability of equity financing for Canadian-listed small-cap exploration and development companies. The revised budget for expenditures on the affected property, reflecting a reduction in future exploration and evaluation efforts, has triggered the impairment assessment for this property.

An impairment assessment was performed based on a recoverable amount valued at fair value less costs of disposal ("FVLCD"). The Company applied a discount to reflect the stage and quality of its assets and utilized multiple valuation techniques. Various market metrics for comparable junior nickel exploration and development companies with development-stage assets, along with the Company's market capitalization, were considered in determining the FVLCD. The valuation that was most representative of fair value, at the time the impairment indicator was identified, was determined to be $3,119,894 for Grasset. Management's estimate of recoverability is based on inputs which have a significant effect on fair value that are not directly observable from market data and is therefore classified within Level 3 in the fair value hierarchy. Key assumptions include a range of enterprise values per contained nickel tonne from $20.47 to $72.52, with an average of $46.50 per contained nickel tonne of mineral resource, based on market comparables as of September 30, 2024. A $5 to $10 change in the enterprise value per contained nickel tonne would result in a change to the impairment charge ranging from $335,500 to $671,000.

As a result, the Company recorded a non-cash impairment for our Grasset project of $32,750,284 in the year ended December 31, 2024.

(Expressed in Canadian dollars, except where noted)

10. EXPLORATION AND EVALUATION ASSETS (continued)

Parkin Project - Sudbury, Ontario

The Parkin Project is comprised of an interest in 4 properties including 60 unpatented mining claims. In addition, the Company holds an interest in 12 mining leases and 5 patented claims. The Parkin Project has a total land area of 25.3 km2. On November 18, 2022, the Company and Wallbridge entered into an Assignment and Assumption Agreement whereby the Company agreed to acquire the rights, title, and interest in several joint venture agreements, including a joint venture and option agreement between Wallbridge and Impala Platinum Holdings Limited ("Impala") dated December 31, 2014, as amended (the "Impala Option Agreement"). Pursuant to the terms of the Impala Option Agreement, the Company has the right to acquire Impala's remaining 49.6% interest in the Parkin Project by making a cash payment of $1 million to Impala by June 30, 2023.

During the period ended December 31, 2023 the terms of the Impala Option Agreement were amended whereby the Company may acquire Impala's remaining 49.6% interest in the Parkin Project offset joint venture by making payments as follows:

	Option Payment	
June 30, 2023	$500,000	(paid)
December 31, 2024	500,000	
	$1,000,000	

The Company is required to make a $12,000 per year advance royalty payment in order to maintain certain property agreements in good standing.

In accordance with the definitive asset purchase agreement dated December 18, 2024 with Magna Mining Inc., the Company has not made the final $500,000 option payment to Impala Platinum Holdings Ltd. ("Impala") due December 31, 2024. Impala has informed NorthX that, notwithstanding its failure to pay the final $500,000 option payment by December 31, 2024, or to date, Impala has elected not to exercise its right to deliver a default payment notice to the Company. In addition, Impala has informed the Company that it reserves its rights in terms of the final $500,000 option payment and the Option Agreement.

The Company has classified the carrying value of $1,131,363 of the project as held for sale (Note 8) at December 31, 2024.

Sudbury West – Sudbury, Ontario

The Sudbury West project is comprised of an interest in 18 properties including 532 unpatented mining claims. In addition, the Company holds an interest in 4 mining leases, 2 patented claims and 1 exploratory licence of occupation. The Sudbury West project covers a total area of 218 km2. The Company is required to make a $20,000 per year advance royalty payment in order to maintain certain property agreements in good standing. The Company has classified the carrying value of $281,640 of the project as held for sale (Note 8) at December 31, 2024.

