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NI 43-101 Technical Report and Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay territory, Québec

Prepared for

Power Nickel Inc.
The Canadian Venture Building
82 Richmond St East, Suite 202
Toronto, Ontario M5C 1P1

Project Location

UTM NAD83 18N 459,700E; 5,729,000N
Latitude 51° 42' 38" N, Longitude 75° 34' 60" W

NTS Sheet 032 O/12

Province of Quebec, Canada

Prepared by

Kenneth Williamson, P.Geo., M.Sc.
Matthew DeGasperis, P.Geo., B.Sc.

Effective Date: May 17th, 2022
Signature Date: August 29th, 2022

SIGNATURE PAGE – KENNETH WILLIAMSON, 3DGEO SOLUTION INC.

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"ORIGINAL SIGNED AND SEALED"

Kenneth Williamson, P.Geo., M.Sc. (OGQ #1490)
3DGeo Solution Inc.
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Signed at Val-d'Or, QC on August 29th, 2022

SIGNATURE PAGE – MATTHEW DEGASPERIS, 3DGEO SOLUTION INC.

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"ORIGINAL SIGNED AND SEALED"

Matthew DeGasperis, P.Geo., B.Sc. (OGQ #2261)
3DGeo Solution Inc.
Hamilton (Ontario)

Signed at Hamilton, ON on August 29th, 2022

CERTIFICATE OF AUTHOR – Kenneth Williamson

I, Kenneth Williamson, P.Geo., M.Sc. (OGQ #1490, PGO #2176), do hereby certify that:

1. I am a professional geoscientist, working as an independent senior geologist, working for and president of 3DGeo Solution Inc, with an office located at 605 Ch. Harricana, Val-d'Or, QC.
2. This certificate applies to the technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay territory, Québec" with an effective date of May 17th, 2022.
3. I am a member in good standing of the Ordre des Géologues du Québec (OGQ licence #1490) and of the Professional Geoscientists of Ontario (PGO licence #2176). I graduated with a Master's degree from Université Laval (Ste-Foy, Québec) in 2001.
4. I have practiced my profession continuously as a geologist since 2004, for a total of seventeen (17) years, during which time I have been involved in mineral exploration, mine geology, litho-structural interpretation and modeling, as well as in resource modeling projects for gold properties in Canada and in the United States of America.
5. I have read the definition of "qualified person" set out in National Instrument 43-101/Regulation 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am the author of all items in the report titled "NI 43-101 Technical Report and Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay territory, Québec", with an effective date of May 17th, 2022 and a signature date of August 29th, 2022, prepared for Power Nickel Inc.
7. I have not had prior involvement with the property that is the subject of this technical report.
8. I am independent of the issuer in accordance with the application of Section 1.5 of NI 43-101.
9. I have read NI 43-101 and Form 43-101F1, and the items of the Technical Report for which I am responsible have been prepared in accordance with that instrument and form.
10. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading

Dated at Val d'Or, Québec this 29th day of August 2022.

"ORIGINAL SIGNED AND SEALED"

Kenneth Williamson, P.Geo., M.Sc. (OGQ #1490)
3DGeo Solution Inc.

CERTIFICATE OF AUTHOR – Matthew DeGasperis

I, Matthew DeGasperis, P.Geo., B.Sc. (OGQ #2261, PGO #3438), do hereby certify that:

1. I am a professional geoscientist, working as an independent senior consulting geologist, working for 3DGeo Solution Inc., with an office located at 85 Burton St., Hamilton, ON.
2. This certificate applies to the technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay territory, Québec" with an effective date of May 17^{th}, 2022.
3. I am a member in good standing of the Ordre des Géologues du Québec (OGQ licence #2261) and of the Professional Geoscientists of Ontario (PGO licence #3438). I graduated with an Honours Bachelor's degree from Western University (London, Ontario) in 2017.
4. I have practiced my profession continuously as a geologist since 2017, for a total of Five (5) years, during which time I have been involved in mineral exploration, mine geology, litho-structural interpretation and modeling, as well as in resource modeling projects for gold properties and base metal properties in Canada and in the United States of America.
5. I have read the definition of "qualified person" set out in National Instrument 43-101/Regulation 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I have visited the Nisk Project on November 30, 2021.
7. I am the author of all items, except item 14, in the report titled "NI 43-101 Technical Report and Mineral Resource Estimate for the Nisk Project, Eeyou Istchee James Bay territory, Québec", with an effective date of May 17^{th}, 2022 and a signature date of August 29^{th}, 2022, prepared for Power Nickel Inc.
8. I have not had prior involvement with the property that is the subject of this technical report.
9. I am independent of the issuer in accordance with the application of Section 1.5 of NI 43-101.
10. I have read NI 43-101 and Form 43-101F1, and the items of the Technical Report for which I am responsible have been prepared in accordance with that instrument and form.
11. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading

Dated at Hamilton, Ontario this 29^{th} day of August 2022.

"ORIGINAL SIGNED AND SEALED"

Matthew DeGasperis, P.Geo., B.Sc. (OGQ #2261)
3DGeo Solution Inc.

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1. SUMMARY

1.1 Introduction

On June 3, 2021, 3DGeo Solution Inc. ("3DGS") was contracted by Terry Lynch, CEO of Power Nickel Inc., formerly Chilean Metals Inc. ("Power Nickel" or the "issuer"), to prepare a mineral resource estimate and a supporting Technical Report in accordance with Canadian Securities Administrators' National Instrument 43-101 Respecting Standards of Disclosure for Mineral Projects ("NI 43-101" or "43-101") and its related Form 43-101F1 for the Nisk Project (the "Project").

3DGeo Solution Inc. is an independent geological consulting firm based in Val-d'Or, Québec.

Power Nickel is a Canadian mineral exploration company trading publicly on the TSX Venture Exchange under the symbol PNPN.

The mineral resource estimate herein ("2022 MRE") follows CIM Definition Standards.

The effective date of this Technical Report is May 17, 2022.

1.2 Contributors and Qualified Persons

This Technical Report has been prepared by Kenneth Williamson, P.Geo., M.Sc. and Matthew DeGasperis, P.Geo., B.Sc., from 3DGS. The 2022 MRE was prepared by Kenneth Williamson, P.Geo., M.Sc.

Kenneth Williamson, P.Geo., M.Sc., is a professional geologist member in good standing of the Ordre des Géologues du Québec (OGQ licence #1490) and of the Professional Geoscientists of Ontario (licence #2176), and is the independent qualified person ("QP") as defined by NI 43-101 for all sections of the Technical Report.

Matthew DeGasperis, P.Geo., B.Sc., is a professional geologist member in good standing of the Ordre des Géologues du Québec (OGQ licence #2261) and of the Professional Geoscientists of Ontario (licence #3438), and is the independent qualified person ("QP") as defined by NI 43-101 for all sections of the Technical Report, except for Item 14 - Mineral Resource Estimate. Work performed on Item 14 has been done under the direct supervision of Kenneth Williamson, P.Geo.

In addition, the authors relied on the following contributors:

- Kathleen Boucher, GIS Technician of Consul-Teck Exploration Inc., provided technical support and expertise during the data compilation and validation process.

- Tina Cliff, P.Geo., B.Sc., Consulting Geologist of 3DGS, provided technical support and expertise during the mineral resource estimate validation process, as well as with the report review/editing.

- Denis Gourde, P.Eng., VP Engineering and Sustainable Development, Equity partner of InnovExplo Inc., provided supervision of the Mining Engineer Support.

- Simon Boudreau, P.Eng., Senior Mining Engineer of InnovExplo Inc., provided parameters for the open pit creation and optimization work, as well as insights to establish the official cut-off grade for the mineral resource estimate.

- Jean-Oliver Brassard, P.Eng., Mine Engineer InnovExplo Inc., provided parameters for the underground stope creation and optimization work, as well as insights to establish the official cut-off grade for the mineral resource estimate.

1.3 Property Description and Location

The Nisk Project is located in the province of Québec, Canada. The Project is located approximately 55 km east from the Cree Nation of Nemaska Community, QC, 283km north-northwest from the town of Chibougamau, QC and 425 km northeast from the town of Matagami, QC.

The project consists of a total of 90 claims covering an area of 4589.11 Ha. At the time 3DGS was initially mandated to perform the mineral resource estimate, the Nisk Project was 100% owned by Critical Elements Lithium Corporation ("Critical Elements").

However, on December 22, 2020 Power Nickel entered into an option agreement with Critical Elements to acquire an initial 50% interest in the Nisk Project (the "**First Option**"). Upon completion of the terms of the First Option, Power Nickel has a Second Option (the "**Second Option**") to increase its interest from 50% to 80% by incurring or funding additional work. Power Nickel shall act as the operator and shall be responsible for carrying out and administering the work expenditures on the Nisk Project. The terms of this option agreement are outlined in detail in item 4.3 of this report.

The majority of the claims are subject to 1.4% - 3.0% NSR royalties with a 1% buyback for $1,000,000 from four (4) different individuals. A total of seven (7) claims have no royalties, twenty-six (26) claims have a 1.4% royalty, forty-four (44) claims have a 2% royalty, and thirteen (13) claims have a 3% royalty. The claims in the vicinity of the MRE have a 2% NSR royalty.

1.4 Accessibility, Climate, Local resources, Infrastructure and Physiography

The Nisk Project is located approximately 55 km east from the Cree Nation of Nemaska Community in the Eeyou Istchee James Bay territory of Quebec, Nord-du-Québec administrative region. From Chibougamau, QC the Project is easily accessible by heading north on Route du Nord towards Nemaska for about 278 km, then heading north for approximately 5 km via Rupert Road, a gravel Hydro-Québec access road. The intersection of Rupert Road and the Route du Nord is located at the Hydro-Québec Poste Albanel electrical station.

From Matagami, QC the Project is accessible by heading 274 km north along James Bay Road towards Eastmain and then 147 km east via the Route du Nord junction to Rupert Road and the Hydro-Québec Poste Albanel electrical station.

Several logging, mining and exploration roads can also be used to access to the property.

The climate in the region is sub-arctic. This climate zone is characterized by long, cold winters and short, cool summers. Climatic conditions do not seriously impact exploration activities but can force seasonal adjustments for certain types of work. For example, drilling in wet areas can only be conducted during winter.

Infrastructure in the area includes several access roads to the Project via the northern highway “Route du Nord” from Nemaska, QC and Chibougamau, QC. The northern highway “James Bay Road” connects Matagami, QC and Amos, QC with the town of Nemaska, QC via the Route du Nord Junction. A skilled and experience workforce are easily available from these towns and larger cities in Quebec. Hydro-Québec has several facilities near the property. The village of Nemaska and the Workcamp Nemiscau, located 55 km and 35 km, respectively, to the west of the Project, can be used as lodging accommodations for workers and services to the Project.

The Project is in the James Bay area within the Boreal Shield ecozone, more precisely within the Rupert River Plateau ecoregion. The topography of the project is relatively flat consisting of rolling hills and ridges reaching an elevation of up to 20-50 meters. The approximate elevation of the Project varies from 280-420 m.a.s.l.

