



NICKEL 28 CAPITAL CORP.

**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED
APRIL 30, 2024 AND 2023**

**(EXPRESSED IN UNITED STATES DOLLARS)
(UNAUDITED)**



TABLE OF CONTENTS

	<u>Pages</u>
Condensed Interim Consolidated Statements of Financial Position	1
Condensed Interim Consolidated Statements of Net and Comprehensive Income (Loss)	2
Condensed Interim Consolidated Statements of Cash Flows	3
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity	4
Notes to the Condensed Interim Consolidated Financial Statements	5 - 15

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

	As at April 30, 2024	As at January 31, 2024
Assets		
Current Assets		
Cash and cash equivalents (Note 4)	\$ 9,683,205	\$ 7,833,594
Amounts receivable and other assets (Note 5)	382,160	3,264,415
Marketable securities	29,099	29,857
	10,094,464	11,127,866
Non-Current Assets		
Investment in Ramu Nickel Mine (Note 6)	106,308,460	105,034,171
Royalty contracts (Note 7)	25,495,893	25,495,893
Right-of-use assets	41,610	50,192
Property, plant and equipment	26,674	28,749
	\$ 141,967,101	\$ 141,736,871
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 853,146	\$ 473,753
Lease liability	29,522	32,345
Non-recourse debt (Note 8)	9,000,000	9,000,000
	9,882,668	9,506,098
Non-Current Liabilities		
Lease liability	15,209	20,252
Non-recourse debt (Note 8)	35,653,835	35,094,791
Deferred tax liabilities	10,516,500	10,516,500
	56,068,212	55,137,641
Shareholders' Equity		
Share capital (Note 10)	71,780,711	71,780,711
Reserves	1,650,325	1,494,836
Retained earnings	12,467,853	13,323,683
	85,898,889	86,599,230
Total Liabilities and Shareholders' Equity	\$ 141,967,101	\$ 141,736,871

Subsequent Events (Note 15)

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

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

	Three Months Ended April 30,	
	2024	2023
Operating Expenses		
General and administrative	\$ 96,994	\$ 342,488
Salaries and fees (Note 12)	624,641	1,743,937
Marketing and promotion	25,262	150,801
Professional fees	736,695	340,199
Regulatory fees	19,239	47,385
Share based compensation (Notes 11(a)(b) and 12)	155,489	699,621
Change in share award liability (Notes 11(c) and 12)	-	8,930
Operating Loss	(1,658,320)	(3,333,361)
Other Income (Expenses)		
Interest income	99,413	23,056
Share of operating profit from Ramu Nickel Mine (Note 6(ii))	1,274,289	4,538,711
Unrealized loss on marketable securities	(758)	(11,425)
Financing costs	(559,044)	(707,661)
Foreign exchange loss	(11,410)	(9,822)
Net and Comprehensive Income (Loss) for the Period	\$ (855,830)	\$ 499,498
Basic Income (Loss) per Share (Note 9)	\$ (0.01)	\$ 0.01
Diluted Income (Loss) per Share (Note 9)	\$ (0.01)	\$ 0.01
Weighted Average Number of Common Shares Outstanding - Basic (Note 9)	95,108,944	91,741,243
Weighted Average Number of Common Shares Outstanding - Diluted (Note 9)	95,108,944	92,497,712

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

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

	Three Months Ended April 30,	
	2024	2023
Operating Activities		
Net income (loss) for the period	\$ (855,830)	\$ 499,498
Adjustments for:		
Share of operating profit from Ramu Nickel Mine	(1,274,289)	(4,538,711)
Unrealized loss on marketable securities	758	11,425
Share based compensation	155,489	699,621
Change in share award liability	-	8,930
Financing costs	559,044	707,661
Other	11,666	11,135
Change in non-cash working capital items:		
Amounts receivable and other assets	(80,268)	(160,031)
Accounts payable and accrued liabilities	379,393	1,239,582
Net Cash and Cash Equivalents Used in Operating Activities	(1,104,037)	(1,520,890)
Investing Activity		
Investment in Ramu Nickel Mine	2,962,523	9,730,444
Net Cash and Cash Equivalents Provided by Investing Activity	2,962,523	9,730,444
Financing Activities		
Common shares issued for cash	-	15,990
Repayment of lease liability	(8,875)	(8,875)
Net Cash and Cash Equivalents (Used in) Provided by Financing Activities	(8,875)	7,115
Net change in Cash and Cash Equivalents	1,849,611	8,216,669
Cash and Cash Equivalents, Beginning of Period	7,833,594	2,368,289
Cash and Cash Equivalents, End of Period	\$ 9,683,205	\$ 10,584,958
Supplemental Information		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Repayment of non-recourse debt through deemed distributions	\$ -	\$ -