Wahnapitae – Sudbury, Ontario

The Wahnapitae project is comprised of an interest in 5 properties including 51 unpatented mining claims. In addition, the Company holds an interest in 1 mining lease, 5 patented claims and 3 mining licences of occupation. The Wahnapitae project has a total land area of land area of 22 km2. Claims with a carrying value of $204,789 have been classified to assets held for sale (Note 8) at December 31, 2024. The remaining carrying value of $433 relates to claims retained by the Company.

Wisner – Sudbury, Ontario

The Wisner project is comprised of an interest in 5 properties including 46 unpatented mining claims. In addition, the Company holds an interest in 2 mining lease, and 1 patented claim. The Wisner project has a total land area of land area of 11 km2. Distributed throughout all the Wisner properties are irregular bodies of Sudbury Breccia, which is the main host rock for footwall-style copper, nickel and platinum group metal mineralization. The Company has classified the carrying value of $111,551 of the project as held for sale (Note 8) at December 31, 2024.

Northwestern Ontario

The Northwestern Ontario project is comprised of an interest in 3 properties including 747 unpatented mining claims. The Northwestern Ontario project has a total land area of land area of 158 km^2. Claims with a carrying value of $47,419 have been classified to assets held for sale (Note 8) at December 31, 2024. The remaining carrying value of $219,187 relates to claims retained by the Company.

(Expressed in Canadian dollars, except where noted)

11. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Bridges	Equipment	Computers	Total
	$	$	$	$
Cost				
Balance, October 1, 2022	-	-	-	-
Acquired through the Transaction (Note 5)	49,266	37,872	-	87,138
Additions	-	-	19,564	19,564
Balance, December 31, 2023	49,266	37,872	19,564	106,702
Additions	-	12,300	-	12,300
Classified as held for sale	(49,266)	(37,872)		(87,138)
Balance, December 31, 2024	**-**	**12,300**	**19,564**	**31,864**
Accumulated depreciation				
Balance, October 1, 2022	-	-	-	-
Additions	2,203	8,466	7,898	18,567
Balance, December 31, 2023	2,203	8,466	7,898	18,567
Additions	2,316	7,351	11,393	21,060
Classified as held for sale	(4,519)	(13,935)	-	(18,454)
Balance, December 31, 2024	**-**	**1,882**	**19,291**	**21,173**
Carrying amount				
Balance, October 1, 2022	-	-	-	-
Balance, December 31, 2023	47,063	29,406	11,666	88,135
Balance, December 31, 2024	**-**	**10,418**	**273**	**10,691**

During the twelve months and fifteen months ended December 31, 2024 and 2023, depreciation of $17,900 was capitalized to exploration and evaluation assets (2023 - $14,617).

12. TRADE AND OTHER PAYABLES

A summary of the Company's trade and other payables is as follows:

	December 31, 2024	December 31, 2023
	$	$
Trade payables	**91,341**	663,410
Accrued liabilities	**56,025**	76,139
	147,366	739,549

All trade payables and accrued liabilities are due within the next 12 months.

(Expressed in Canadian dollars, except where noted)

13. FLOW-THROUGH PREMIUM LIABILITY

Flow-through shares are issued at a premium, calculated as the difference between the price of a flow-through share and the price of a common share at that date. The tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced.

On November 18, 2022, the Company issued 757,576 non-flow-through units ("NFT Units") at a price of $3.96 per NFT Unit, 707,222 flow-through units ("FT Units") at a price of $4.50 per FT Unit, and 483,092 charity flow-through units ("Charity FT Units") at a price of $7.28 per Charity FT Unit for gross proceeds of $10,182,500 (Note 15).

A summary of the Company's flow-through financing and related flow-through premium liability is as follows:

	Number of units	Unit price	Flow-through premium per unit	Flow-through premium liability
	#	$	$	$
FT Units	707,222	4.50	0.54	381,900
Charity FT Units	483,092	8.28	4.32	2,086,956
	1,190,314			**2,468,856**

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation movement is as follows:

	Remaining eligible expenditure obligation	Flow-through premium liability
	$	$
Balance, October 1, 2022	-	-
Flow-through units issued	7,182,500	2,468,856
Eligible expenditures incurred	(7,182,500)	(2,253,573)
Share issuance cost - FT shares	-	(215,283)
Balance, December 31, 2023 and 2024	**-**	**-**

Funds raised through the issuance of FT Units and Charity FT Units were expensed fully on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation before December 31, 2023.