1.5 Geological Setting and Mineralization

The Nisk Project is located within part of the Québec portion of the Archean Superior Geological Province. The Superior Province forms the core of the North American continent and is bounded by Paleoproterozoic age provinces to the west, north and east, and the Mesoproterozoic Grenville Province to the southeast.

In Québec, the eastern extremity of the Superior province has been classified into the following sub-provinces, from south to north: Pontiac, Abitibi, Opatica, Nemiscau, Opinaca, La Grande, Ashuanipi, Bienville and Minto (Hocq, 1994). According to Card and Ciesielski (1986), the Project area lies within the Nemiscau subprovince.

The Nisk Project lies within the Bande du Lac des Montagnes volcano-sedimentary formation (“BLM”) of the Nemiscau subprovince, between the Champion Lake granitoids and orthogneiss and the Opatica NE, which is made of orthogneiss and undifferentiated granitoids.

The Nisk deposit is hosted in an elongated body of a serpentinized ultramafic and/or peridotite unit that intrudes the Bande du Lac des Montagnes volcano-sedimentary formation (“BLM”) paragneiss (sedimentary derived), orthogneiss (igneous derived) and amphibolite/mafic volcanic sequences. This ultramafic body is interpreted as a conformable sill.

The ultramafic sill hosting the Ni-Cu-Co-PGE Nisk deposit is interpreted to have formed by two events, generating a dark-grey to black mineralized peridotite (“Black Peridotite”) surrounded by an older unmineralized medium-grey ultramafic intrusion (“Grey Ultramafic”).

The Nisk Ni-Cu-Co-PGE deposit occurs as a layer of semi-massive to massive sulphide mineralized zone deposited at the base of a black serpentinized peridotite sill, as described above. This main mineralized zone generally strikes N245°, and dips steeply

(75° to 80°) to the northwest. To date, the mineralized main zone has been traced over a strike length of over 900 meters, approximately 400 meters vertically at depth, and is 0.5-32 meters wide (average horizontal width of over 5 meters). The deposit remains open at depth and along strike in both directions (east and west).

The concentration of sulphides in the Nisk deposit varies from very low (1 to 2%) to massive (100%), with an average of 45 to 50%. Sulphide mineralization of the Nisk deposit consists essentially of pyrrhotite ($Fe_{1-x}S$), chalcopyrite ($CuFeS_2$), pentlandite [$(Fe, Ni)_9S_8$] and pyrite (FeS_2).

3DGS interpreted three (3) sets of fault groups that generated late-stage deformation causing the Nisk deposit to be locally displaced and/or off-set. This deformation of the Nisk deposit is interpreted to control two main high-grade trends within the deposit.

The Nisk deposit appears to be a classic magmatic nickel sulphide ore deposit associated with an ultramafic intrusion.

1.6 Drilling, Sampling Method, Approach and Analysis

The fall 2021 drilling campaign on the Nisk Project was performed by Forage Val-d'Or Inc. from Val-d'Or, Quebec. All holes were drilled from surface, with NQ core caliber (47.6 mm core diameter). Seven (7) successfully drilled holes from the 2021 drilling campaign totalling to 2,394 meters, combined with the fifty-nine (59) historic drillholes totalling 12,872.3 meters were used in the current mineral resource estimate.

Core boxes were received daily at the core shack on the Project. Drill core was logged and sampled by experienced and qualified geologists provided by Consul-Teck Exploration ("Consul-Teck"), based in Val-d'Or, Quebec. Sample length ranged from 0.3 m (minimum) to 1.5 m (maximum); samples were marked on the core in red and sample tags were placed at the beginning of each sample interval. Core samples were then split in half using a core splitter. One half of the core and a sample tag were placed in a plastic bag for shipment to the laboratory, and the other half returned to the core box as a witness (reference) sample.

For the 2021 drilling program, Power Nickel used ALS Global (ALS), an independent commercial laboratory located in Val D'Or, Québec for both the sample preparation and assaying. ALS is a commercial laboratory independent of Power Nickel with no interest in the Project. ALS received ISO/IEC 17025 accreditation through the Standards Council of Canada ("SCC").

Core samples were crushed, split and pulverized then analyzed using ME-ICP61a (33 element Suite; 0.4g sample; Intermediate Level Four Acid Digestion) and PGM-ICP27 (Pt, Pd, and Au; 30g fire assay and ICP-AES Finish) methods. Assay results were provided as Excel or PDF spreadsheets or through a web base system which offers direct access to results.

Power Nickel has a QA/QC program for drill core that includes the insertion of blanks, standards (certified reference material; or CRM) and duplicates in the flow stream of core samples. For each group of 30 samples, the issuer inserted one blank, one standard and one pulp duplicate.

3DGS is of the opinion that the sample preparation, analysis, security procedures and QA/QC protocols used by Power Nickel for the Nisk Project are appropriate and adequate for an advanced exploration project, the data is of good quality and satisfactory for use in the current Mineral Resource Estimate.

1.7 Data Verification

3DGS's data verification included a site visit to the Nisk Project, as well as to the logging and core storage facilities, completed by Matthew DeGasperis on November 30th, 2021. It also included a review of selected drill core intervals, drill hole collar locations, assaying and QA/QC procedures, downhole surveys, as well as the descriptions of lithologies, alterations and structures.

For assay and survey data a comparison of the database with original certificates were performed. Any discrepancies found were corrected and incorporated into the database. 3DGS is of the opinion that the data verification process demonstrates the validity of the data and protocols for the Nisk Project.

The data verification does not include older drillholes (the historic 1960's and 1980's drillholes) for which too many original documents (original logs, original lab certificates) were missing.

3DGS considers the Power Nickel database to be valid and of sufficient quality to be used for the mineral resource estimate herein.

1.8 Mineral Resource Estimates

The current mineral resource estimate for the Nisk Project (the "2022 MRE") herein was prepared by Kenneth Williamson, P.Geo., M.Sc. of 3DGeo Solution Inc., an independent Qualified Persons ("QP") in terms of NI 43-101, using all available information.

Technical contribution from Matthew DeGasperis, P.Geo., B.Sc. of 3DGeo Solution Inc. ("3DGS") in the preparation of the 2022 MRE has been performed under the supervision of Kenneth Williamson, P.Geo.

The main objective of the mandate assigned by Power Nickel Inc. (the "issuer") was to confirm and update the historic mineral resource estimate using verified and validated historic drillholes from 2007-2011 and all drillholes from the recent fall/winter 2021 drill program. This drilling data, along with the new litho-structural interpretation of the deposit, was used to prepare a NI 43-101 compliant Mineral Resource Estimate for the Nisk Project.

The 2022 resource area covers approximately 900 m x 500 m and reaches a depth of approximately 400 m below surface. The mineral resource estimate is based on a compilation of valid historic and recent diamond drill holes, as well as a litho-structural model constructed by 3DGS.

The effective date of this mineral resource estimate is May 17th, 2022.

The final database contains 66 drillholes (59 from the historic 2007-2009, 2010-2011 drilling campaigns and 7 from the 2021 drilling campaign) within the resource estimate area. All 66 holes, totalling 15,266.3 m of NQ drill core, were compiled, and validated at the time of the resource estimate. The drillhole data was imported into Leapfrog® for modelling and mineral resource estimation work.

The 2022 MRE was prepared using Leapfrog® EDGE ("EDGE"), whereas any other 3D modeling work (i.e., litho-structural modeling and interpretation) was performed in Leapfrog® GEO ("Leapfrog"). Leapfrog was used for the construction of mineralized solids, which were used in EDGE for the block model construction, grade estimation and resource reporting. Sensitivities to different interpolation methods were also performed in EDGE. The result of this study is a single mineral resource estimate for one (1) Ni-Cu-Co-PGE bearing zone.

Kenneth Williamson, P.Geo is of the opinion that the current mineral resource estimate can be categorized as Indicated and Inferred mineral resources based on data density, search ellipse criteria, and interpolation parameters. Kenneth Williamson, P.Geo considers the 2022 MRE to be reliable and based on quality data, reasonable hypotheses and parameters that follow CIM Definition Standards.

Table 1.1 displays the results of the 2022 In Situ Mineral Resource Estimate for the Nisk Project (1 mineralized zone) at the official 0.33% NiEq. cut-off grade for the In-Pit portion, and at the official cut-off grade of 0.91% NiEq. cut-off grade for the underground portion.

Table 1.2 shows the results of the sensitivity scenarios of both the open pit and underground mining methods of the Mineral Resources at various cut-off grades. The reader should be cautioned that the figures presented in Table 1.2 should not be misinterpreted as a mineral resource statement apart from the official base case scenario (duly highlighted). The reported quantities and grade estimates at different cut-off grades are only presented to demonstrate the sensitivity of the resource model to the selection of a reporting cut-off grade.

Table 1.1 - 2022 Nisk Project Mineral Resource Estimate at a 0.33% NiEq. Cut-off grade in pit and 0.91% NiEq. cut-off grade underground

Scenario	Classification	*Cut-off*	Mass	*Grade*								*Material Content*
		NiEq (%)	(t)	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	NiEq (t)
Open Pit	Indicated	0.33	894,100	0.87	0.53	0.32	0.03	0.08	0.47	0.04	2.05	7,800
	Inferred	0.33	67,000	1.04	0.62	0.34	0.04	0.13	0.70	0.07	2.46	700
Underground	Indicated	0.91	1,693,500	1.37	0.83	0.48	0.05	0.13	0.86	0.06	2.65	23,200
	Inferred	0.91	1,337,800	1.30	0.76	0.54	0.05	0.18	0.80	0.04	1.67	17,400
Total	**Indicated**	**0.33 + 0.91**	**2,587,600**	**1.20**	**0.72**	**0.42**	**0.05**	**0.11**	**0.72**	**0.05**	**2.44**	**31,000**
	Inferred	0.33 + 0.91	1,404,800	1.29	0.75	0.53	0.04	0.18	0.79	0.04	1.71	18,100

Note: *NiEq = Nickel Equivalent, Ni = Nickel, Cu = Copper, Co = Cobalt, Pt = Platinum, Pd = Palladium, Au = Gold, Ag = Silver, % = Percent, g = Gram, t = Metric tonne*

Table 1.2 - 2022 Nisk Project Mineral Resource Estimate at a 0.33% NiEq. Cut-off grade in pit and 0.91% NiEq cut-off grade underground, sensitivity at other cut-off scenarios

