



## **Core Nickel Corp.**

Condensed Interim Financial Statements  
**For the three months ended July 31, 2024**

(Unaudited)

(Expressed in Canadian dollars, except where indicated)

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

# Core Nickel Corp.

## Condensed Interim Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	July 31 2024 \$	April 30 2024 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 4)	536,534	845,093
Receivables	13,576	37,258
Prepaid and deposits	10,549	17,935
<b>Total current assets</b>	<b>560,659</b>	<b>900,286</b>
<b>Non-current assets</b>		
Mineral bonds	11,893	11,893
Mineral property interests (note 5)	1,135,804	1,135,804
<b>Total assets</b>	<b>1,708,356</b>	<b>2,047,983</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	81,218	173,594
<b>Equity</b>		
Common shares (note 6)	2,488,940	2,485,296
Equity reserve	141,028	89,895
Accumulated deficit	(1,002,830)	(700,802)
	<b>1,627,138</b>	<b>1,874,389</b>
	<b>1,708,356</b>	<b>2,047,983</b>

### Subsequent Events (note 11)

### Approved by the Board of Directors

"Cory Belyk"

\_\_\_\_\_  
Director

"Karen Lloyd"

\_\_\_\_\_  
Director

# Core Nickel Corp.

## Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended July 31 2024 \$	Three months ended July 31 2023 \$
<b>EXPLORATION COSTS</b>		
Mineral property expenditures	99,129	-
	-	-
<b>OTHER EXPENSES (INCOME)</b>		
Insurance	7,859	-
Interest expense	33	-
Interest income	(6,771)	-
Legal, audit and accounting	17,822	-
Management fees	56,480	-
Office and miscellaneous	13,792	-
Regulatory and transfer agent fees	7,695	-
Rent	1,365	-
Share-based compensation	51,133	-
Investor relations and presentations	36,354	-
Travel and accommodations	5,686	-
Wages and benefits	11,451	-
	202,899	-
<b>Loss and comprehensive loss for the period</b>	(302,028)	-
<b>Basic and diluted loss per share (\$ per share)</b>	(0.01)	-
<b>Basic and diluted weighted average common shares outstanding</b>	30,057,874	1

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

## Core Nickel Corp.

Condensed Interim Statements of Changes in Equity

For the three months ended July 31, 2024 and 2023

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

	Common Shares		Equity Reserve \$	Accumulated Deficit \$	Total Equity \$
	Shares	Amount \$			
<b>Balance-April 30, 2023</b>	<b>1</b>	<b>0.01</b>	-	-	<b>0.01</b>
<b>Balance-July 31, 2023</b>	<b>1</b>	<b>0.01</b>	-	-	<b>0.01</b>
<b>Balance - April 30, 2024</b>	<b>30,054,708</b>	<b>2,485,296</b>	<b>89,895</b>	<b>(700,802)</b>	<b>1,874,389</b>
Issued on exercise of warrants	20,806	3,644	-	-	3,644
Share-based compensation	-	-	51,133	-	51,133
Loss for the period	-	-	-	(302,028)	(302,028)
<b>Balance-July 31, 2024</b>	<b>30,075,514</b>	<b>2,488,940</b>	<b>141,028</b>	<b>(1,002,830)</b>	<b>1,627,138</b>

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

## Core Nickel Corp.

Condensed Interim Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars except where indicated)

	Three months ended July 31 2024	Three months ended July 31 2023
	\$	\$
<b>Cash flows used in operating activities</b>		
Loss for the period	(302,028)	-
Recoveries on mineral exploration expenditures	(69,100)	-
Share-based compensation	51,133	-
Interest income	(6,771)	-
Interest received	4,763	-
Change in non-cash operating working capital		
Decrease in receivables	25,689	-
Decrease in prepaid and deposits	7,387	-
(Decrease) in trade and other payables	(92,376)	-
	<u>(381,303)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Cash received from government grant	69,100	-
Proceeds on exercise of share purchase warrants	3,644	-
	<u>72,744</u>	<u>-</u>
<b>Decrease in cash and cash equivalents</b>	(308,559)	-
<b>Cash and cash equivalents - beginning of period</b> (note 4)	<u>845,093</u>	<u>-</u>
<b>Cash and cash equivalents - end of period</b> (note 4)	<u>536,534</u>	<u>-</u>

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

# **Core Nickel Corp.**

Notes to the Condensed Interim Financial Statements

**For the three months ended July 31, 2024 and 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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## **1 Nature of Operations**

Core Nickel Corp. (the “Company”) was incorporated on May 5 2022, under the laws of Canada Business Corporation Act as part of a plan of arrangement (the “Arrangement”) to reorganize CanAlaska Uranium Ltd. (“CanAlaska”). The Company’s intended business activity is the acquisition and exploration of exploration and evaluation properties in Canada. The Company’s shares trade on the Canadian Securities Exchange under the symbol “CNCO”. The Company’s head office is located at unit 204, 75 – 24<sup>th</sup> Street East, Saskatoon, Saskatchewan, S7K 0K3, Canada.

