NiCAN Limited

Condensed Interim Financial Statements

(Unaudited - expressed in Canadian dollars)

September 30, 2024

STATEMENTS OF FINANCIAL POSITION

(Unaudited - expressed in Canadian dollars)

	Note	September 30, 2024	December 31, 2023
		$	$
ASSETS			
Current			
Cash		1,244,188	1,148,919
Prepaid expenses		51,793	59,275
Receivables		43,210	130,681
Total Current Assets		1,339,191	1,338,875
TOTAL ASSETS		**1,339,191**	**1,338,875**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**3,6**	472,699	539,705
Flow-through share premium liability	**4**	226,359	–
Total Current Liabilities		699,058	539,705
TOTAL LIABILITIES		**699,058**	**539,705**
SHAREHOLDERS' EQUITY			
Share capital	**5**	10,004,012	9,085,882
Share-based payments reserve	**5**	555,066	259,964
Deficit		(9,918,945)	(8,546,676)
TOTAL SHAREHOLDERS' EQUITY		**640,133**	**799,170**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,339,191**	**1,338,875**

Nature and continuance of operations – Note 1

Approved on behalf of the Board on November 21, 2024:

/s/ Mike Hoffman	/s/ Brad Humphrey
Chairman	Director

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - expressed in Canadian dollars)

	Note	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
		$	$	$	$
OPERATING EXPENSES					
Exploration expenditures	7	79,119	28,578	641,944	1,579,115
Management fees	6	184,200	89,200	362,600	267,600
General and administrative		78,794	56,292	240,042	164,351
Director fees	6	51,178	52,381	153,349	153,673
Marketing and investor relations		23,843	34,716	94,736	134,408
Professional fees		14,370	11,000	88,666	29,713
Share-based compensation		–	–	234,596	–
TOTAL OPERATING EXPENSES		**431,504**	**272,167**	**1,815,933**	**2,328,860**
OTHER INCOME					
Flow-through premium recovery	4	32,004	3,184	403,641	175,462
Interest income		11,824	26,674	40,023	98,261
TOTAL OTHER INCOME		**43,828**	**29,858**	**443,664**	**273,723**
LOSS AND COMPREHENSIVE LOSS		**(387,676)**	**(242,309)**	**(1,372,269)**	**(2,055,137)**
LOSS PER SHARE					
Basic and diluted		(0.00)	(0.00)	(0.02)	(0.03)
WEIGHTED AVERAGE NUMBER OF SHARES					
Basic and diluted		81,398,902	69,398,902	79,086,175	69,398,902

STATEMENT OF CASH FLOWS

(Unaudited - expressed in Canadian dollars)

	Nine Months Ended September 30,	
	2024	2023
	$	$
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss and comprehensive loss for the period	(1,372,269)	(2,055,137)
Flow-through premium recovery	(403,641)	(175,462)
Share-based compensation	234,596	–
Changes in non-cash working capital items		
Prepaid expenses	7,482	(43,257)
Receivables	87,471	44,686
Accounts payable and accrued liabilities	(67,006)	(37,471)
Total cash flows used in operating activities	(1,513,367)	(2,266,641)
FINANCING ACTIVITIES		
Proceeds from private placement of shares	1,830,000	–
Share issuance costs	(221,364)	–
Total cash flows used in operating activities	1,608,636	–
INCREASE (DECREASE) IN CASH	**95,269**	**(2,266,641)**
CASH - BEGINNING OF PERIOD	**1,148,919**	**4,608,703**
CASH - END OF PERIOD	**1,244,188**	**2,342,062**

SUPPLEMENTAL CASH FLOW INFORMATION:		
Agents warrants issued for payment of financing fees	60,506	–
Flow-through share premium liability	630,000	–
Expiry of agents warrants	–	96,532

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - expressed in Canadian dollars)