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

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

	<u>Share Capital</u>		Reserves	Retained Earnings	Total
	Number	Amount			
Balance, January 31, 2023	91,727,198	\$ 69,653,837	\$ 1,586,347	\$ 19,507,918	\$ 90,748,102
Issuance of common shares on exercise of options (Note 10(b)(i))	50,000	17,359	(1,369)	-	15,990
Share based compensation (Notes 11(b)(c) and 12)	-	-	699,621	-	699,621
Net and comprehensive income for the period	-	-	-	499,498	499,498
Balance, April 30, 2023	91,777,198	\$ 69,671,196	\$ 2,284,599	\$ 20,007,416	\$ 91,963,211
Balance, January 31, 2024	95,108,944	\$ 71,780,711	\$ 1,494,836	\$ 13,323,683	\$ 86,599,230
Share based compensation (Notes 11(b)(c) and 12)	-	-	155,489	-	155,489
Net and comprehensive loss for the period	-	-	-	(855,830)	(855,830)
Balance, April 30, 2024	95,108,944	\$ 71,780,711	\$ 1,650,325	\$ 12,467,853	\$ 85,898,889

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

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

1. Nature of Operations

Nickel 28 Capital Corp. (the "Company" or "Nickel 28") was incorporated pursuant to the *Business Corporations Act* (British Columbia) on June 25, 2019. The head office and registered office of the Company is 666 Burrard Street, Suite 1700, Vancouver, British Columbia, Canada, V6C 2X8.

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

These condensed interim consolidated financial statements of the Company for the three months ended April 30, 2024 were approved and authorized for issue by the Board of Directors on June 28, 2024.

2. Basis of Presentation

Statement of compliance

The Company applies IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 - Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements and should be read in conjunction with the Company's most recent annual consolidated financial statements as at and for the year ended January 31, 2024.

The same accounting policies and methods of computation are followed in these condensed interim consolidated financial statements as those in the most recent annual consolidated financial statements as at and for the year ended January 31, 2024.

New accounting standards and interpretations

The Company considered the adoption of certain new standards, amendments and interpretations to existing standards, which have been published and are effective for accounting periods beginning on or after February 1, 2024 or later periods.

Amendments to IAS 1 - Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current liabilities with covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments, *Classification of liabilities as current or non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

Amendments to IAS 8, Definition of Accounting Estimates

In February 2021, the IASB amended IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors* to introduce a new definition of "accounting estimates" to replace the definition of "change in accounting estimates" and also include clarifications intended to help entities distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively. The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

3. Key Sources of Estimation Uncertainty and Critical Accounting Judgments

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

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

Judgments

Carrying amount of the Ramu Nickel Mine

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

Carrying amount of royalty contracts

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

Estimates

Non-recourse debt

The Company, on each reporting date, reclassifies a portion of its non-recourse debt as current. As the Company's non-recourse debt is to be repaid by Ramu Nickel Limited out of its share of operating surpluses, less ongoing capital expenditure requirements, the amount classified as current represents the expected operating surplus less interest that is expected to be applied to repay the non-recourse debt over the next twelve months.

Deferred taxes

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

NICKEL 28 CAPITAL CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three Months Ended April 30, 2024 and 2023****(Expressed in United States Dollars, unless otherwise indicated) (Unaudited)**

4. Cash and Cash Equivalents

	As at April 30, 2024	As at January 31, 2024
Cash	\$ 9,460,645	\$ 7,614,897
Short-term bank deposit	222,560	218,697
	\$ 9,683,205	\$ 7,833,594

5. Amounts Receivable and Other Assets

	As at April 30, 2024	As at January 31, 2024
Other receivables ⁽¹⁾	\$ -	\$ 2,962,523
Harmonized sales tax receivable	211,958	102,750
Prepaid expenses	34,088	64,778
Sundry receivables	136,114	134,364
	\$ 382,160	\$ 3,264,415

⁽¹⁾ Other receivables represent cash receipts anticipated from MCC Ramu NiCo Limited. In April 2024, the Company received a cash distribution of \$2,962,523 from MCC Ramu NiCo Limited for its distribution of the mine's operating surpluses for the second half of the 2023 calendar year.