## **2 Going Concern**

These condensed interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. These financial statements do not include any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classification that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There is no assurance that the Company will be successful in raising additional financing. The amounts shown as mineral property costs represent acquisition costs incurred to date, net of recoveries.

Given that the Company does not generate recurring revenues from operations and other factors as noted, a material uncertainty exists which may cast significant doubt regarding the Company’s ability to continue as a going concern. Management believes that the cash on hand is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months. At July 31, 2024, the Company had cash and cash equivalents of \$536,534 (April 30, 2024: \$0.8 million) (note 4) and working capital of \$479,442 (April 30, 2024: \$0.7 million). The Company has a deficit of \$1,002,830 at July 31, 2024. Management may either need to dilute its ownership in its properties or secure additional financing to continue to advance the development of its exploration projects.

## **Core Nickel Corp.**

Notes to the Condensed Interim Financial Statements

**For the three months ended July 31, 2024 and 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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### **3 Summary of Material Accounting Policies**

#### **a) Statement of Compliance**

These condensed interim financial statements of the Company, including comparatives, have been prepared in accordance with International Financial Reporting Standards 34 Interim Financial Reporting (“IAS 34”) using the accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Boards (“IASB”).

These condensed interim financial statements were authorized for issuance by the Board of Directors of the Company on September 18, 2024.

#### **b) Basis of preparation**

These condensed interim financial statements are presented in Canadian dollars and is the functional currency of the Company. The financial statements are prepared on the historical cost basis.

#### **c) Significant estimates and judgements**

The preparation of these financial statements requires management to make estimates 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 reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position 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:



## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

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### 3 Summary of Material Accounting Policies (continued)

#### Judgments

- The Company believes that the cash on hand at July 31, 2024 is sufficient to meet corporate, administrative and selected exploration activities for at least the next twelve months and that the presentation of these financial statements on a going concern basis is appropriate.
- The Company determined not to recognize deferred tax assets arising from Canadian exploration expenses, capital losses and unused tax losses as it considered it not to be probable that taxable income will be available in the near future to offset the reversal of these items.
- Management assesses each mineral property interest at each reporting period to determine whether any indication of impairment exists, and if events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and its value in use. These assessments may require the use of estimates and assumptions such as future capital requirements and assessments of preliminary assay results. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties.

#### Estimates

- The fair value estimation of share-based awards included in the statements of financial position and the inputs used in accounting for stock options in the statements of loss and comprehensive loss. The Company uses the Black-Scholes option pricing model to calculate the compensation expense and the estimates used for the calculation are outlined in note 7.

#### d) New Accounting Policies, Standards and Interpretations

On May 1, 2024, the Company adopted the following amendments and accounting standards:

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1) which amended IAS 1, Presentation of Financial Statements ("IAS 1"), to clarify the requirements for presenting liabilities in the statement of financial position. The amendments specify that the Company must have the right to defer settlement of a liability for at least 12 months after the reporting period for the liability to be classified as non-current. In addition, the amendments clarify that: (a) the Company's right to defer settlement must exist at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, the right exists at the end of the reporting period only if the Company complies with those conditions at the end of the reporting period, even if the lender does not test compliance until a later date; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 3 Summary of Material Accounting Policies (continued)

In October 2022, the IASB issued amendment Non-current Liabilities with Covenants to IAS 1 to clarify that covenants of loan arrangements which the Company must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. The amendment also introduces additional disclosure requirements related to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) the carrying amount of the related liabilities; and (iii) facts and circumstances, if any, that indicate that the Company may have difficulty complying with covenants.

The adoption of these amendments did not have a material impact on the Company's condensed interim financial statements.

#### e) Future Changes in Accounting Policies Not Yet Effective

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1. IFRS 18 introduces two newly required subtotals on the face of the income statement, which includes operating profit and profit or loss before financing and income tax, and three new income statement classifications, which are operating, investing, and financing. In addition, IFRS 18 requires non-IFRS management performance measures that are subtotals of income and expenses to be disclosed on financial statement. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified the standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required and early application is permitted. The Company is currently assessing the effect of this new standard on our financial statements.

### 4 Cash and Cash Equivalents

	July 31, 2024	April 30, 2024
	\$	\$
Cash	39,090	34,545
Cash equivalents	497,444	810,548
<b>Total</b>	<b>536,534</b>	<b>845,093</b>

## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 5 Mineral Property Interests

The Company holds approximately 26,764 hectares of mining claims in the Thompson Nickel Belt located in the province of Manitoba in Canada. The holdings are comprised of 5 projects which are in various stages of exploration and discovery.