	Number of common shares	Share capital	Share-based payments reserve	Deficit	Total
		$	$	$	$
BALANCE, DECEMBER 31, 2022	**69,398,902**	**9,085,882**	**356,496**	**(5,073,124)**	**4,369,254**
Warrant expiry	–	–	(96,532)	96,532	–
Loss for the period	–	–	–	(2,055,137)	(2,055,137)
BALANCE, SEPTEMBER 30, 2023	**69,398,902**	**9,085,882**	**259,964**	**(7,031,729)**	**2,314,117**
Loss for the period	–	–	–	(1,514,947)	(1,514,947)
BALANCE, DECEMBER 31, 2023	**69,398,902**	**9,085,882**	**259,964**	**(8,546,676)**	**799,170**
Shares issued by private placement	12,000,000	1,830,000	–	–	1,830,000
Share issue costs	–	(221,364)	–	–	(221,364)
Flow-through share premium	–	(630,000)	–	–	(630,000)
Agents warrants	–	(60,506)	60,506	–	–
Shares-based compensation	–	–	234,596	–	234,596
Loss for the period	–	–	–	(1,372,269)	(1,372,269)
BALANCE, SEPTEMBER 30, 2024	**81,398,902**	**10,004,012**	**555,066**	**(9,918,945)**	**640,133**

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

NiCAN Limited (the "Company" or "NiCAN") was incorporated under the laws of the Province of Ontario, Canada on April 6, 2021, and its principal business activity is the exploration and evaluation of mineral properties. The Company's corporate office is located at 130 King St West, Suite 3680, Toronto, Ontario, M5X 1B1.

These condensed interim financial statements are prepared on a going concern basis that assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception and has no source of recurring revenue. The success of the Company is dependent upon the ability of the Company to obtain necessary financing to continue their exploration and development activities, the confirmation of economically recoverable reserves and resources, and upon establishing future profitable production, or realization of proceeds on disposal. The Company will require additional funding to maintain its activities and operations for the upcoming fiscal year. All of the preceding indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to the adjustments that would be necessary to the carrying value and classification of assets and liabilities should the Company be unable to continue as a going concern.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using the same accounting policies and methods of application as the audited annual financial statements for the period ended December 31, 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Accordingly, certain information and footnote disclosure normally included in annual financial statements have been omitted or condensed.

These condensed interim financial statements should be read in conjunction with the audited financial statements of the Company as at and for the period ended December 31, 2023.

On November 21, 2024, the Board of Directors of the Company approved these condensed interim financial statements for the nine months ended September 30, 2024.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITES

	September 30, 2024	December 31, 2023
Accounts payable	$ 442,699	$ 459,816
Accrued liabilities	30,000	79,889
TOTAL	**$ 472,699**	**$ 539,705**

(Expressed in Canadian dollars)

4. FLOW-THROUGH SHARE PREMIUM LIABILITY

Flow-through share premium liabilities consist of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the issued flow-through shares:

	Amount
BALANCE AT DECEMBER 31, 2022	**295,023**
Settlement of flow-through share liability on incurred expenditures	(295,023)
BALANCE AT DECEMBER 31, 2023	**–**
Liability incurred on flow-through shares issued during the period	630,000
Settlement of flow-through share liability on incurred expenditures	(403,641)
BALANCE AT SEPTEMBER 30, 2024	**$ 226,359**

On February 23, 2024, the Company issued 8,400,000 flow-through shares at a price of $0.175 per share for gross proceeds of $1,470,000 (Note 5). A flow-through premium liability of $0.075 per share was recorded for the flow-through shares.

During the nine months ended September 30, 2024, the Company incurred $941,804 of eligible flow-through expenditures to be applied to the flow-through shares issued in February 2024. A total flow-through share premium liability of $403,641 was amortized to flow-through premium recovery on the statements of loss and comprehensive loss.

5. SHARE CAPITAL

a) **Share capital**

Authorized*:* an unlimited number of common shares with no par value.

Issued: 81,398,902 common shares.

On February 23, 2024, the Company closed a brokered private placement of 3,600,000 common shares (the "Common Shares") of the Company at a price of $0.10 per Common Share and 8,400,000 common shares that qualify as "flow through shares" (within the meaning of subsection 66(15) of the Income Tax Act (Canada)) (the "Flow Through Shares") at a price of $0.175 per Flow Through Share for aggregate gross proceeds of $1,830,000. In connection with the brokered private placement, the Company paid a cash commission of $128,100 and issued 840,000 non-transferable broker warrants of the Company (the "Broker Warrants") to the underwriters, with each Broker Warrant exercisable to acquire one common share in the capital of the Company at an exercise price of $0.10 per share until February 23, 2026.