6. Investment in Ramu Nickel Mine

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

The 8.56% interest in Ramu is held by the Company through its wholly-owned subsidiary Ramu Nickel Limited. The Company's interest in Ramu will increase to 11.3% at no cost to the Company once Nickel 28's share of the Ramu construction debt is repaid to the project manager and joint venture partner MCC (note 8). In addition to this, when the Company's interest increases to 11.3%, the Company will also have the option to purchase an additional 9.25% interest in the Ramu mine at market value, which if exercised, would take the Company's interest to 20.55%.

The Company recorded its share of operating profit of Ramu for the year based on the financial information of Ramu for the three months ended March 31, 2024, which is within one month of the Company's reporting period. Any significant transactions for April 2024 have been adjusted.

NICKEL 28 CAPITAL CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three Months Ended April 30, 2024 and 2023****(Expressed in United States Dollars, unless otherwise indicated) (Unaudited)****6. Investment in Ramu Nickel Mine (Continued)**

(i) Continuity of investment in Ramu Nickel Mine

	As at April 30, 2024	As at January 31, 2024
Opening balance	\$ 105,034,171	\$ 116,732,025
Share of operating profit from Ramu Nickel Mine	1,274,289	10,426,179
Distributions from MCC Ramu NiCo Limited	-	(22,124,033)
Closing balance	\$ 106,308,460	\$ 105,034,171

(ii) Interest in Ramu Nickel Mine

	Three Months Ended April 30,	
	2024	2023
Share of revenue	\$ 10,460,369	\$ 14,450,827
Share of production costs	(6,012,584)	(6,362,952)
Share of other costs	(1,051,578)	(1,426,144)
Depreciation and amortization	(2,121,918)	(2,123,020)
Share of operating profit from Ramu Nickel Mine	\$ 1,274,289	\$ 4,538,711

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

	Three Months Ended April 30,	
	2024	2023
Share of Ramu Nickel Mine's MHP Product (Wet Metric Tonnes)	5,152	4,696
Revenue from Sales of MHP Products	\$ 10,460,369	\$ 14,450,827

(iv) Non-recourse debt (Note 8)

	As at April 30, 2024	As at January 31, 2024
Opening balance	\$ 44,094,791	\$ 55,817,051
Interest accrued	559,044	2,658,369
Loan repayments	-	(14,380,629)
Closing balance	\$ 44,653,835	\$ 44,094,791

On initial acquisition, a loan balance owing to MCC Ramu NiCo Limited for its 8.56% share of capped development costs plus accumulated interest for monies paid by MCC Ramu NiCo Limited to lenders on behalf of the joint venture parties up to January 1, 2015 was recognized. This debt is non-recourse to the Company (excluding Ramu Nickel Limited) and is to be repaid by Ramu Nickel Limited out of a portion of its share of operating surpluses less ongoing capital expenditure requirements (Note 8).

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

7. Royalty Contracts

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

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

As of April 30, 2024 and January 31, 2024, the Company's royalty contracts consisted of the following:

Royalty Name	Owner	Property Location	Stage	Primary Metal(s), Royalty Type and %	April 30, 2024 Carrying amount	January 31, 2024 Carrying amount
Dumont Project ⁽¹⁾	Waterton Global Res. Mgmt.	Québec	Advanced / Development	Ni-Co 1.75% NSR	\$15,263,086	\$15,263,086
Turnagain Project ⁽²⁾	85% Giga Metals Corporation 15% Mitsubishi Corporation	British Columbia	Pre-Feasibility	Ni-Co 2% NSR	\$7,241,392	\$7,241,392
Flemington Project ⁽³⁾	Australian Mines Ltd.	Australia	Exploration	Ni-Co-Sc 1.5% GRR	\$1,943,514	\$1,943,514
Nyngan Project ⁽⁴⁾	Scandium International Mining Corp.	Australia	Advanced / Development	Sc- Ni-Co 1.7% GRR	\$971,757	\$971,757
North Canol Properties ⁽⁵⁾	Fireweed Metals Corp.	Yukon	Exploration	Ag-Pb-Zn-Co 2% Co NSR	\$38,072	\$38,072
Sunset Mineral Property	Three Individuals	British Columbia	Exploration	Cu-Zn-Co 2% Co NSR	\$38,072	\$38,072
Sewa Bay	Queensland Pacific Metals Ltd.	Papua New Guinea	Exploration	Ni-Co 5% FOB GRR	\$nil	\$nil
Professor and Waldman Properties ⁽⁵⁾	70% Golden Deepes 30% New Found Gold Corp.	Ontario	Exploration	Co-Ag 2% Co NSR	\$nil	\$nil
Total Royalty Contracts					\$25,495,893	\$25,495,893