Scenario	Classification	*Cut-off* NiEq (%)	Mass (t)	*Grade* NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	*Material Content* NiEq (t)
Open Pit	Indicated	0.41	595,700	0.9	0.54	0.34	0.03	0.09	0.53	0.04	2.23	5,400
		0.36	687,400	0.88	0.53	0.33	0.03	0.09	0.51	0.04	2.19	6,100
		0.33	**894,100**	**0.87**	**0.53**	**0.32**	**0.03**	**0.08**	**0.47**	**0.04**	**2.05**	**7,800**
		0.30	917,200	0.88	0.53	0.32	0.03	0.08	0.48	0.04	2.05	8,000
		0.27	1,259,600	0.92	0.55	0.34	0.03	0.09	0.57	0.05	2.44	11,600
	Inferred	0.41	56,500	1.03	0.61	0.33	0.04	0.14	0.7	0.07	2.37	600
		0.36	65,900	1.04	0.62	0.34	0.04	0.13	0.7	0.07	2.46	700
		0.33	**67,000**	**1.04**	**0.62**	**0.34**	**0.04**	**0.13**	**0.7**	**0.07**	**2.46**	**700**
		0.30	67,000	1.04	0.62	0.34	0.04	0.13	0.7	0.07	2.46	700
		0.27	86,200	1.05	0.62	0.34	0.04	0.13	0.71	0.07	2.62	900
Underground	Indicated	1.14	1,119,600	1.54	0.93	0.52	0.06	0.15	0.98	0.06	2.38	17,200
		1.01	1,457,000	1.44	0.87	0.49	0.05	0.14	0.9	0.06	2.5	20,900
		0.91	**1,693,500**	**1.37**	**0.83**	**0.48**	**0.05**	**0.13**	**0.86**	**0.06**	**2.65**	**23,200**
		0.82	1,902,800	1.32	0.8	0.46	0.05	0.13	0.82	0.06	2.66	25,100
		0.75	1,770,400	1.3	0.8	0.45	0.05	0.12	0.77	0.05	2.47	23,100
	Inferred	1.14	904,900	1.4	0.82	0.57	0.05	0.2	0.86	0.04	1.73	12,700
		1.01	1,180,700	1.33	0.78	0.56	0.05	0.19	0.82	0.04	1.66	15,700
		0.91	**1,337,800**	**1.3**	**0.76**	**0.54**	**0.05**	**0.18**	**0.8**	**0.04**	**1.67**	**17,400**
		0.82	1,661,800	1.22	0.72	0.5	0.04	0.17	0.73	0.04	1.62	20,300
		0.75	1,973,500	1.16	0.68	0.47	0.04	0.16	0.68	0.04	1.58	22,800
Total	**Indicated**	0.41 + 1.14	1,715,300	1.32	0.8	0.46	0.05	0.13	0.83	0.05	2.33	22,600
		0.36 + 1.01	2,144,400	1.26	0.76	0.44	0.05	0.12	0.78	0.05	2.4	27,000
		0.33 + 0.91	**2,587,600**	**1.2**	**0.72**	**0.42**	**0.05**	**0.11**	**0.72**	**0.05**	**2.44**	**31,000**
		0.30 + 0.82	2,820,000	1.17	0.71	0.42	0.04	0.11	0.71	0.05	2.46	33,100
		0.27 + 0.75	3,030,000	1.15	0.69	0.41	0.04	0.11	0.69	0.05	2.46	34,700
	Inferred	0.41 + 1.14	961,400	1.38	0.81	0.56	0.05	0.2	0.85	0.04	1.77	13,200
		0.36 + 1.01	1,246,600	1.32	0.77	0.55	0.05	0.19	0.82	0.04	1.71	16,400
		0.33 + 0.91	**1,404,800**	**1.29**	**0.75**	**0.53**	**0.04**	**0.18**	**0.79**	**0.04**	**1.71**	**18,100**
		0.30 + 0.82	1,728,800	1.21	0.71	0.49	0.04	0.17	0.73	0.04	1.65	21,000
		0.27 + 0.75	2,059,700	1.15	0.68	0.47	0.04	0.16	0.68	0.04	1.62	23,700

Notes to Accompany Mineral Resource Tables:

1. The Independent Qualified Persons for the purposes of this Mineral Resource Estimate (MRE), as defined in NI 43-101, is Kenneth Williamson, P.Geo.. (OGQ # 1490) of Solution 3DGéo inc. The effective date of the estimate is May 17, 2022.
2. The estimate of the mineral resources of the Nisk Project complies with the “CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines” of November 29, 2019. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
3. These mineral resources are not mineral reserves since their economic viability has not been demonstrated.
4. The resources are presented before dilution and in-situ and are considered to have reasonable prospects of economic extraction. Isolated and discontinuous blocks with a grade greater than the selected cut-off grade are excluded from the estimate of underground mineral resources. The blocks that must be included, i.e., isolated blocks with a grade below the cut-off grade located within potentially mineable volumes, have been included in the mineral resource estimate.
5. As of May 17, 2022, the database included a total of 66 drillholes (59 historic and 7 recent 2021 drillholes) totaling 15,266.3 meters of drilling.
6. A value of half of the assay lab detection limit for each element was used as a grade for the un-assayed core.
7. The assays were grouped within the mineralized domains in composites of 1.00 meters in length.
8. The block model was prepared using Leapfrog® Geo and Edge software. The block model consists of 2-meter parent blocks and sub-blocks of 1 meter. The block model has a dip azimuth of 340°.
9. An interpolation according to the “inverse distance squared” (“ID^2”) method was performed to estimate the grades in the interpreted mineralized volume.
10. An interpolation according to the “inverse distance squared” (“ID^2”) method was performed to estimate the Density (SG) in the interpreted mineralized volume. Sample intervals with missing SG values were calculated based on a strong correlation with %Ni. The calculation used was SG = (0.7001 x %Ni) + 2.6751.
11. The “Open Pit” mineral resources are presented at a cut-off grade of 0.33 %NiEq and are confined within a “Whittle” pit shell. The “Underground” mineral resources are presented at a cut-off grade of 0.91 %NiEq and are confined within volumes defined using “DSO” (Deswik Stope Shape Optimizer). These volumes correspond to groups of contiguous blocks with a reasonable size to be exploited by underground mining methods.
12. The engineering work required for the cut-off grade estimation and the creation of the DSO volumes were performed by InnovExplo Inc., and the following economic parameters were used : US $8.00/lb Nickel, $3.00/lb Cu, $25.00/lb Cobalt, $1000/Oz Platinum, $1000/Oz Palladium, $1300/Oz Gold, and $17.00/Oz Silver; Exchange rate of USD/CAD 1.30, metallurgical recovery of 85%, total processing cost CA $40.00/t, mining cost CA $6.00/t, mining overburden cost CA $4.20/t, underground mining cost CA $110.00/t, G&A cost CA $12.20/t, northern logistics costs CA $10.00/t. It should be noted that the G&A cost could be underestimated depending on the extraction sequence chosen.
13. The independent qualified person is not aware of any environmental, licensing, legal, title-related, tax, socio-political or marketing-related issue, or any other relevant issue that could have a material impact on the estimate of mineral resources.
14. The numbers of tonnes are rounded to the nearest hundred to reflect uncertainties, which may cause slight differences.

1.9 Interpretation and Conclusions

The main objective of 3DGS' mandate was to prepare a mineral resource estimate for the Nisk Project using the valid historic and 2021 drilling programs. This Technical Report and the mineral resource estimate presented herein achieve the objective.

Using all geological and analytical information available, 3DGS created a new mineralized-zone wireframe model (Nisk Main Zone) of the Nisk Project. 3DGS concludes the following after conducting a detailed review of all pertinent information and completing the 2022 MRE:

- Geological and grade continuity for one (1) Ni-Cu-Co-PGE mineralized zone of the Nisk Project was demonstrated.
- The geometrical and structural constraints imposed by the new litho-structural model provided valuable insights to create the mineralized zone model.
- The new mineralized zone wireframe/domain model constrained the interpolation of the mineralized zones.
- The combined estimated Indicated Resources is 2.6 million tonnes grading 1.20 %NiEq, using a base case cut-off grade of 0.33 %NiEq for open pit constrained resources and a base case cut-off grade of 0.91 %NiEq for underground constrained resources.
- The combined estimated Inferred Resources is 1.4 million tonnes grading 1.29 %NiEq, using a base case cut-off grade of 0.33 %NiEq for open pit constrained resources and a base case cut-off grade of 0.91 %NiEq for underground constrained resources.
- Additional diamond drilling on the Nisk Main Zone could increase the Inferred Resources (due to the open nature of the ore body) and allow the conversion of some of the Inferred Resources to Indicated Resources.
- There is also the potential for upgrading some of the Indicated Resources to Measured Resources through detailed geological mapping, infill drilling and systematic channel sampling on surface outcrops.

3DGS considers the present Mineral Resource Estimate to be reliable and thorough, and based on quality data, reasonable hypotheses, and parameters compliant with NI 43-101 and CIM standards regarding mineral resource estimations.

The risks related to the estimation of the mineral resource of the Nisk Project are mainly related to the grade and thickness variability as well as changes in the orientation of the deposit related to a post-ore deformation event. This could impact the estimated grade value, grade continuity and tonnage within some portions of the mineralized zone.

3DGS believes there are several opportunities to add additional resources to the Nisk Project and / or to convert existing resources to a higher rank category. The following list presents these opportunities as a description of the main target areas defined by 3DGS:

- **Target 1**: Infill drilling the periphery of the current mineralized main zone to upgrade resources from inferred to indicated.

- **Target 2**: Testing the lateral and vertical continuity of the mineralized main zone towards the west, east, and at depth.

- **Target 3**: Regional investigation of the west and northeast magnetic anomalies also referred to as "Wildcat" targets.

3DGS concludes that the current 2022 MRE allows the Nisk Project to advance towards further conversion and exploration drilling, as well as a Pre-Feasibility (PFS) stage, but that advancing to a PFS stage is conditional to further exploration work which should be completed in preparation of the study.

1.10 Recommendations

Based on the results and conclusions of the 2022 Mineral Resource Estimate, 3DGS recommends that the Nisk Project be advanced towards the next development phase, which would be a Pre-Feasibility Study (PFS).

3DGS is of the opinion that prior to commencing such PFS, more exploration work and a subsequent MRE update, should be completed.

3DGS recommends further exploration and conversion in-fill drilling within the Nisk Project to increase inferred and indicated resources. Further drilling laterally and at depth has the potential to expand the main mineralized zone in all directions. Stepping out to the east and west has the potential to add new mineralized zones and/or lenses, either stacked, or along strike. Drilling at depth of the main zone has the potential to increase tonnage, continuity and grade of the deposit. Conversion drilling has the ability to add tonnage to an updated mineral resource estimate, helping to increase potential economics.

3DGS recommends to continue gathering more density data from each assay sample and from selected portions of "waste" from the potential open pit scenario. Density data has a direct impact on the calculated tonnage of the resources, and processing, and therefore on the final economics.

3DGS recommends mechanical stripping of the outcrop (if possible). Exposing mineralization on surface is likely the most efficient way to better document the geometry and cross-cutting relationships of the mineralized zones network.

3DGS recommends further geophysical studies. This includes budgeting for high resolution electro-magnetics (EM) and Induced-Polarization (IP) surveys. Down-hole EM surveys could be done on targets such as the west zone and the "wildcat" targets.

3DGS recommends metallurgical studies. Determining and understanding the metallurgy and overall recovery of the deposit is critical for the mining economics and any future feasibility studies.

3DGS recommends geochemical studies. Further understanding of the litho-geochemistry will aid in the overall understanding of the deposit and for exploration purposes. 3DGS recommends the use of quartered core, if possible, preserving the other half of the core in core boxes for any future referencing.