As a condition to the completion of an amalgamation agreement completed on July 26, 2022, pursuant to which the Company completed a share exchange and subsequent public listing of the resulting issuer, certain shareholders, including directors and insiders, entered into escrow agreements with the Company. Total shares escrowed were 17,013,332 shares, to be released as follows: 10% of the shares were released on August 11, 2022, an additional 15% of the shares will be released each 6 months and 3 days following the Final Exchange Bulletin date (July 26, 2022) thereafter, with the final 15% of the shares released on July 29, 2025. As at September 30, 2024, a total of 7,656,000 shares remained in escrow (December 31, 2023 – 10,208,000 shares).

(Expressed in Canadian dollars)

b) **Stock Options**

The Company has adopted a share option plan that allows for the issuance of up to 10% of the issued and outstanding shares as incentive share options to directors, officers, employees, and consultants to the Company. Share options granted under the plan may be subject to vesting provisions as determined by the Board of Directors.

On March 26, 2024, the Company granted 3,600,000 incentive stock options to directors, management, and consultants of the Company, exercisable at $0.11 per share for a period of five years, vesting immediately.

The following table summarizes information about the share options as at September 30, 2024:

Grant Date	Number of options outstanding	Exercise price per share of options	Weighted average remaining life	Grant date fair value	Number of options exercisable	Expiry date
December 13, 2021	2,500,000	$0.25	2.20	$0.08	2,500,000	December 13, 2026
August 10, 2022	500,000	$0.25	2.86	$0.13	500,000	August 10, 2027
March 26, 2024	3,600,000	$0.11	4.49	$0.07	3,600,000	March 26, 2029

Stock option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
BALANCE, DECEMBER 31, 2022	**3,000,000**	**$ 0.25**
BALANCE, DECEMBER 31, 2023	**3,000,000**	**$ 0.25**
Granted	3,600,000	0.11
SEPTEMBER 30, 2024	**6,600,000**	**$ 0.17**

The fair value of the stock options issued was estimated using the Black-Scholes option pricing model with the following assumptions:

Issue date	Expected Option life (years)	Risk free interest rate	Dividend yield	Expected volatility(1)	Weighted average fair value
March 26, 2024	5.00	3.50%	nil	75%	$0.07

(1) Expected volatility has been determined using the historical share price of the comparable companies for the period equivalent to the expected life of the options.

(Expressed in Canadian dollars)

c) **Warrants**

Warrant transactions are summarized as follows:

	Number	Weighted Average Exercise Price
BALANCE, DECEMBER 31, 2022	**843,823**	**$ 0.40**
Expired	(843,823)	0.40
BALANCE, DECEMBER 31, 2023	**–**	**–**
Issued	840,000	0.10
BALANCE, SEPTEMBER 30, 2024	**840,000**	**$ 0.10**

The fair value of the agents warrants issued was estimated using the Black-Scholes option pricing model with the following assumptions:

Issue date	Expected Warrant life (years)	Risk free interest rate	Dividend yield	Expected volatility(1)	Weighted average fair value
February 23, 2024	2.00	4.18%	Nil	96%	$0.07

(1) Expected volatility has been determined using the historical share price of the comparable companies for the period equivalent to the expected life of the options.

6. RELATED PARTY BALANCES AND TRANSACTIONS

Key Management Compensation

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers. Their remuneration includes the following:

	Nine months ended September 30, 2024	2023
Management fees	$ 362,600	$ 267,600
Director fees	153,349	153,673
Share-based compensation	173,014	–
TOTAL	**$ 688,963**	**$ 421,273**

As at September 30, 2024, accounts payable and accrued liabilities include $114,224 (December 31, 2023 - $52,019) payable to directors and officers of the Company.