Details of acquisition costs for the twelve and three months ended April 30, 2024 and July 31, 2024 are as follows:

Project	April 30, 2023	Additions	April 30, 2024	Additions/write-offs/recoveries	July 31, 2024
	\$	\$	\$	\$	\$
Thompson Nickel Belt					
Mel (a)	-	979,309	979,309	-	979,309
Halfway Lake (b)	-	104,998	104,998	-	104,998
Hunter (c)	-	28,885	28,885	-	28,885
Resting Lake (d)	-	17,505	17,505	-	17,505
Odei River (e)	-	5,107	5,107	-	5,107
<b>Total</b>	<b>-</b>	<b>1,135,804</b>	<b>1,135,804</b>	<b>-</b>	<b>1,135,804</b>

\$1,135,644 of the additions to mineral property interest were part of the spin-out transaction with CanAlaska Uranium Ltd.

### 6 Share Capital

The Company has authorized capital consisting of an unlimited number of common shares without par value.

#### Share Issuances

- On July 18, 2024, the Company issued 20,806 common shares from the exercise of share purchase warrants for total gross proceeds of \$3,644.
- During the month of January 2024, the Company issued 447,704 common shares from the exercise of stock option for gross proceeds of \$22,385.
- On December 28, 2023, the Company completed a non-brokered private placement and issued 4,354,400 flow-through units for gross proceeds of \$391,896. Each flow-through unit was sold at a price of \$0.09 and consists of one flow-through common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share for a period of 2 years at a price of \$0.14. In connection with this financing, the Company paid cash finder's fees of \$19,410 and issued a total of 215,664 finder's warrants. Each finder's warrant is exercisable for one common share at a price of \$0.09/share for two years. The finder's warrants issued as part of this placement have been recorded at a fair valued of \$13,905 using the Black Scholes option pricing model.

## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 6 Share Capital (continued)

d) On November 10, 2023, the Company issued 24,997,482 common shares as part of the plan of arrangement between CanAlaska and Core Nickel Corp. (note 10).

e) On May 5, 2022, on incorporation, one common share was issued at a price of \$0.01

### 7 Share Stock Options and Warrants

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined by management at the date of grant. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	Number of options	Weighted average exercise price \$
<b>Outstanding – May 1, 2023</b>	-	-
Granted – per plan of arrangement	2,416,393	0.05
Exercised	(447,704)	0.05
Expired	(603,597)	0.05
<b>Outstanding – April 30, 2024</b>	<b>1,365,092</b>	<b>0.05</b>
Granted	1,620,000	0.055
Expired	(123,917)	0.05
<b>Outstanding – July 31, 2024</b>	<b>2,861,175</b>	<b>0.05</b>

Pursuant to the plan of arrangement, the number of options granted upon the date of the transaction were 2,416,393. All options were calculated to have a minimum exercise price allowed under the CSE policy of \$0.05.

As at July 31, 2024, the following stock options were outstanding:

	Number of options outstanding	Exercisable price \$	Expiry date
	155,895	0.05	November 20, 2024
	142,907	0.05	January 11, 2025
	333,780	0.05	July 21, 2025
	291,805	0.05	November 28, 2025
	316,788	0.05	July 28, 2026
	1,620,000	0.055	May 24, 2027
<b>Total</b>	<b>2,861,175</b>		

## Core Nickel Corp.

### Notes to the Condensed Interim Financial Statements For the three months ended July 31, 2024 and 2023 (Unaudited)

(Expressed in Canadian dollars except where indicated)

## 7 Share Stock Options and Warrants (continued)

### Warrants

	Number of warrants	Weighted average exercise price \$
<b>Outstanding – May 1, 2023</b>	-	-
Granted – per plan of arrangement	4,565,469	0.19
Granted	2,392,864	0.14
Exercised	(255,122)	0.18
<b>Outstanding – April 30, 2024</b>	<b>6,703,211</b>	<b>0.17</b>
Exercised	(20,806)	0.18
Expired	(2,136,828)	0.18
<b>Outstanding – July 31, 2024</b>	<b>4,545,577</b>	<b>0.18</b>

At July 31, 2024, the following warrants were outstanding:

Number of warrants outstanding	Exercise price \$	Expiry date
176,801	0.175	August 15, 2024
1,766,141	0.225	November 1, 2025
209,771	0.15	November 1, 2025
2,177,200	0.14	December 28, 2025
215,664	0.09	December 28, 2025
<b>Total</b>	<b>4,545,577</b>	

Option and warrant pricing models require the input of highly subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options and warrants. The Company's expected volatility is estimated using the historical volatility of CanAlaska Uranium Ltd.'s share price. The following assumptions were used in the Black-Scholes option pricing model to calculate the compensation expense for the three and nine months ended July 31, 2024 and 2023:

Options	Three months ended July 31	
	2024	2023
Weighted average fair value	\$0.03	-
Forfeiture rate	0%	-
Risk-free interest rate	4.06%	-
Expected life	3.0 years	-
Expected volatility	86.6%	-
Expected dividend	0%	-

## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

### 8 Related Party Transactions

Related parties include the Board of Directors and Officers of the Company and enterprises which are controlled by these individuals.