To the extent that the Company has deferred tax assets that were not recognized in previous periods, a deferred tax recovery is recorded as an offsetting recovery in profit or loss.

On November 27, 2023, the Company issued 1,767,067 non-flow-through units ("NFT Units") at a price of $0.48 per NFT Unit, 999,700 flow-through units ("FT Units") at a price of $0.54 per FT Unit, and 1,083,333 Quebec flow-through units ("QFT Units") at a price of $0.60 per QFT Unit for gross proceeds of $2,038,030 (Note 15). There was no related flow-through premium liability and funds raised through the issuance of FT Units are expensed fully on qualifying Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation before December 31, 2024.

(Expressed in Canadian dollars, except where noted)

14. DECOMMISSIONING AND RESTORATION PROVISION

A summary of the Company's discounted liabilities for decommissioning and restoration provisions is as follows:

	$
Balance, October 1, 2022	-
Decommissioning and restoration provision acquired in the Transaction (Note 5)	2,361,151
Change in decommissioning and restoration provision	910,066
Expenditures on Broken Hammer Project	(644,178)
Balance, December 31, 2023	2,627,039
Change in decommissioning and restoration provision	508,881
Expenditures on Broken Hammer Project	(480,211)
Classified as held for sale	(2,655,709)
Balance, December 31, 2024	**-**

As part of the acquisition of the Nickel Assets, the Company acquired the closure liability associated with the Broken Hammer Project closure activities. The Broken Hammer Project has been in a state of inactivity since 2015 and closure plan activities have been ongoing. On February 28, 2024 the Company posted an irrevocable standby letter of credit in the amount of $481,629 in favour of the Ontario Ministry of Mines. Interest on the letter of credit is accrued at a rate of 0.15% monthly.

The key assumptions on which the provision estimates were based at December 31, 2024 are as follows:

- Expected timing of the cash flows is based on the estimated useful life of the mines forming part of the Broken Hammer Project. The majority of the expenditures are expected to occur between 2025 and 2034, which is based on the currently anticipated closure dates of the project; and
- The discount rate used is 3.02%.

The remaining undiscounted amount of estimated cash flows required to settle the decommissioning and restoration costs of the Broken Hammer Project to the end of the project's life was estimated to be $2,768,163 as at December 31, 2024.

15. SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Issued share capital

During the twelve months ended December 31, 2024, the Company had the following share transactions:

- The Company issued 187,216, common shares pursuant to the settlement of omnibus awards and reclassified $95,833 from the Company's contributed surplus to share capital.

- On May 14, 2024, the Company closed a non-brokered private placement of 9,479,166 non-flow-through units ("NFT Units") at a price of $0.24 per NFT Unit, for gross proceeds of $2,275,000. Each NFT Unit is comprised of one common share and one non-transferable common share purchase warrant ("warrant") with each warrant entitling the holder thereof to purchase one common share for a period of 36 months from the date of issuance at an exercise price of $0.36 per warrant.

(Expressed in Canadian dollars, except where noted)

15. SHARE CAPITAL (continued)

- As the units are comprised of both a single common share and a single warrant, a valuation method was used to determine the fair value of the warrants. As a result, $1,302,787 was allocated to share capital and $972,213 was allocated to warrants reserve. A summary of the Company's assumptions used in the Black-Scholes option pricing model for unit warrants issued on May 14, 2024 is as follows:

Share price	$0.22
Expected life	3 years
Expected volatility	144.02%
Risk-free rate	4.13%
Dividend yield	0.00%

During the fifteen months ended December 31, 2023, the Company had the following share transactions:

- On October 7, 2022, the Company issued 1,111 common shares pursuant to the exercise of 1,111 stock options with an exercise price of $1.80. The Company received gross proceeds of $2,000 and reclassified $1,000 from the Company's contributed surplus to share capital.