3DGS also recommends including provisions for environmental and hydrogeological characterization studies in future Nisk Project budget planning exercises.

If additional work proves to have a positive impact on the project, **3DGS recommends that the current resource estimate should be updated**, which would include compiled and validated historical drill holes, future drill holes, and updated 3D modelling of mineralized zone(s).

In summary, 3DGS recommends a two-phase work program as follows:

- **Phase 1:**
  - Continue surface in-fill and step-out exploration drilling
  - Density program – continue collecting density data
  - Metallurgical Study on drill core
  - Mechanical stripping and channel sampling (if possible)
  - Geological mapping
  - Geophysical Surveys (EM and IP)
  - Baseline environmental study
  - Update the Mineral Resource Estimation
- **Phase 2:**
  - Continue surface in-fill and step-out exploration drilling
  - Continue density program
  - Update the Mineral Resource Estimation
  - Prefeasibility study (PFS) on updated Mineral Resource Estimate

3DGS has prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the project. Expenditures for Phase 1 are estimated at C$1,679,000 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$2,771,500 (incl. 15% for contingencies). The grand total is C$4,450,500 (incl. 15% for contingencies).

3DGS is of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the Project is of sufficient merit to justify the recommended program. 3DGS believes that the proposed budget reasonably reflects the type and amount of the contemplated activities.

2. INTRODUCTION

2.1 Overview

On June 3, 2021, 3DGeo Solution Inc. ("3DGS") was contracted by Terry Lynch, CEO of Power Nickel Inc., formerly Chilean Metals Inc. ("Power Nickel" or the "issuer"), to prepare a mineral resource estimate and a supporting Technical Report in accordance with Canadian Securities Administrators' National Instrument 43-101 Respecting Standards of Disclosure for Mineral Projects ("NI 43-101" or "43-101") and its related Form 43-101F1 for the Nisk Project (the "Project").

3DGeo Solution Inc. is an independent geological consulting firm based in Val-d'Or, Québec.

Power Nickel is a Canadian mineral exploration company trading publicly on the TSX Venture Exchange under the symbol PNPN.

The Nisk Project is located approximately 55 km east from the Cree Nation of Nemaska Community, QC, 283 km north-northwest from the town of Chibougamau, QC and 425 km northeast from the town of Matagami, QC. The project consists of a total of 90 claims covering an area of 4589.11 Ha. At the time 3DGS was initially mandated to perform the mineral resource estimate, the Nisk Project was 100% owned by Critical Elements Lithium Corporation ("Critical Elements"). However, on December 22, 2020, Power Nickel entered into an option agreement with Critical Elements to acquire an initial 50% interest in the Nisk Project (the "**First Option**"). Upon completion of the terms of the First Option, Power Nickel has a Second Option (the "**Second Option**") to increase its interest from 50% to 80% by incurring or funding additional work. The terms of this option agreement are outlined in detail in item 4.3 of this report.

This Technical Report is based on the results obtained from 85 drillholes, 77 from historic drilling programs between 2007-2011 and 8 from the recent 2021 drilling program, totaling 19,611.9 meters. The mineral resource model was constructed based on 66 drillholes, 59 from historic drilling programs between 2007-2011 and 7 from the recent 2021 drilling program, totaling 15,266.3 meters. All assay results received as of May 17, 2022.

The mineral resource estimate herein ("2022 MRE") follows CIM Definition Standards.

2.2 Report Responsibility and Qualified Person

This Technical Report has been prepared by Kenneth Williamson, P.Geo., M.Sc. and Matthew DeGasperis, P.Geo., B.Sc., from 3DGS. The 2022 MRE was prepared by Kenneth Williamson, P.Geo., M.Sc.

Kenneth Williamson, P.Geo., M.Sc., is a professional geologist member in good standing of the Ordre des Géologues du Québec (OGQ licence #1490) and of the Professional Geoscientists of Ontario (licence #2176), and is the independent qualified person ("QP") as defined by NI 43-101 for all sections of the Technical Report.

Matthew DeGasperis, P.Geo., B.Sc., is a professional geologist member in good standing of the Ordre des Géologues du Québec (OGQ licence #2261) and of the Professional

Geoscientists of Ontario (licence #3438), and is the independent qualified person ("QP") as defined by NI 43-101 for all sections of the Technical Report, except for Item 14 - Mineral Resource Estimate. Work performed on Item 14 has been done under the direct supervision of Kenneth Williamson, P.Geo.

Matthew DeGasperis visited the Project site on November 30th, 2021 at which time he examined mineralized exploration diamond drill core, reviewed the core logging and sampling procedures, and performed onsite data verification.

2.3 Effective Date

The effective date of this Technical Report is May 17, 2022.

2.4 Sources of Information

The documentation listed in items 3 and 27 were used to support the Technical Report. Excerpts or summaries from documents authored by other consultants are indicated in the text.

The authors' review of the Project was based on published material in addition to the data, professional opinions and unpublished material submitted by Power Nickel. The authors have reviewed all the data provided by the issuer.

The authors consulted the Government of Québec's online claim management and assessment work databases, GESTIM and SIGEOM, respectively, as well as technical reports, AIFs, MD&A reports, and press releases published by Power Nickel on SEDAR (www.sedar.com).

The authors reviewed the information used to prepare this Technical Report, including the conclusions and recommendations, and believe that the said information is valid and appropriate for the preparation of the current Technical Report.

2.5 Currency, Units of Measure, and Abbreviations

All currency amounts are stated in Canadian Dollars ($, C$, CAD) or US dollars (US$, USD). Quantities are stated in metric units, as per standard Canadian and international practice, including metric tons (tonnes, t) and kilograms (kg) for weight, kilometres (km) or metres (m) for distance, hectares (ha) for area, and grams per metric ton (g/t) for the grades of gold and other precious metals. Contained gold is stated in troy ounces (oz). Wherever applicable, imperial units have been converted to the International System of Units (SI units) for consistency.

A list of abbreviations used in this report is provided in Table 2.1, whereas Table 2.2 provides the conversion factors used.

Table 2.1 - List of abbreviations

Abbreviation or Symbol	Unit or Term
%	Percent
$/t	Dollars per metric ton
°	Angular degree
°C	Degree Celsius
µm	Micron (micrometre)
Ag	Silver
Au	Gold
Az	Azimuth
BLM	Bande du Lac des Montagnes volcano-sedimentary formation
CoA	Certificate of authorization
CA	Core angle
CAD, C$	Canadian dollar
CAD:USD	Canadian-American exchange rate
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
CIM Definition Standards	CIM Definition Standards for Mineral Resources and Mineral Reserves
cm	Centimetre
cm^2	Square centimetre
cm^3	Cubic centimetre
Co	Cobalt
CoG	cut-off grade
cpy, CPY	Chalcopyrite
CRM	Certified reference material
CSA	Canadian Securities Administrators
Cu	Copper
CV	Coefficient of variation
deg	Angular degree
DEM	Digital elevation model
DDH	Diamond drill hole
EM	Electromagnetics
Fe	Iron
ft, '	Foot (12 inches)
ft^3/ton	cubic feet per short ton
FS	Feasibility study
g	Gram
G&A	General and administration
Ga	Billion years
GESTIM	Gestion des titres miniers (MERN’s online claim management system)
ha	Hectare
HLEM	Horizontal loop electromagnetic
ICP-AES	Inductively coupled plasma atomic emission spectroscopy
ICP-OES	Inductively coupled plasma optical emission spectroscopy
ICP-MS	Inductively coupled plasma mass spectroscopy
ID2	Inverse distance squared
ID3	Inverse distance cubed
ID6	Inverse distance power six
in,"	Inch
in^2	Square inches
IP	Induced polarization
ISO	International Organization for Standardization
JV	Joint venture
k	Thousand (000)
kg	Kilogram
km	Kilometre
km^2	Square kilometre
L	Litre
M	Million

Abbreviation or Symbol	Unit or Term
m	Metre
m^2	Square metre
m^3	Cubic metre
Ma	Million years
Mag, MAG	Magnetometer, magnetometric
masl	Metres above mean sea level
MDDELCC	Ministère du Développement durable, de l'Environnement et de la Lutte contre les changements climatiques du Québec (Québec's Ministry of Sustainable Energy, Environment and the Fight Against Climate Change)
MERN	Ministère de l'Énergie et des Ressources Naturelles du Québec (Québec's Ministry of Energy and Natural Resources)
MERQ	Former name of MERN
MFFP	Ministère des Forêts, de la Faune et des Parcs (Québec's Ministry of Forests, Wildlife and Parks)
mL	Millilitre
mm	Millimetre
Moz	Million (troy) ounces
MRE	Mineral resource estimate
Mt	Million metric tons (tonnes)
NAD 83	North American Datum of 1983
NI 43-101	National Instrument 43-101 – Standards of Disclosure for Mineral Projects (Regulation 43-101 in Québec)
NN	Nearest neighbour
NTS	National Topographic System
OGQ	Ordre des géologues du Québec (Québec order of geologists)
OIQ	Ordre des ingénieurs du Québec (Québec order of engineer)
OK	Ordinary kriging
O/P	Open Pit
oz	Troy ounce
oz/st, oz/t, oz/ton	Ounce (troy) per short ton (2,000 lbs)
Pd	Palladium
PEA	Preliminary economic assessment
PFS	Prefeasibility study
Pn, PN	Pentlandite
po, PO	Pyrrhotite
ppb	Parts per billion
ppm	Parts per million
Pt	Platinum
py, PY	Pyrite
QA	Quality assurance
QC	Quality control
QP	Qualified person (as defined in National Instrument 43-101)
R&R	Reserves and resources
RQD	Rock quality designation
SCC	Standards Council of Canada
SD	Standard deviation
SG	Specific gravity
SIGÉOM, SIGEOM	Système d'information géominière (the MERN's online spatial reference geomining information system)
t	Metric ton ("tonne") (1,000 kg)
ton	Short ton (2,000 lbs)
UCoG	Underground cut-off grade
U/G	Underground
USD, US$	American dollar
UTM	Universal Transverse Mercator (coordinate system)
VLF	Very low frequency
VMS	Volcanogenic massive sulphide

Table 2.2 - Conversion factors for measurements

Imperial Unit	Multiplied by	Metric Unit
1 inch	25.4	mm
1 foot	0.3048	m
1 acre	0.405	ha
1 ounce (troy)	31.1035	g
1 pound (avdp)	0.4535	kg
1 pound	0.0004536	t
1 ton (short)	0.9072	t
1 ounce (troy) / ton (short)	34.2857	g/t

2.6 Important Notice

This Technical Report supports the disclosure of the MRE 2022 covering the Nisk Project.

3. RELIANCE ON OTHER EXPERTS

This Technical Report has been prepared by 3DGS at the request of the issuer. Kenneth Williamson, P.Geo., M.Sc. has prepared the mineral resource estimate on the Nisk Project, and is therefore the qualified and independent person ("QP") for the resource work component.Kenneth Williamson, P.Geo., M.Sc. and Matthew DeGasperis P.Geo., B.Sc., of 3DGS are the qualified and independent persons ("QP") who reviewed the technical documentation relevant to the report and prepared recommendations for a follow-up work program.