The remuneration of directors and key management of the Company for the three months ended July 31, 2024 and 2023 were as follows.

	Three months ended July 31	
	2024	2023
	\$	\$
Employment benefits	76,500	-
Consulting fees	16,000	-
Share-based compensation	47,977	-

Amounts paid or payable to companies with officers and/or directors in common are as follows:

	Three months ended July 31	
	2024	2023
	\$	\$
Rent	6,443	-
Other expenses and exploration costs	3,484	-

Included in trade and other payables at July 31, 2024 is \$6,832 (April 30, 2024 - \$4,406) due to officers and directors and companies with directors and/or officers in common.

### 9 Management of Capital

The Company considers its capital to consist of common shares, stock options and warrants. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares and, acquire or dispose of assets.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest-bearing investments with short term maturities, selected with regards to the expected timing of expenditures from continuing operations.

## Core Nickel Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended July 31, 2024 and 2023

(Unaudited)

(Expressed in Canadian dollars except where indicated)

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### 10 Plan of Arrangement

On November 10, 2023, a plan of arrangement was completed by CanAlaska.

The arrangement agreement dated September 1, 2023, entered into between the CanAlaska and the Company (a wholly owned subsidiary of CanAlaska), was approved by the shareholders of CanAlaska on October 25, 2023, by a Final Order granted by the Supreme Court of British Columbia on October 31, 2023, in accordance with Part 9 of the Business Corporations Act (British Columbia), and accepted by the TSX Venture Exchange and the Canadian Securities Exchange ("CSE").

Pursuant to the Arrangement Agreement and on the effective date:

- a) CanAlaska transferred the following assets to Core Nickel in consideration for 24,997,482 common shares of Core Nickel (the "Core Nickel Shares");
  - i) The five (5) mineral properties commonly referred to as the Halfway Lake Property, the Resting Lake Property, the Hunter Property, the Odei River Property and the Mel Property;
  - ii) \$1,000,000 cash
- b) the existing common shares of CanAlaska were re-designated as Class A Shares ("the CVV Class A Shares") and CanAlaska created a new class of common shares known as the "New CVV Common Shares";
- c) each CVV Class A Share was exchange for one New CVV Common Share and 0.19987 of one Core Nickel Share
- d) the CVV Class A Shares were cancelled;
- e) all outstanding warrants of CanAlaska were adjusted to allow holders to acquire, upon exercise, one New CVV Common Share and 0.19987 of one Core Nickel Share, such that an aggregate of 4,565,469 Core Nickel Shares may be issued if all outstanding warrants are exercised;
- f) all holders of the outstanding options of CanAlaska received 0.19987 of one Core Nickel option with whole option entitling the holder therefore to purchase one Core Nickel Share, such that an aggregate of 2,416,393 Core Nickel Shares may be issued if all such options are exercised; and
- g) Core Nickel became a reporting issuer in British Columbia, Alberta, Ontario and Newfoundland and Labrador.

The Company has determined that the transfer of assets to Core Nickel does not meet the definition of a business combination. As such, the transfer of assets has been accounted for as an acquisition of mineral property interests (note 5) and cash (note 4) in the condensed interim financial statements.

## **Core Nickel Corp.**

Notes to the Condensed Interim Financial Statements

**For the three months ended July 31, 2024 and 2023**

**(Unaudited)**

(Expressed in Canadian dollars except where indicated)

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### **11 Subsequent Event**

- a) On September 17, 2024, the Company announced that a non-brokered private placement financing of up to 8,000,000 flow-through units (each, a “FT Unit”) at a price of \$0.05 per FT Unit for proceeds of up to \$400,000 was fully subscribed (the “Offering”). Each FT Unit will consist of one flow-through common share and one half of one common share purchase warrant (each, whole warrant a “Warrant”). Each warrant will entitle the holder to purchase one common share of the Company at a price of \$0.06 at any time on or before that date that is three years after the closing date of the Offering.
  
- b) On September 17, 2024, the Company issued 104,964 common shares from the exercise of stock options for total gross proceeds of \$5,498.