- On November 18, 2022, in connection with the Transaction, the Company closed a private placement of 757,575 non-flow-through units ("NFT Units") at a price of $3.96 per NFT Unit, 707,222 flow-through units ("FT Units") at a price of $4.50 per FT Unit and 483,091 charity flow-through units ("Charity FT Units") at a price of $8.28 per Charity FT Unit, for gross proceeds of $10,182,500. Each NFT Unit consists of one common share and one common share purchase warrant. Each FT Unit and Charity FT Unit consists of one flow-through share and one common share purchase warrant. Each common share purchase warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $6.12 until November 18, 2024, the date which is twenty-four months following the closing date of the Transaction. The Company halted trading of its shares on July 13, 2022 and did not resume trading until November 29, 2022. As a result, the shares of the Company were not being traded in an active market at the time of the acquisition. In connection with the Transaction, the Company completed a private placement where NFT Units were issued at a price of $3.96. Each unit contains a common share and one common share purchase warrant. As the unit price of $3.96 presents both a single common share and a single warrant, a valuation technique was applied to estimate the fair value to be $2.58 and $1.38 respectively. As a result, $7,510,902 was allocated to share capital and $2,671,598 was allocated to warrants reserve. A summary of the Company's assumptions used in the valuation technique were as follows:

Share price	$2.58
Expected life	2 years
Expected volatility	136.40%
Risk-free rate	3.97%
Dividend yield	0.00%

- In connection with the private placement, the Company paid cash finders' fees of $799,479 and issued 64,172 finders' warrants with a fair value of $176,100. Each finders' warrant was exercisable into one common share of the Company at an exercise price of $3.96 per warrant until May 18, 2024, the date which is eighteen months after the closing date of the Transaction. Total fair value of the finders warrants issued was $176,100 and was recorded as share issuance costs to warrants reserve. A summary of the Company's assumptions used in the Black-Scholes option pricing model for finders' warrants issued on November 18, 2022 is as follows:

Share price	$2.58
Expected life	1.5 years
Expected volatility	136.40%
Risk-free rate	3.97%
Dividend yield	0.00%

- On November 18, 2022, pursuant to the closing of the Transaction, the Company issued 11,035,212 common shares of the Company to Wallbridge at a fair value of $2.58 per share, for an aggregate value of $28,564,545 (Note 5). In connection with the Transaction, the Company issued 275,883 common shares to finders at $2.58 per share for an aggregate value of $714,114 (Note 5).

(Expressed in Canadian dollars, except where noted)

15. SHARE CAPITAL (continued)

- On November 27, 2023, the Company closed a non-brokered private placement of 1,767,066 non-flow-through units ("NFT Units") at a price of $0.48 per NFT Unit, 999,700 flow-through units ("FT Units") at a price of $0.54 per FT Unit, and 1,083,333 Quebec flow-through units ("QFT Units") at a price of $0.60 per QFT Unit for gross proceeds of $2,038,030. Each NFT Unit is comprised of one common share and one non-transferable common share purchase warrant. Each FT Unit and QFT Unit is comprised of one common share that qualifies as a "flow-through share" within the meaning of subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") and one warrant. The warrants comprising each of the NFT Units, FT Units and QFT Units are subject to the same terms, with each warrant entitling the holder thereof to purchase one common share for a period of 36 months from the date of issuance at an exercise price of $0.96 per Warrant Share.