As QP, the authors relied on the following people or sources of information during the preparation of this Technical Report:

- The issuer supplied information about mining titles, option agreements, royalty agreements, environmental liabilities, permits and details of negotiations with First Nations. The authors consulted the mining titles and their status, as well as any agreements and technical data supplied by the issuer (or its agents) and any available public sources of relevant technical information. 3DGS is not qualified to express any legal opinion with respect to property titles, current ownership, or possible litigation.

- Kathleen Boucher, GIS Technician of Consul-Teck Exploration Inc., provided technical support and expertise during the data compilation and validation process.

- Tina Cliff, P.Geo., B.Sc., Consulting Geologist of 3DGS, provided technical support and expertise during the mineral resource estimate validation process, as well as with the report review/editing.

- Denis Gourde, P.Eng., VP Engineering and Sustainable Development, Equity partner of InnovExplo Inc., provided supervision of the Mining Engineer Support.

- Simon Boudreau, P.Eng., Senior Mining Engineer of InnovExplo Inc., provided parameters for the open pit creation and optimization work, as well as insights to establish the official cut-off grade for the mineral resource estimate.

- Jean-Oliver Brassard, P.Eng., Mine Engineer InnovExplo Inc., provided parameters for the underground stope creation and optimization work, as well as insights to establish the official cut-off grade for the mineral resource estimate.

Some historical geological and/or technical reports reviewed were prepared before the implementation of NI 43-101, in 2001, but were prepared by authors that appear to have been qualified. 3DGS considers such historical information to be prepared according to standards accepted by the exploration community at the time. However, some of the digital data gathered are incomplete and do not fully meet the current requirements of NI 43-101 and were therefore discarded.

The authors have no reason to believe that any of the information and/or data used to prepare this Technical Report is invalid or contains misrepresentations.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Nisk Project is located in the province of Québec, Canada (Figure 4.1). The Project is located approximately 55 km east from the Cree Nation of Nemaska Community, 283km north-northwest from the town of Chibougamau and 425 km northeast from the town of Matagami.

The Project is located on NTS map sheet 032 O/12, within the Eeyou Istchee James Bay territory. The Project is approximately centered at Latitude 51º42'38" N and Longitude 75º34'60" W or in the UTM coordinate system at 459,700m Easting and 5,729,000m Northing (NAD83 Zone 18N).

4.2 Tenure Rights

In Québec, the ownership and granting of mining titles for mineral substances are primarily governed by the *Mining Act* and related regulations.

The Mining Act can be consulted on the Government of Quebec website:

(http://legisquebec.gouv.qc.ca/en/ShowTdm/cs/M-13.1)

Details on the current legislation, such as: reporting requirements; land access and use; fees and charges; permitting, and; required work are summarized on the Government of Quebec – Ministère de l'Énergie et des Ressources Naturelles ("MERN") website:

(https://mern.gouv.qc.ca/english/publications/online/mines/claim/index.asp).

4.3 Property Disposition and Mineral Royalties

The current Nisk Project consists of 86 contiguous claims in the main area and 4 contiguous claims to the southwest, covering an area of 4589.11 Ha (Figure 4.2). Table 4.1 lists the entire Nisk Project mining titles (claims) package.

The option agreement between Power Nickel and Critical Elements Lithium Corporation ("Critical Elements") is outlined in the following subsection and can be found on the Sedar website: (https://www.sedar.com/). Currently all the Project claims are 100% owned by Corporation Lithium Éléments Critiques (Critical Elements Lithium Corporation).

The majority of the claims are subject to 1.4% - 3.0% NSR royalties with a 1% buyback for $1,000,000 from four (4) different individuals. A total of seven (7) claims have no royalties, twenty-six (26) claims have a 1.4% royalty, forty-four (44) claims have a 2% royalty, and thirteen (13) claims have a 3% royalty. The claims in the vicinity of the MRE have a 2% NSR royalty.

4.3.1 Option Agreement

On December 22, 2020 Power Nickel entered into an option agreement with Critical Elements Lithium Corporation ("Critical Elements") to acquire an initial 50% interest in the Nisk Project (the "**First Option**"). Upon completion of the terms of the First Option Power Nickel has a Second Option to increase its interest from 50% to 80% by incurring or funding additional work in the amount of $2,200,000 (including a Mineral Resource Estimate) for a period of four years from the effective date of completion of the First Option.

4.3.1.1 Grant of First Option

Under the terms of the agreement the requirements to exercise the First Option are:

(a) Make cash payments totaling $500,000 to Critical on or before the dates set out below:

(i) A non-refundable amount of $25,000 on the date of execution of the agreement (**condition fulfilled**);

(ii) An amount of $225,000 within a delay of five (5) Business Days following the Effective Date (**condition fulfilled**); and

(iii) An amount $250,000 within a delay of six (6) months from the Effective Date (**condition fulfilled**).

(b) issue 12,051,770 Shares within a delay of five (5) Business Days following the Effective Date. (Issued, **condition fulfilled**).

(c) incur an aggregate of $2,800,000 of Work Expenditures on the Property on or before the dates set out below:

(i) $500,000 in Work Expenditures on or before the date that is one (1) year from Effective Date (**condition fulfilled**);

(ii) $800,000 in Work Expenditures on or before the date that is two (2) years from Effective Date; and

(iii) $1,500,000 in Work Expenditures on or before the date that is three (3) years from Effective Date.

Upon Power Nickel having completed the Cash Payments, the Share Payment and incurred or funded the Work Expenditures on or before the expiry of the First Option Period, Power Nickel may exercise the First Option by delivering notice to Critical Elements to that effect and confirming exercise of the First Option (the "**First Option Exercise Notice**"). Upon delivery of the First Option Exercise Notice, Power Nickel shall have earned a 50% Earned Interest in the Nisk Project.

4.3.1.2 Grant of Second Option

Under the terms of the agreement the requirements to exercise the First Option are:

Subject to Power Nickel having exercised the First Option, Critical Elements hereby also grants to Power Nickel the exclusive right and option (the “**Second Option**”) to increase its Earned Interest in and to the Nisk Project from 50% to 80% by incurring or funding additional Work Expenditures for an amount of $2,200,000, including the delivery of a Mineral Resource Estimate, for a period commencing on the delivery of the First Option

Exercise Notice and ending on the date that is four (4) years from the Effective Date (the "**Second Option Period**").

Following the exercise of the Second Option, until such time as a definitive Feasibility Study (the "**Definitive Feasibility Study**") regarding extraction and production activities on the Nisk Project is delivered to the Joint Venture, Critical Elements shall maintain a 20% non-dilutive interest in the Joint Venture and shall not contribute to any Joint Venture costs.

4.3.1.3 Operatorship

During the currency of the Agreement, except as otherwise contemplated under the Agreement, Power Nickel shall act as the operator and shall be responsible for carrying out and administering the Work Expenditures on the Nisk Project, in accordance with work programs approved by the Technical Committee. Power Nickel shall be entitled to receive a management fee equal to 10% of the amount of Work Expenditures incurred on internal work and equal to 5% of the amount of Work Expenditures incurred on contract work carried by third party contractors or consultants.

In the event, Power Nickel exercises the First Option and subsequently elects not to exercise the Second Option, or in the event, the Second Option is terminated, whichever the case, Power Nickel's right to act as the Operator shall immediately terminate and Critical Elements shall become the Operator for the future conduct of Work Expenditures and Programs on the Property.

4.3.1.4 Royalty and Lithium Marketing Rights

Following the exercise of the First Option by Power Nickel, and in addition to the obligations of Power Nickel under the First and Second Option, if applicable, Critical Elements shall receive, in the event of a Lithium discovery, a royalty equal to 2% net smelter returns resulting from the extraction and production of Lithium products, including Lithium ore, concentrate and chemical, resulting from the extraction and production activities on the Nisk Project, including transformation into chemical products. Power Nickel shall have the right at any time to purchase 50% of the Royalty and thereby reduce the Royalty to 1% by paying to Critical Elements a total cash amount of $2,000,000.

In the event of a Lithium discovery, Critical Elements will retain Lithium Marketing Rights meaning the exclusive right of Critical Elements to market and act as selling agent for any and all Lithium products, including Lithium ore, concentrate and chemical, resulting from the extraction and production activities on the Nisk Project, including transformation into chemical products.