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

(2) The Turnagain Royalty is a 2.0% NSR royalty on all future metal production from the Turnagain Nickel-Cobalt Project. Under the terms of the royalty agreement, Giga Metals Corporation and Mitsubishi Corporation had a onetime repurchase option to repurchase 0.5% of the 2.0% royalty (resulting in a 1.5% remaining royalty) by paying the Company \$20 million in cash and by providing notice to the Company at least 30 days prior to July 27, 2023 (the fifth (5th) anniversary). This repurchase option expired unexercised.

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

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

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

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

8. Non-Recourse Debt

	As at April 30, 2024	As at January 31, 2024
Loan from MCC Ramu NiCo Limited - current	\$ 9,000,000	\$ 9,000,000
Loan from MCC Ramu NiCo Limited - non-current	35,653,835	35,094,791
	\$ 44,653,835	\$ 44,094,791

Non-recourse debt relates to the Company's interest, held in the wholly owned subsidiary Ramu Nickel Limited, in the Ramu Nickel mine and owing to MCC Ramu NiCo Limited. As part of the Joint Venture Agreement with MCC Ramu NiCo Limited, MCC Ramu NiCo Limited was responsible for development and financing of the mine. These borrowings represent the Company's 8.56% share of principal repayments (capped to a specified development threshold of \$2.1 billion) and interest repayments made by MCC Ramu NiCo Limited to lenders on behalf of the Company, plus any accumulated interest charged by MCC Ramu NiCo Limited. The borrowings are to be repaid out of the Company's share of the Ramu Nickel Mine's operating surpluses (sales revenue less operating costs and ongoing capital expenditure requirements).

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

The non-recourse debt has no prescribed repayment obligations, rather the amount of the non-recourse debt classified as current represents the expected operating surplus less interest and less the Company's 35% cash share of operating surplus that is expected to be applied to repay the non-recourse debt over the next twelve months. The borrowings under the construction debt bear an interest rate of 5.05% annually.

During the three months ended April 30, 2024, the Company made repayments on the non-recourse debt of \$nil (year ended January 31, 2024 - \$14,380,629) from the Ramu Mine's operating surpluses.

9. Income (loss) per share

	Three Months Ended April 30,	
	2024	2023
Income (loss)	\$ (855,830)	\$ 499,498
Weighted average number of common shares - basic	95,108,944	91,741,243
Dilutive effect of stock options and RSUs	-	756,469
Weighted average number of common shares - diluted	95,108,944	92,497,712
Basic income (loss) per share	\$ (0.01)	\$ 0.01
Diluted income (loss) per share	\$ (0.01)	\$ 0.01

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

10. Share Capital

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

(b) Common shares issued:

(i) During the three months ended April 30, 2023, 50,000 stock options were exercised at a weighted average exercise price of CAD\$0.43 per share. The fair value of the exercised options totaled \$1,369. The weighted average market price at the date of exercise was CAD\$1.18.

11. Stock Options, Restricted Share Units and Share Awards

(a) Stock options

On December 16, 2019, the Company adopted a Stock Option Plan, subject to TSX-V and disinterested shareholder approval of the Company's Omnibus Long-term Incentive Plan ("LTIP"). The Company's Omnibus LTIP was approved at the Company's annual general meeting on August 15, 2022. In May 2023, the Board announced that it had determined not to seek renewal of the Company's existing equity-based compensation plan at its shareholders meeting held in June 2023. The maximum aggregate number of shares reserved for issuance under the Company's Stock Option Plan, together with the RSU Plan (defined below), shall not exceed a combined total of 10% of the Company's issued and outstanding shares. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the Company's closing share price on the day before the grant date. The options can be granted for a maximum term of ten years and vesting terms are determined by the Board of Directors at the date of grant.