- As the units are comprised of both a single common share and a single warrant, a valuation method was used to determine that fair value of the warrants. As a result, $1,202,622 was allocated to share capital and $835,408 was allocated to warrants reserve. A summary of the Company's assumptions used in the Black-Scholes option pricing model for unit warrants issued on November 27, 2023 is as follows:

Share price	$0.54
Expected life	3 years
Expected volatility	133.66%
Risk-free rate	4.40%
Dividend yield	0.00%

- In connection with the offering, the Company paid aggregate cash finder's fees in the amount of $73,705 and issued a total of 20,125 non-transferable finder's warrants with a fair value of $5,128. Each finder's warrant entitles the holder thereof to purchase one common share at a price of $0.96 per common share for a period of 18 months from the closing date of the offering. A summary of the Company's assumptions used in the Black-Scholes option pricing model for finders' warrants issued on November 27, 2023 is as follows:

Share price	$0.54
Expected life	1.5 years
Expected volatility	132.07%
Risk-free rate	4.40%
Dividend yield	0.00%

Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, October 1, 2022	405,275	7.98
Issued	5,882,252	2.70
Exercised	(405,275)	7.98
Balance, December 31, 2023	5,882,252	2.70
Issued	9,479,165	0.36
Expired	(2,012,035)	6.04
Balance, December 31, 2024	**13,349,382**	**0.53**

(Expressed in Canadian dollars, except where noted)

15. SHARE CAPITAL (continued)

A summary of the Company's warrants outstanding as at December 31, 2024 is as follows:

Expiry date	Weighted average exercise price	Number of warrants	Weighted average remaining life
	$	#	years
May 24, 2025	0.96	20,125	0.39
November 24, 2026	0.96	2,766,759	1.90
November 27, 2026	0.96	1,083,333	1.91
May 14, 2027	0.36	9,479,165	2.37
Balance, December 31, 2024	**0.53**	**13,349,382**	**2.23**

Omnibus Equity Incentive Plan

On June 25, 2024, the Company's shareholders passed an ordinary resolution re-approving the omnibus equity incentive compensation plan (the "Omnibus Plan") with an effective date of June 26, 2024 (the "Effective Plan Date"). The Omnibus Plan consists of (i) a "rolling" plan pursuant to which the number of common shares that are issuable pursuant to the exercise of stock options granted under the Omnibus Plan shall not exceed 10% of the issued and outstanding shares of the Company as at the date of any stock option grant; and (ii) a "fixed" plan under which the number of common shares that are issuable pursuant to all equity awards other than stock options granted under the Omnibus Plan, in aggregate is a maximum of 10% of the issued and outstanding common shares of the Company as on the Effective Plan Date.

The exercise price of each stock option is determined by the Board of Directors at the time of grant and cannot be less than the price permitted by the Canadian Securities Exchange ("the Exchange"). Currently, the Exchange requires that the exercise price of stock options must be equal to or greater than the discounted market price (as defined in the policies of the Exchange). The exercise price of stock options is solely payable in cash. The Board of Directors has the discretion to determine the term and vesting provisions of any stock options granted under the Plan at the time of grant subject to the policies of the Exchange.

The fair value of RSUs is based on the closing price of the Company's common shares on the Exchange on the date immediately preceding the grant date.

The fair value of the DSUs is the closing price of the Company's common shares on the Exchange on the date immediately preceding the grant date. The DSUs shall vest when the recipient director ceases to be a director of the Company provided that no DSUs will vest within twelve months of the grant date and are otherwise subject to the Omnibus Plan.