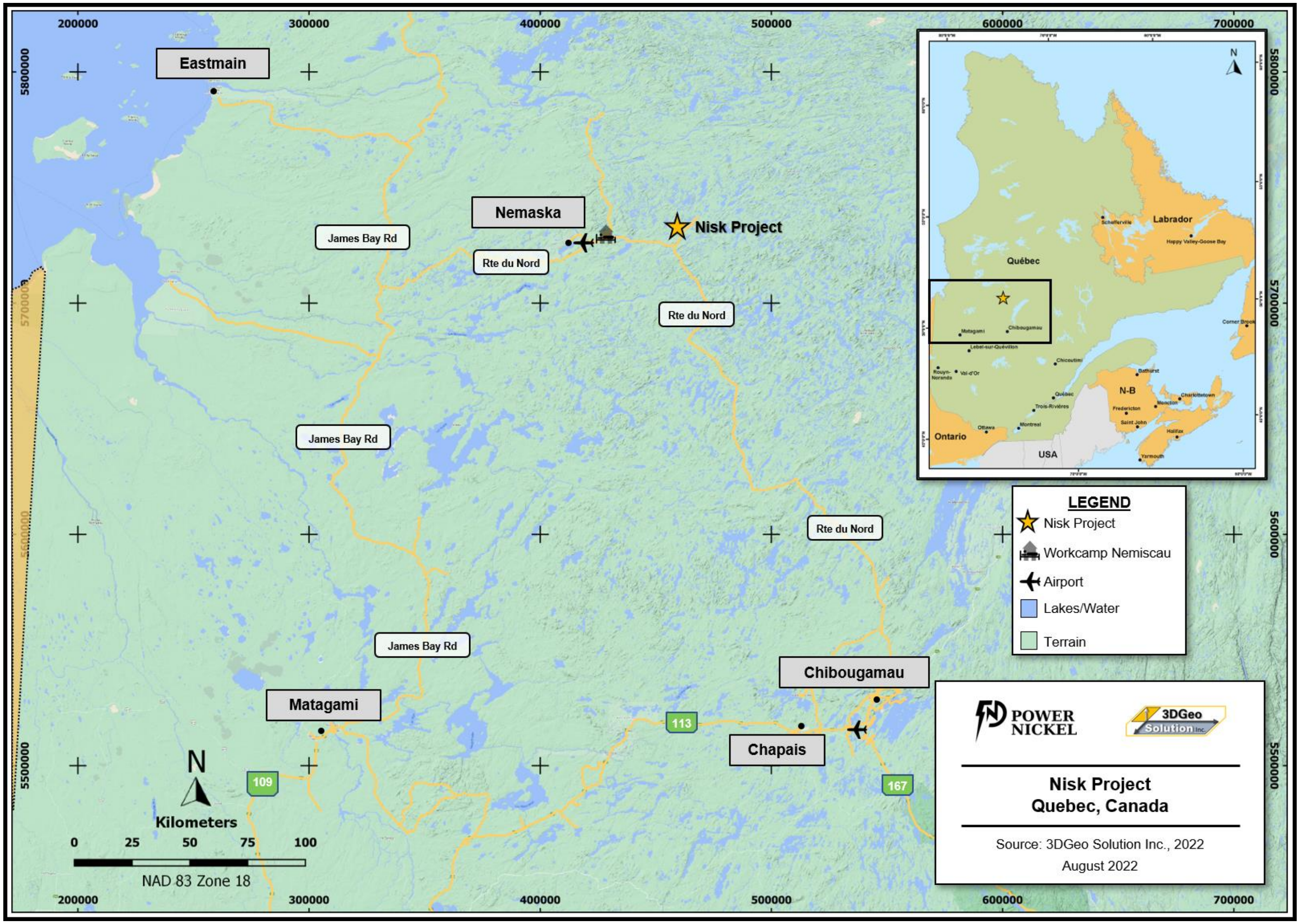

Figure 4.1 - Location of the Nisk Project in the Province of Québec

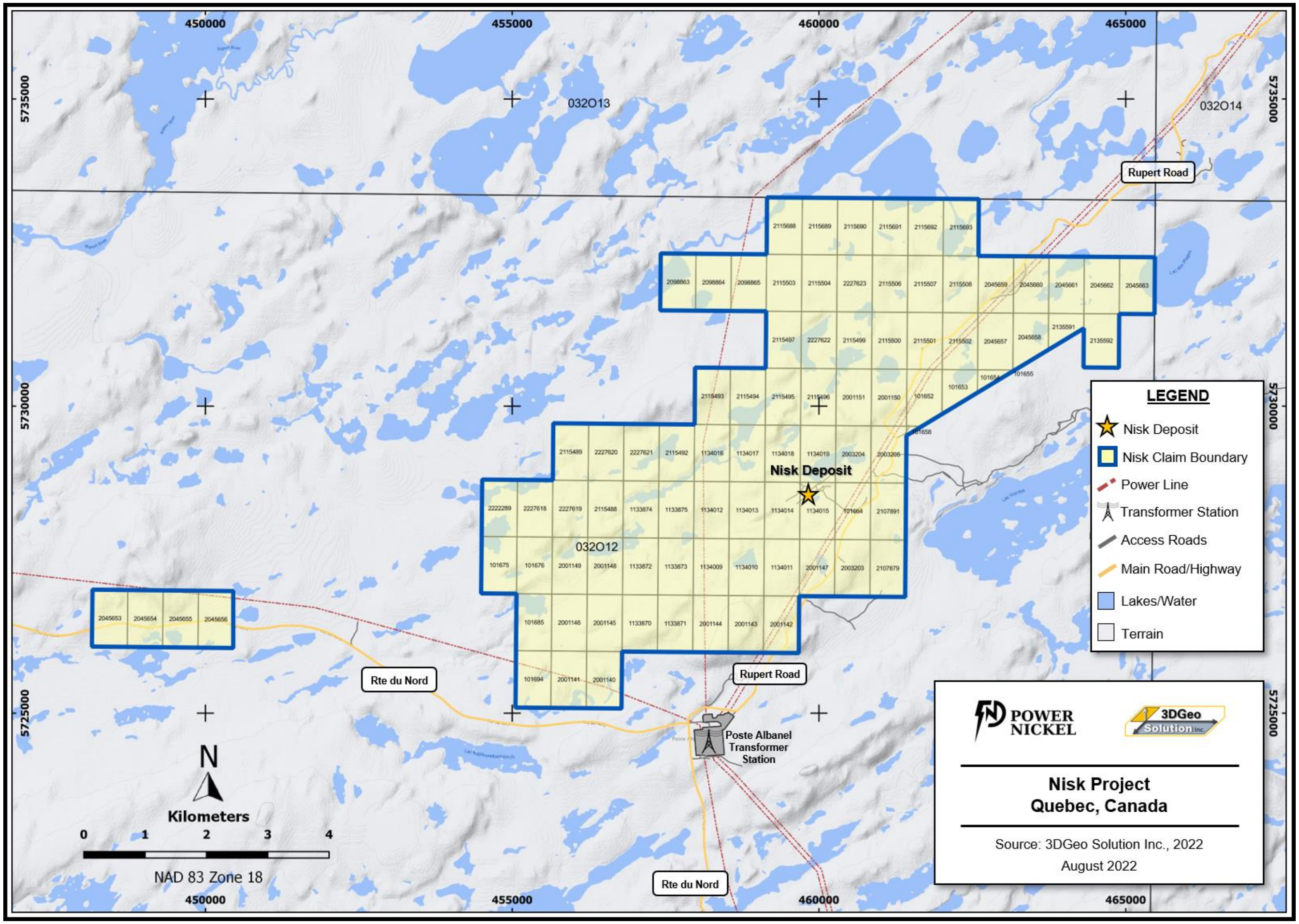

Figure 4.2 - Location map of the Nisk Project mining titles

Table 4.1 - Mining title list

Type of Mining Lease	Title Number	Sheet	Status	Area (Ha)	Date of Registration	Expiry Date	Title Holder (% Responsible)
CDC	101652	32O12	Active	50.09	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101653	32O12	Active	31.65	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101654	32O12	Active	11.29	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101655	32O12	Active	0.03	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101658	32O12	Active	1.92	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101664	32O12	Active	53.37	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101675	32O12	Active	53.38	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101676	32O12	Active	53.38	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101685	32O12	Active	53.39	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	101694	32O12	Active	53.40	2005-12-13	2022-12-12	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133870	32O12	Active	53.39	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133871	32O12	Active	53.39	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133872	32O12	Active	53.38	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133873	32O12	Active	53.38	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133874	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1133875	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134009	32O12	Active	53.38	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134010	32O12	Active	53.38	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134011	32O12	Active	53.38	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134012	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134013	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134014	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134015	32O12	Active	53.37	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134016	32O12	Active	53.36	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134017	32O12	Active	53.36	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134018	32O12	Active	53.36	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	1134019	32O12	Active	53.36	2005-12-09	2024-04-14	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001140	32O12	Active	53.40	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001141	32O12	Active	53.40	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001142	32O12	Active	53.39	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001143	32O12	Active	53.39	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001144	32O12	Active	53.39	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001145	32O12	Active	53.39	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001146	32O12	Active	53.39	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001147	32O12	Active	53.38	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001148	32O12	Active	53.38	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001149	32O12	Active	53.38	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2001150	32O12	Active	53.35	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %

Type of Mining Lease	Title Number	Sheet	Status	Area (Ha)	Date of Registration	Expiry Date	Title Holder (% Responsible)
CDC	2001151	32O12	Active	53.35	2006-02-20	2023-02-19	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2003203	32O12	Active	53.38	2006-03-22	2023-03-21	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2003204	32O12	Active	53.36	2006-03-22	2023-03-21	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2003205	32O12	Active	53.36	2006-03-22	2023-03-21	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045653	32O12	Active	53.39	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045654	32O12	Active	53.39	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045655	32O12	Active	53.39	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045656	32O12	Active	53.39	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045657	32O12	Active	53.34	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045658	32O12	Active	44.26	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045659	32O12	Active	53.33	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045660	32O12	Active	53.33	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045661	32O12	Active	53.33	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045662	32O12	Active	53.33	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2045663	32O12	Active	53.33	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2098863	32O12	Active	53.33	2007-07-04	2024-07-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2098864	32O12	Active	53.33	2007-07-04	2024-07-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2098865	32O12	Active	53.33	2007-07-04	2024-07-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2107879	32O12	Active	53.38	2007-07-19	2024-07-18	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2107891	32O12	Active	53.37	2007-07-19	2024-07-18	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115488	32O12	Active	53.37	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115489	32O12	Active	53.36	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115492	32O12	Active	53.36	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115493	32O12	Active	53.35	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115494	32O12	Active	53.35	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115495	32O12	Active	53.35	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115496	32O12	Active	53.35	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115497	32O12	Active	53.34	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115499	32O12	Active	53.34	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115500	32O12	Active	53.34	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115501	32O12	Active	53.34	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115502	32O12	Active	53.34	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115503	32O12	Active	53.33	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115504	32O12	Active	53.33	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115506	32O12	Active	53.33	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115507	32O12	Active	53.33	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115508	32O12	Active	53.33	2007-08-06	2024-08-05	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115688	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115689	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115690	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %

Type of Mining Lease	Title Number	Sheet	Status	Area (Ha)	Date of Registration	Expiry Date	Title Holder (% Responsible)
CDC	2115691	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115692	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2115693	32O12	Active	53.32	2007-08-07	2024-08-06	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2135591	32O12	Active	23.95	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2135592	32O12	Active	50.42	2007-01-03	2024-01-02	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2222289	32O12	Active	53.37	2010-04-27	2023-04-26	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227618	32O12	Active	53.37	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227619	32O12	Active	53.37	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227620	32O12	Active	53.36	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227621	32O12	Active	53.36	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227622	32O12	Active	53.34	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
CDC	2227623	32O12	Active	53.33	2010-05-04	2023-05-03	Corporation Lithium Éléments Critiques (100278) 100 %
Total Nisk Project				**4589.11**			

4.4 Claim Status

Claim status was supplied by Power Nickel. The status of all claims were verified using GESTIM, the Québec government's online claim management system at: (https://gestim.mines.gouv.qc.ca).https://gestim.mines.gouv.qc.ca/ On the date of **June 28, 2022**, according to the GESTIM website, all mining (claim) titles related to the Project are registered to Corporation Lithium ÉlémeCritiques (Critical Elements Lithium Corporation). As outlined above the mining titles are subject to an option agreement between Critical Elements and Power Nickel, whereby Power Nickel has the option to earn up to 50-80% interest in the claims consisting of the Nisk Project. Power Nickel is currently working to fulfil its requirements to gain ownership interests in the Project.

3DGS has not verified the legal titles to the Property or any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties; however, 3DGS informs that Power Nickel is responsible to have conducted the proper legal due diligence.

4.5 Urban Perimeter

None of the Project claims are subject to regulations respecting an "urban perimeter" or an "area dedicated to vacationing". These areas, as documented in GESTIM, fall under "Exploration Prohibited" (see Bill 70, 2013, chapter 32, section 124).

4.6 Environment

3DGS is unaware of any environmental and/or land claim issues associated with the property. However, 3DGS has not conducted a thorough review or inspection of these claims with respect to any environmental concerns. It is understood that all exploration activities by Power Nickel are conducted to minimize the environmental impact on the property. It is the responsibility of Power Nickel to ensure their activities are conducted in the most environmentally responsible manner.

4.7 Permits

In Québec, for any exploration program that involves tree-cutting (i.e., to build access roads, drill pads and/or in preparation for mechanical outcrop stripping), it is required to obtain a permit from the MERN. Permitting timelines are typically of 3 to 4 weeks.