The following table reflects the continuity of stock options for the periods ended April 30, 2024 and 2023:

	Number of stock options	Weighted average exercise price (CAD\$)
Balance, January 31, 2023	2,620,000	0.75
Exercised (Note 10(b)(i))	(50,000)	0.43
Balance, April 30, 2023	2,570,000	0.75
Balance, January 31, 2024 and April 30, 2024	1,970,000	0.81

The following table reflects the Company's stock options outstanding and exercisable as at April 30, 2024:

Options outstanding	Options exercisable	Grant date fair value (\$)	Weighted average exercise price (CAD\$)	Weighted average remaining contractual life (years)	Expiry date
270,000	270,000	7,392	0.43	0.63	December 16, 2024
1,700,000	1,700,000	634,709	0.87	2.61	December 8, 2026
1,970,000	1,970,000	642,101	0.81	2.34	

NICKEL 28 CAPITAL CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the Three Months Ended April 30, 2024 and 2023****(Expressed in United States Dollars, unless otherwise indicated) (Unaudited)**

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

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

	Number of RSUs
Balance, January 31, 2023 and April 30, 2023	6,256,663
Balance, January 31, 2024 and April 30, 2024	2,249,997
Vested, January 31, 2023 and April 30, 2024	nil

For the three months ended April 30, 2024, the Company recorded share-based compensation expense for these RSU's of \$155,489 (three months ended April 30, 2023 - \$699,621).

(c) Share awards

On December 1, 2020, the Company granted 210,000 share awards to an employee and an officer which are to be settled in cash and vest as follows: 70,000 on each of the first, second and third anniversaries of the date of grant. The fair value of these cash-settled awards is recognized as compensation expense over the period that related services are rendered with a corresponding increase in liabilities. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

During the thirteen months ended January 31, 2022, 40,000 share awards granted to an officer vested and were settled and the employee resigned from the Company and 90,000 share awards vested and were paid out at the Board's approval. During the year ended January 31, 2023, 40,000 share awards granted to an officer vested and were settled. During the year ended January 31, 2024, 40,000 share awards granted to an officer vested and were settled. As at April 30, 2024 and January 31, 2024, there were nil share awards outstanding.

For the three months ended April 30, 2024, the Company recorded a change in share award liability for these share awards of \$nil (three months ended April 30, 2023 - \$8,930).

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

12. Related Party Transactions

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

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

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

	Three Months Ended April 30,	
	2024	2023
Salaries and fees ⁽¹⁾⁽²⁾	\$ 530,000	\$ 1,640,595
Share based compensation	139,656	686,272
Change in share award liability	-	8,930
	\$ 669,656	\$ 2,335,797

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

(2) Included in accounts payable and accrued liabilities are fees owing to officers and directors of \$109,917 as at April 30, 2024 (January 31, 2024 - \$74,917).

13. Segmented Information

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

Three Months Ended April 30, 2024	Royalties	Ramu Nickel		Total
		Mine	Corporate	
Share of operating profit from Ramu Nickel Mine	\$ -	\$ 1,274,289	\$ -	\$ 1,274,289
Operating expenses	-	(262,803)	(1,395,517)	(1,658,320)
Financing costs	-	(559,044)	-	(559,044)
Unrealized loss marketable securities	-	-	(758)	(758)
Interest income	-	5,032	94,381	99,413
Foreign exchange loss	-	(6,509)	(4,901)	(11,410)
Net income (loss)	\$ -	\$ 450,965	\$ (1,306,795)	\$ (855,830)

Three Months Ended April 30, 2023	Royalties	Ramu Nickel		Total
		Mine	Corporate	
Share of operating loss from Ramu Nickel Mine	\$ -	\$ 4,538,711	\$ -	\$ 4,538,711
Operating expenses	-	(794,686)	(2,538,675)	(3,333,361)
Financing costs	-	(707,661)	-	(707,661)
Unrealized loss on marketable securities	-	-	(11,425)	(11,425)
Interest income	-	3,083	19,973	23,056
Foreign exchange loss	-	(1,235)	(8,587)	(9,822)
Net income (loss)	\$ -	\$ 3,038,212	\$ (2,538,714)	\$ 499,498