Stock options

A summary of the Company's stock option activity is as follows:

	Number of stock options	Weighted average exercise price
	#	$
Balance, October 1, 2022	114,452	7.26
Granted	1,318,317	1.44
Cancelled	(47,232)	2.79
Exercised	(1,111)	1.44
Balance, December 31, 2023	1,384,426	1.86
Granted	425,000	0.28
Cancelled / Expired	(411,192)	1.11
Balance, December 31, 2024	**1,398,234**	**1.58**

(Expressed in Canadian dollars, except where noted)

15. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding as at December 31, 2024, is as follows:

Expiry date	Weighted average exercise price	Number of outstanding stock options	Number of exercisable stock options	Weighted average remaining life
	$	#	#	years
June 8, 2026	2.16	8,331	8,331	1.44
October 20, 2026	9.18	66,664	66,664	1.80
December 13, 2027	3.30	308,331	308,331	2.95
March 17, 2028	3.30	29,166	19,444	3.21
March 22, 2028	2.28	16,666	11,111	3.22
June 1, 2028	0.96	38,332	25,555	3.42
July 5, 2028	0.81	4,166	2,777	3.51
December 21, 2028	0.48	626,578	417,719	3.98
July 5, 2029	0.28	300,000	100,000	4.51
Balance, December 31, 2024	**1.58**	**1,398,234**	**959,932**	**3.70**

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for stock options for the period ended December 31, 2024 is as follows:

Fair value granted	$0.21
Expected life	5 years
Annualized volatility	146.37%
Risk-free rate	3.49%
Dividend yield	0.00%

During the twelve and fifteen months ended December 31, 2024 and 2023, the Company recorded $359,468 (2023 - $1,825,470) of share-based payments expense related to the vesting of stock options net of cancellations.

a) Restricted share units

When the Company issues RSUs, it records a share-based payments expense in the year or period, which the RSUs are granted and/or vested.

A summary of the Company's RSU activity is as follows:

	Number of RSUs	Weighted average grant date fair value
	#	$
Balance, October 1, 2022	-	-
Granted	564,402	0.74
Settled	(4,166)	3.00
Balance, December 31, 2023	560,236	0.72
Granted	525,000	0.27
Settled	(170,548)	1.05
Cancelled	(233,117)	0.41
Balance, December 31, 2024	**681,569**	**0.40**

(Expressed in Canadian dollars, except where noted)

15. SHARE CAPITAL (continued)

A summary of the Company's outstanding RSUs at December 31, 2024, is as follows:

Vesting date	Number of RSUs	Weighted average grant date fair value
	#	$
December 13, 2025 (1)	15,279	3.00
December 21, 2026 (2)	216,290	0.48
July 5, 2024(3)	450,000	0.27
	681,569	**0.40**

(1) The RSUs vest rateably over a period of three years with the first tranche vesting on December 13, 2023, the second tranche vesting on December 13, 2024, and the final tranche vesting on December 13, 2025. The vesting date listed above represents the end of the three-year term.
(2) The RSUs vest rateably over a period of three years with the first tranche vesting on December 21, 2024, the second tranche vesting on December 21, 2025, and the final tranche vesting on December 13, 2026. The vesting date listed above represents the end of the three-year term.
(3) The RSUs vest rateably over a period of three years with the first tranche vesting on July 5, 2024, the second tranche vesting on July 5, 2025, and the final tranche vesting on July 5, 2026. The vesting date listed above represents the end of the three-year term.

During the twelve and fifteen months ended December 31, 2024 and 2023, the Company incurred share-based payments of $228,952 and $58,727 in connection with RSUs vested.

Deferred share units

A summary of the Company's DSU activity is as follows:

	Number of DSUs	Weighted average Grant Date Fair Value
	#	$
Balance, October 1, 2022	-	-
Granted	818,747	1.04
Balance, December 31, 2023	818,747	1.04
Granted	600,000	0.27
Settled	(16,666)	3.00
Cancelled/Expired	(229,166)	0.48
Balance, December 31, 2024	**1,172,915**	**0.73**

A summary of the Company's outstanding DSUs at December 31, 2024, is as follows:

Grant date	Number of DSUs	Weighted average Grant Date Fair Value
	#	$
December 13, 2022	166,666	3.00
December 22, 2023	406,249	0.48
July 5, 2024	600,000	0.27
	1,172,915	**0.73**

During the twelve and fifteen months ended December 31, 2024 and 2023, the Company incurred share-based payments of $138,000 and $221,125 in connection with the grant of DSUs.