(Expressed in Canadian dollars)

7. EXPLORATION PROPERTIES

	Wine	Pipy	Other	Total
CUMULATIVE EXPENDITURES, DECEMBER 31, 2022	**$ 2,323,447**	**$ 482,958**	**$ –**	**$ 2,806,405**
Assays	73,581	–	–	73,581
Camp supplies and field expenses	36,853	608	–	37,461
Claim staking and maintenance	1,247	–	–	1,247
Consulting	255,732	47,962	–	303,694
Drilling	1,410,444	–	–	1,410,444
Equipment rental	46,313	–	–	46,313
Field transportation	1,132,380	–	–	1,132,380
General and administrative	1,169	4,242	–	5,411
Government grants	(300,000)	–	–	(300,000)
Ground geophysics	108,697	–	–	108,697
Line cutting	144,905	–	–	144,905
CUMULATIVE EXPENDITURES, DECEMBER 31, 2023	**5,234,768**	**535,770**	**–**	**5,770,538**
Assays	$ 45,044	$ –	$ –	$ 45,044
Camp supplies and field expenses	34,513	–	–	34,513
Consulting	147,210	6,000	3,000	156,210
Drilling	205,400	–	–	205,400
Equipment rental	6,099	–	–	6,099
Field transportation	309,455	–	–	309,455
General and administrative	196	8,811	–	9,007
Government grants	(300,000)	–	–	(300,000)
Ground geophysics	171,703	4,513	–	176,216
TOTAL, SEPTEMBER 30, 2024	**619,620**	**19,324**	**3,000**	**641,944**
CUMULATIVE EXPENDITURES, SEPTEMBER 30, 2024	**$ 5,854,388**	**$ 555,094**	**$ 3,000**	**$ 6,412,482**

a) Wine Property

The Wine property, comprised of 24 mineral claims, is located in northwestern Manitoba. The Company acquired two of these claims from W.S. Ferreira Limited ("Ferreira") through a Mineral Property Acquisition Agreement ("Wine MPAA") for $150,000 in cash consideration, final payment completed in 2022, and 1,000,000 shares at a value of $0.05 per share issued in 2021. The Company also issued a 2% net smelter royalty to Ferriera in connection with the Wine MPAA, with an option to repurchase 50% (1%) of the royalty for $1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for $1,000,000 at any time.

The claims have an annual expenditure requirement of $12.50 per hectare ($70,825 total) for the first ten years and then $25 per hectare thereafter ($141,650 total).

b) Pipy Property

The Pipy property, comprised of 20 mineral claims, is located in northeastern Manitoba. The Company acquired 3 of these claims from Ferreira through a Mineral Property Acquisition Agreement ("Pipy MPAA") for $150,000 in cash consideration, final payment completed in 2022, and 1,000,000 shares at a value of $0.05 per share issued in 2021. The Company also issued a 2% net smelter royalty to Ferriera in connection with the Pipy MPAA, with an option to repurchase 50% (1%) of the royalty for $1,000,000 at any time and an option to repurchase an additional 50% (0.5%) of the remaining royalty for $1,000,000 at any time.

The claims have an annual expenditure requirement of $12.50 per hectare ($47,950 total) for the first ten years and then $25 per hectare thereafter ($95,900 total).

8. CAPITAL MANAGEMENT

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. The Company monitors its adjusted capital, which comprises all components of shareholders' equity. The Company manages and adjusts its capital structure based on current economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares through private placements. The Company is not exposed to any externally imposed capital requirements. No changes were made to the Company's capital management practices during the nine months ended September 30, 2024.

9. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of risks related to financial instruments. The Board approves and monitors the risk management processes. The principal types of risk exposure and the way in which they are managed are as follows:

a) Credit Risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from its operations. Cash consists of bank balances for which the Company considers credit risk to be immaterial as cash is mainly held through large Canadian financial institutions. Receivables balance consists of sales taxes due from the Federal Government of Canada.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. On September 30, 2024, the Company had working capital of $640,133 (December 31, 2023 – $799,170).

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. There is no interest rate risk related to the Company's financing liabilities. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with a Canadian chartered bank. The Company considers this risk to be immaterial.

d) Commodity price risk

The Company is exposed to price risk with respect to commodity prices. Precious and base metal prices fluctuate daily and are affected by numerous factors outside of the Company's control, including, but not limited to, the perception of market participants about the price and future price prospects for nickel, changes in manufacturing and construction activity as well as other industrial demands, levels of worldwide production, and forward sales by producers and speculators.

e) Fair value

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The fair value of the Company's receivables and accounts payable and accrued liabilities approximates their carrying value because of the short-term nature of the financial instruments. The Company's cash and cash equivalents are measured at fair value using Level 1 inputs.