4.8 Comments on Item 4

3DGS is not aware of any other significant factors and risks that may affect access, ownership, the right, or ability to perform the current mineral resource estimate on the Nisk Project.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Nisk Project is located approximately 55 km east from the Cree Nation of Nemaska Community in the Eeyou Istchee James Bay territory of Quebec, Nord-du-Québec administrative region. From Chibougamau the Project is easily accessible by heading north on Route du Nord towards Nemaska for about 278 km, then heading north for approximately 5 km via Rupert Road, a gravel Hydro-Québec access road. The intersection of Rupert Road and the Route du Nord is located at the Hydro-Québec Poste Albanel electrical station.

From Matagami the Project is accessible by heading 274 km north along James Bay Road towards Eastmain and then 147 km east via the Route du Nord junction to Rupert Road and the Hydro-Québec Poste Albanel electrical station (figure 4.1 and 5.1).

Several logging, mining and exploration roads can also be used to access to the property.

5.2 Climate

The climate in the region is sub-arctic. This climate zone is characterized by long, cold winters and short, cool summers. Daily average temperature ranges from -23°C in January to +21°C in July. Break-up usually occurs in early June, and freeze-up in early November. The annual precipitation averages 941 mm of rain mostly from March to November and 396 cm of snow from October to May. Averages are based on data from 2009 to 2021. Data taken from the following website: (https://www.worldweatheronline.com/nemiscau-weather-averages/quebec/ca.aspx).

Data from Environment Canada's weather station in Chapais, Quebec show similar statistics for the 1981–2010 period. The statistics show a daily average temperature for July of +16.4°C and a daily average temperature for January of -18.8°C, with a record low of -43.3°C and a record high of 8.5°C. Annual precipitation indicates a mean rainfall of 685 mm and of snow 313 cm. Snow usually accumulates from October to May, with a peak from November to March. *(climat.meteo.gc.ca/climate_normals)*.

Climatic conditions do not seriously impact exploration activities but can force seasonal adjustments for certain types of work. For example, drilling in wet areas can only be conducted during winter.

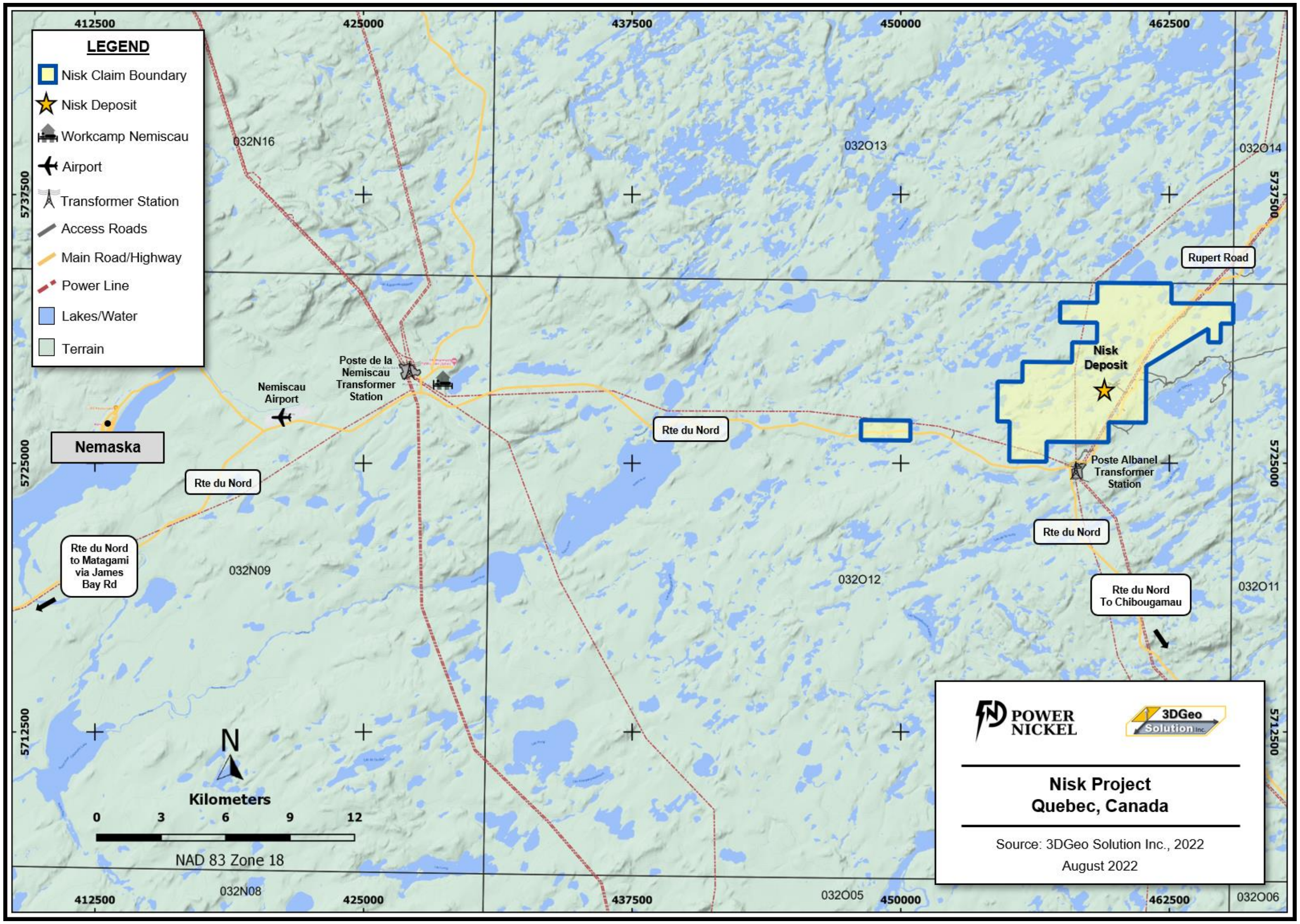

Figure 5.1 - Topography and accessibility of the Nisk Project

5.3 Local Resources and Infrastructure

As shown in Figures 4.1 and 5.1, the Project is located approximately 55 km east from the Cree Nation of Nemaska Community, 283km north-northwest from the town of Chibougamau and 426 km northeast from the town of Matagami.

Chibougamau is the largest town in the Nord-du-Québec administrative region with approximately 7,000 inhabitants. The Chibougamau/Chapais airport (YMT) has flights to and from Val-d'Or and/or Montreal offered by Air Creebec and chartered flights. Matagami is a historical mining town (population approximately 1,400) located 184 km north of Amos (population approximately 13,000). A skilled and experience workforce are easily available from these towns and larger cities in Quebec.

Infrastructure in the area includes several access roads to the Project via the northern highway “Route du Nord” from Nemaska and Chibougamau (figures 4.1 and 5.1). The northern highway “James Bay Road” connects Matagami and Amos with the town of Nemaska via the Route du Nord Junction.

Hydro-Québec has several facilities near the property, including the Poste Albanel electrical station and Poste de la Nemiscau sub-station. The village of Nemaska and the Workcamp Nemiscau, located 55 km and 35 km, respectively, to the west of the Project, can be used as lodging accommodations for workers and services to the Project. The Nemiscau airport, located 45 km west, is serviced by Air Creebec and chartered flights. Along with extensive electrical services provided by Hydro-Québec the area has access to a relatively strong mobile phone network from the main Canadian service providers. The nearest railway infrastructure is in Chibougamau. There is no mining infrastructure on the Project.

5.4 Physiography

The Project is in the James Bay area within the Boreal Shield ecozone, more precisely within the Rupert River Plateau ecoregion. The topography of the project is relatively flat consisting of rolling hills and ridges reaching an elevation of up to 20-50 m. The approximate elevation of the Project varies from 280-420 m.a.s.l. Topographic elevation data was taken from the Government of Canada's Geospatial Data Extraction website: (https://maps.canada.ca/czs/index-en.html).

The following excerpt is taken from: (http://www.ecozones.ca/), which sources Environment Canada:

The region is underlain by Precambrian granites and gneisses, has an undulating drift-covered surface, and is generally lower than adjoining uplands to the east. Surficial deposits are predominantly thin, discontinuous veneers of sandy and stony till. Humo-Ferric Podzols are the dominant soils, whereas Mesisols and Fibrisols are common in peat-filled depressions. Characteristic wildlife species include caribou, black bear, wolf, moose, lynx, and snowshoe hare. Bird species include Canada goose, ruffed grouse, and American black duck.

Productive, closed stands of black spruce and balsam fir are dominant in the region. Fires perpetuate black spruce, even though balsam fir is the climatic climax species. Open stands of white spruce with lichen and paper birch occur occasionally on well-drained sites. Feathermoss is a common ground cover, whereas sphagnum occurs in poorly drained depressions.

There is no permafrost at this latitude and the overburden cover ranges in depth from 0 m near the ridge to 25 m in the south part of the Project.

6. HISTORY

The following is a chronological overview of historical work completed on the Nisk Project, formerly known as the Lac Levac Property. This information is largely from Trudel (2009), as well as Bussières and Théberge (2010), and references therein. This information was reviewed and updated by 3DGS.

The majority of the Nisk Project, including the Nisk deposit (historically known as the NISK-1 deposit), is comprised of the former Lac Levac Property land package. However, a small and/or minor portion in the north section of the Nisk Project comprises part of the historically known Lac Arques Property land package.

Section 6.1 presents a summary of the work executed throughout the years by numerous companies on the Nisk Project, formerly the Lac Levac Property.

6.1 Nisk Project History

Table 6.3 below presents the summary of the work executed throughout the years on the Nisk Project by the various exploration companies. Further information is described in greater detail in this section.

The mineralized showing corresponding to the Nisk deposit (at the time known as the “Lac Levac showing”) was discovered by INCO (“International Nickel Company”) in 1962 following a regional airborne geophysical survey. The electromagnetic conductor identified by this survey was then more accurately located by ground geophysics and assessed by drilling (22 holes for a total of 3,452 metres in 1964). Nemiscau Mines Limited (an INCO subsidiary) later drilled four additional holes totalling 904 metres in 1969. The best results of these two drilling programs were as follows (GM-16857 and -25001):

- Hole 24093: 0.81% Ni and 0.38% Cu/4.92 m;
- Hole 25366: 0.76% Ni and 0.74% Cu/7.0 m;
- Hole 25301: 0.60% Ni and 0.61% Cu/4.0 m;
- Hole 25370: 0.70% Ni and 0.58% Cu/13.1 m;
- Hole 24097: 0.48% Ni and 0.07% Cu/15.1 m;
- Hole 25374: 0.85% Ni and 0.26% Cu/2.42 m.

At the time, INCO had abundant high-grade nickel reserves at its mines in Sudbury and considered the Nemaska area to be too remote for further exploration expenditures. At this time the Nisk discovery was not considered interesting enough to pursue and the company abandoned the project.

The property was then claimed by Muscocho Explorations Ltd. (“Muscocho”), which drilled 16 new holes totalling 1,843 m in 1988. The best results were as follows (GM-47653):

- Hole LL-88-14: 0.43% Ni and 0.29% Cu/5.35 m;

- Hole LL-88-13: 1.27% Ni and 0.58% Cu/6.81 m;
- Hole LL-88-15: 0.76% Ni and 0.49% Cu/16.23 m;
- Hole LL-88-12: 0.52% Ni and 0.46% Cu/4.49 m.