(Expressed in Canadian dollars, except where noted)

16. RELATED PARTY TRANSACTIONS

Related party personnel are those who have the authority and responsibility for planning, directing, and controlling activities of the Company directly or indirectly. Related parties include the Board of Directors, officers, close family members and entities that are controlled by these individuals.

a) The Company had the following transactions with related party entities:

	Twelve months ended December 31, 2024	Fifteen months ended December 31, 2023
	$	$
Wallbridge Mining Company (i)	**97,850**	1,009,604
Inventa Capital Corp. (ii)	**-**	181,762
	97,850	1,191,366

(i) Effective November 18, 2022, the Company entered into a sub-lease agreement with Wallbridge for a portion of their premises relating to the nickel assets acquired. The sub-lease agreement terminated on August 31, 2023. The Company also entered into a secondment agreement to provide the Company with Wallbridge personnel for work on the nickel assets on an as needed basis. Wallbridge also charges NorthX for the use of Wallbridge accommodations at their Detour-Fenelon Gold Trend site facilities in the Northern Abitibi region of Quebec. At December 31, 2024, the Company had a payable to Wallbridge of $1,725 (2023 - $23,806). Wallbridge and NorthX are also parties to an Investor Rights Agreement and Exploration Agreement.

(ii) Effective July 1, 2021 the Company entered into a management services agreement with Inventa Capital Corporation (“Inventa”), a company controlled by a former director of the Company, for office rent and administrative functions. The agreement was terminated effective October 22, 2023. The Company subsequently entered into an agreement with Inventa purely for certain administrative functions.

These transactions were in the normal course of operations.

b) Key management personnel

The Company’s key management personnel are its directors and officers.

A summary of the Company’s key management personnel remuneration is as follows:

	Twelve months ended December 31, 2024	Fifteen months ended December 31, 2023
	$	$
Management and consulting fees (i)	**748,492**	1,067,078
Share-based payments (ii)	**662,140**	1,749,937
	1,410,632	2,817,015

(i) Included in management and consulting fees was $131,267 (2023 - $272,500) capitalized as exploration and evaluation assets.

(ii) Share-based payments is the fair value of options, RSUs, DSUs, granted which have been calculated as disclosed in Note 15 and $100,480 (2023 - $106,313) was capitalized as exploration and evaluation assets.

As at December 31, 2024, accounts payable and accrued liabilities included $1,725 (2023 - $77,245) payable to directors, officers and companies controlled or related to directors and/or officers. Amounts payable to related parties have no specific terms of repayment, are unsecured and do not bear interest.

In connection with the Wallbridge transaction, the Company issued 137,942 common shares as finders’ fees to a director of the Company.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value

As at December 31, 2024, the financial instruments such as cash, investments, finance assurance for closure plan, and trade and other payables are classified and measured at amortized cost. The carrying value of cash, investments, standby letter of credit for financial assurance, and trade and other payables approximate the fair value due to the relatively short-term nature of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company has minimal exposure of credit risk on its cash as the Company's cash is held with major Canadian financial institutions.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. At December 31, 2024, the Company had cash and taxes receivable balances of $904,327 (December 31, 2023 - $3,110,857) to settle current liabilities related to trade payables of $147,366 (December 31, 2023 - $1,265,859) Liquidity risk for the Company is associated with its trade and other payables.

d) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.

The Company is not exposed to significant interest rate risk on the basis that it does not hold any financial liabilities subject to variable interest rates.

Foreign currency risk is the risk that the value of the Company's financial instruments denominated in foreign currencies will fluctuate due to changes in foreign exchange rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

The Company is mainly exposed to foreign currency risk on financial instruments (consisting of cash and trade and other payables) denominated in USD. As at December 31, 2024, the Company does not carry significant cash and trade and other payables balances denominated in USD.

18. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the acquisition, exploration and development of its Canadian exploration and evaluation properties.