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

13. Segmented Information (Continued)

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

As at April 30, 2024	Canada	Asia Pacific	Total
Current assets	\$ 9,536,793	\$ 557,671	\$ 10,094,464
Non-current assets	25,495,893	106,376,744	131,872,637
Total assets	\$ 35,032,686	\$ 106,934,415	\$ 141,967,101

As at January 31, 2024	Canada	Asia Pacific	Total
Current assets	\$ 7,462,194	\$ 3,665,672	\$ 11,127,866
Non-current assets	25,495,893	105,113,112	130,609,005
Total assets	\$ 32,958,087	\$ 108,778,784	\$ 141,736,871

14. Contingent Liabilities

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

On February 5, 2020, the Madang Provincial government and 13 landowner plaintiffs sued RNML, the Joint Venture Manager, for alleged breach of various environmental laws and commitment of public and private nuisance and negligence by continuously dumping tailings and waste into the Astrolabe and Basamuk Bays. On March 23, 2020, RNML filed its defence. On September 8, 2020, the plaintiffs had then filed a Notice of Motion intending to stop the normal operation of the Ramu project. Subsequently, the Joint Venture Manager filed 51 affidavits to defend and a motion seeking to transfer the case to a commercial court. In October 2020, the State of Papua New Guinea through the Conservation and Environment Protection Authority (CEPA) filed an application to be added as a second defendant to support the Ramu project. This application was granted by the court. As of the date of these financial statements, the case remains in the pre-trial stage and the plaintiffs have taken no steps to advance their claim as of April 30, 2024. Management is confident about successfully defending the case and does not have the intention to settle the case out of court. However, management is unable to reliably estimate the possible compensation amount until the claim is resolved.

No provisions were recognized in the condensed interim financial statements in relation to these two matters.

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

NICKEL 28 CAPITAL CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended April 30, 2024 and 2023

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

15. Subsequent Events

(i) On May 6, 2024, the Company announced that Mr. Anthony Milewski, former Chief Executive Officer of the Company, Mr. Justin Cochrane, former President of the Company, and Mr. Conor Kearns, former Chief Financial Officer of the Company, were terminated for cause with immediate effect after the Company found evidence of serious misconduct, breach of duties and obligations, repeated lack of judgment, care and diligence and non-compliance with various of Nickel 28's policies and procedures. None of the Company's findings have been proven in court.

The Board appointed Mr. Christopher S. Wallace as Interim Chief Executive Officer ("CFO") with immediate effect. Mr. Brett Richards, also a current member of the Board will provide certain transition consultancy services to the Company to support the Company's ongoing business and operations until the vacant leadership roles have been filled.

On May 16, 2024, the Board appointed Mr. Craig Lennon, current Head of Asia Pacific of the Company, as Interim Chief Financial Officer ("CFO") with immediate effect.

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

On June 13, 2024, the Board appointed Christopher S. Wallace as President and CEO and appointed Craig Lennon as CFO, elevating their previous status from interim to full time.

On June 18, 2024, the Company entered into a settlement agreement with Black Vulcan Resources LLC and its principal, Anthony Milewski ("Milewski", and collectively with Black Vulcan, the "Milewski Parties") in connection with the termination of the Milewski Parties' consulting arrangement.

Nickel 28 and the Milewski Parties entered into the settlement which includes a full and final mutual release of any claims between the parties, as well as a customary two-year standstill by the Milewski Parties. Pursuant to the settlement, the Milewski Parties will return to the Company 4,965,222 common shares of Nickel 28 for nil consideration; no compensation or other amounts will be paid by the Company to the Milewski Parties. The shares will be returned to treasury and cancelled, which will result in a decrease in the Company's issued and outstanding common shares. In connection with the settlement, Milewski has resigned from the Board with immediate effect.

(ii) On June 3, 2024, the Ontario Securities Commission granted the Company a management cease trade order in response to the Company's voluntary application in respect of its delay in filing its audited annual financial statements, management's discussion and analysis, and related certifications, all for the year ended January 31, 2024 (collectively, the "Annual Filings").