(Expressed in Canadian dollars, except where noted)

19. DEFERRED INCOME TAX

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	Twelve months ended December 31, 2024	Fifteen months ended December 31, 2023
	$	$
Loss for the year	(35,793,864)	(3,286,535)
Expected income tax (recovery)	(9,485,000)	(871,000)
Non-deductible expenditures and non-taxable revenues	206,000	(152,000)
Asset impairment	7,640,000	-
Impact of flow through share	242,000	1,976,000
Share issuance costs	(22,000)	(95,000)
Change in statutory, foreign tax, foreign exchange rates and other	16,000	(35,000)
Change in unrecognized deferred tax assets	1,403,000	(772,000)
Deferred income tax recovery	-	51,000

The significant components of the Company's deferred tax assets and liabilities are as follows:

Deferred tax assets (liabilities)	Twelve months ended December 31, 2024	Fifteen months ended December 31, 2023
	$	$
Share issuance costs and financing fees (20(1)(e))	167,000	193,000
Allowable capital losses	-	40,000
Non-capital losses	2,061,000	1,479,000
Property and equipment	6,000	2,000
Decommissioning liability	78,000	70,000
Exploration and evaluation assets	(775,000)	(1,650,000)
Unrealized foreign exchange losses	-	-
	1,537,000	134,000
Unrecognized deferred tax assets	(1,537,000)	(134,000)
Net deferred tax asset (liabilities)	-	-

(Expressed in Canadian dollars, except where noted)

19. DEFERRED INCOME TAX (CONTINUED)

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	Twelve months ended December 31, 2024	**Expiry date range**	Fifteen months ended December 31, 2023	Expiry date range
Temporary differences	**$**		$	
Share issuance costs and financing fees (20(1)(e))	**506,000**	**2025 to 2045**	358,000	2022 to 2045
Allowable capital losses	**-**	**No expiry date**	149,000	No expiry date
Non-capital losses	**4,853,000**	**2037 to 2044**	-	-
Property and equipment	**21,000**	**No expiry date**	-	No expiry date
Flow-through shares	**124,000**	**No expiry date**	-	No expiry date
Decommissioning liability	**295,000**			
Total temporary differences	**7,777,000**		507,000	

19. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to continue as a going concern and support its exploration of mineral claims. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the twelve month period ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

20. SUBSEQUENT EVENTS

Subsequent to December 31, 2024, the following events occurred:

On February 10, 2025, the Company completed a non-brokered private placement of 26,000,000 subscription receipts (each, a "Subscription Receipt") at a price of $0.05 per Subscription Receipt for gross proceeds of $1,300,000 (the "Offering"). Each Subscription Receipt entitles the holder, for no additional consideration and subject to the satisfaction of certain escrow release conditions (the "Escrow Release Conditions"), to receive one unit (each, a "Unit") of the Company. Each Unit is comprised of one common share and one common share purchase warrant, with each warrant exercisable to acquire one additional common share at a price of $0.075 per share for a period of 36 months from the date of closing. The gross proceeds from the Offering (the "Escrowed Funds") are being held in escrow pursuant to the terms of a subscription receipt agreement dated February 10, 2025. The Escrowed Funds will be released upon the satisfaction of the Escrow Release Conditions, including the completion of the Company's proposed transaction with Magna Mining Inc., pursuant to which Magna will acquire all of the Company's property, assets, rights and obligations related to its portfolio of nickel and base metal assets located in the Sudbury Basin, Ontario. If the Escrow Release Conditions are not satisfied by June 30, 2025 (subject to extension in accordance with the subscription receipt agreement), the Escrowed Funds will be returned to holders on a pro rata basis, plus any accrued interest earned thereon, and the Subscription Receipts will be cancelled.

The Company issued 249,999, common shares pursuant to the settlement of omnibus awards and reclassified $329,999 from the Company's contributed surplus to share capital.