In an internal Muscocho memorandum, Medd (1989) estimated internal volumetrics of 570,000 tonnes at 0.75% Ni and 0.49% Cu for the Lac Levac showing. This internal resource was based on a strike distance of 210 metres, a vertical depth of 200 metres, and an average thickness of 7.8 metres. This was the first resource estimate for this showing; however, this internal estimate was (and is) not NI 43-101 compliant.

In 1994, Muscocho merged its activities with those of two other companies, Flanagan McAdam and McNellen Resources. The new company retained the name Muscocho Explorations Ltd., and the Lac Levac property (now Nisk Project) remained part of its portfolio. In 1996, Muscocho became Golden Goose Resources Inc. (“GGR” or “Golden Goose”).

With the increased accessibility due to infrastructure developments in the Nemaska area (completed by Hydro-Québec in the early 2000’s) combined with the rise in nickel prices, GGR resumed exploration work on the nickel showing in 2006.

In the summer of 2006, Aeroquest Ltd. conducted an airborne geophysical survey on GGR’s behalf covering an area of 72.7 km^2 (Aerotem 2, EM and magnetometry). This survey resulted in the identification of about 20 conductors, including the one drilled by INCO in 1964 (Aeroquest, 2006). Based on this survey, GGR resumed exploration on the Lac Levac property. A follow-up ground geophysical survey covering 29 km of lines (InfiniTEM) was contracted to Abitibi Géophysique. This ground survey was designed to delineate the conductors more accurately and define the plan for the next drilling program.

From February to April 2007, GGR drilled 13 holes on the Lac Levac Property (TF-01-07 to TF-15-07, except holes 11 and 14, which were not drilled). Three of these holes (TF-01-07 to TF-03-07) totalling 569 metres were drilled on the “C” anomaly, 14 km NE of the “INCO” anomaly (also known as the Lac Levac showing, now the Nisk deposit). These holes failed to identify any significant nickel mineralization. The ten other holes, totalling 1,932 metres, were drilled on the Lac Levac showing.

Based on the historic work completed by previous operators and by the 10 additional holes drilled in the winter of 2007 by Golden Goose, RSW Inc. performed the first NI 43-101 compliant resource estimate on the project in 2007 (Note: this MRE is no longer NI 43-101 compliant). The results of this estimate were as follows:

Table 6.1 - Initial 2007 MRE completed for Golden Goose (Non-NI 43-101 Compliant)

Category	Tonnage (t)	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)
Indicated	516,000	0.89	0.39	0.06	0.79	0.14
Inferred	734,000	0.89	0.34	0.06	0.77	0.14

In May 2007, Gérard Lambert Géosciences (2007) conducted an in-hole Pulse EM survey in 8 of the 10 holes drilled by GGR in the winter of 2007. The purpose of this survey was to locate the best conductors in the Lac Levac showing (zones of greater width and higher sulphide concentrations).

In the fall of 2007 and the winter of 2008, GGR conducted a major drilling program (53 holes totalling 11,156 metres). From mid-October to mid-December 2007, 35 holes (TF-16 to 50-07) totalling 6,912 metres were drilled. The program was suspended from mid-December 2007 to mid-January 2008 for the holiday period. From mid-January to the end of February 2008, 18 new holes were drilled (TF-51 to 69-08, except Hole 63) for a total of 4,244 metres.

Concurrently, during the fall/winter 2007/2008 drilling program, Abitibi Géophysique (2007) conducted a surface InfiniTEM survey covering 1.95 km^2 of the Lac Levac property. The goal of this survey was to identify the possible east and west extensions of the Nisk deposit and guide the next GGR drilling program.

In August 2009 Nemaska Exploration Inc. (“NMX” or “Nemaska Exploration”) acquired an option to purchase 100 % of the rights, titles and interests held by Golden Goose Resources Inc. on the Lac Levac property. At the time of this agreement, Golden Goose Resources Inc. (GGR) held a 100% interest (free of royalties) in the Lac Levac property.

In December 2009, RSW Inc. published an updated resource estimate for the Nisk deposit. This historic, non-NI 43-101 compliant, mineral resource estimate was based on the 10 drillholes (totaling 1,932 m) completed in the winter of 2007, as well as the 53 drillholes (totaling 11,156 m) completed by GGR in the fall of 2007 and the winter of 2008. The results of this mineral resource estimate were as follows:

Table 6.2 - Updated 2009 MRE completed for Nemaska Exploration (Non-NI 43-101 Compliant)

Category	Tonnage (t)	Ni (%)	Cu (%)	Co (%)	Pd (g/t)	Pt (g/t)
Measured	1,255,000	1.09	0.56	0.07	1.11	0.20
Indicated	783,000	1.00	0.53	0.06	0.91	0.29
Inferred	1,053,000	0.81	0.32	0.06	1.06	0.50

After the acquisition of the Lac Levac Property, NMX conducted a floatation optimization study in May 2010. This mineral recovery study was carried out by SGS Mineral Services, and the results confirmed the possibility to increase the recovery rate.

In June 2010, NMX conducted a prospecting, mapping, sampling and stripping program on a large number of showings and anomalies identified by the 2008 and 2009 heliborne magnetic and electromagnetic surveys. Two diamond drill holes (TF-70-10 and TF-71-10) totalling 1,194m were completed to determine the continuity at depth, along the interpreted plunge trend, of the known mineralized zone (the Nisk deposit).

Hole TF-71-10 intersected 6.5 m at 1.17% Ni, 1.94% Cu, 0.05% Co and 1.84 g/t Pd at a vertical depth of 350 metres. An in-hole “Pulse EM” electromagnetic survey indicated that this intersection is at the border (edge conductor) of a strong conductive zone. Hole TF-70-10 did not reach the planned target due to excessive deviation. However, a “Pulse EM” survey showed an “off hole” type of conductor near this hole (Nemaska Exploration Inc., 2010 and 2011).

In the winter of 2011, two diamond drill holes (TF-72-11 and TF-73-11) totaling 1,032m were drilled, targeting the Nisk deposit at depth. The best results from this drill program were from hole TF-72-11 with 0.34% Ni and 0.13% Cu over 7.75 meters (from 367.75 to 375.5 m), containing 5-40% sulphides. A "Pulse EM" survey conducted in this hole indicated a conductivity anomaly in the vicinity (Monarques Resources Inc., 2011).

On June 10th, 2011, Nemaska Exploration sold its 100% interest of the Lac Levac (Nisk Project), Lac des Montagnes and Lac Arques properties for an all-share transaction to Monarques Resources Inc. (“MQR” or “Monarques”) This transaction was valued at $7,500,000, with 18,750,000 shares at a price of $0.40 per Monarques share (Nemaska Exploration Inc., 2011).

During the summer of 2011 a prospecting and trenching program was carried out. Trenching totalling approximately 600 m^2 of outcrop were stripped. The field season ended abruptly and as such samples were planned to be taken in the summer of 2012. A ground magnetometric survey covering 60 linear km was completed, as well as an IP survery (Monarques Resources Inc., 2011).

In October 2011, Monarques received the interpretation of an IP survey, completed in July 2011, which covered the entire 3.5 km of the high-contrast magnetic anomaly associated with the Nisk deposit. The results of this survey demonstrated the continuity of 3.2 km of the IP conductor that is associated with the deposit and highlighted two new parallel anomalies 200m and 400m south of the Nisk deposit, respectively (Monarques Resources Inc., 2011).

A 9-hole (TF-74-11 to TF-82-11) diamond drill program totaling 1,857m was conducted in the fall of 2011. The drill program targeted the anomalies from an IP survey completed earlier in the summer of 2011. The main goal was to test the lateral extension of the Ni-Cu-PGE magmatic deposit. Three holes intersected intervals of disseminated sulfides (pentlandite), confirming the increased strike length of the deposit (up to 1 km extension to the east and west). The best results reported were 0.25% Ni over 7.2 meters in hole TF-79-11; 0.40% Ni over 8.4 meters in hole TF-80-11; and 0.19% Ni over 16.7 meters in hole TF-81-11 (Monarques Resources Inc., 2012). In 2012, following this drill program Monarques completed a resampling program for a total of 172 samples, or 244.7m, on 7 drillholes (TF-75-11 to TF-82-11, excluding TF-77-11).

During the July to August 2012 field season a prospecting, mapping and trench sampling program was conducted by Monarques. The results of this program identified quartz-tourmaline veins mineralized with arsenopyrite and returned up to 0.331 g/t Au, more than 1% As and 1.62 g/t Te (Monarques Resources Inc., 2013).

In 2013 and 2014, Monarques transformed from a James Bay region pure exploration play to an advanced gold exploration company in the Val-d'Or area. This change in Monarques corporate objectives led to the sale of the Nisk Project to Critical Elements Lithium Corporation ("Critical Elements"). The sale agreement was dated on May 13, 2014 (Monarques Resources Inc., 2014).

From May 2014 to December 2020 Critical Elements corporate objectives were primarily focused on their key Projects, mainly the Rose Lithium-Tantlum Project. Critical Elements has completed limited exploration on the Nisk Project during this time period.

In the winter of 2014 Critical Elements conducted a 98.8-km ground magnetic and electromagnetic (VLF-EM) survey (Critical Elements Corporation, 2014). Work completed during 2016 to 2018 included the compilation of historic databases (Critical Elements Corporation, 2017 and 2018).

With the increasing interest in nickel sulphide projects, Critical Elements commenced a systematic process to explore, review and evaluate potential options to monetize the Nisk Project. On December 23, 2020 the Nisk Project was optioned to Power Nickel (formerly Chilean Metals Inc.) from Critical Elements.

Table 6.3 - Summary of the work executed throughout the years on the Nisk Project

Year	Company	Type of work	No. of DDH	Meters Drilled	Reference (#GM)
1962-1963	INCO Ltd.	Airborne and ground geophysics			
1964	INCO Ltd. (Canico Ltd.)	22 drill holes totalling 3,452 m on the Nemiscau property, now the Nisk Project and formerly the Lac Levac Propert	22	3452.0	GM 16857
1969	INCO Ltd. (Nemiscau Mines Ltd.)	4 drill holes totalling 904 m on the Lac Levac Property	4	904.0	GM 25001
1975	SDBJ	Regional soil and stream sediment geochemical survey			GM 34034
1980	SDBJ	Regional lake and stream sediment geochemical survey			
1981	SDBJ	Regional lake and stream sediment geochemical survey and mapping			
1987	Flanagan McAdam for Muscocho Explorations Ltd.	Ground VLF-EM and total magnetic field geophysical survey			GM 45584
1988	Flanagan McAdam for Muscocho Explorations Ltd.	16 drill holes totalling 1,842.7 m on the Lac Levac Property	16	1842.7	GM 47653
1988	Muscocho Explorations Ltd.	1:5,000 and 1:1,000 scale mapping			GM 47653
1988	Assayers Laboratories Ltd. for Muscocho Explorations Ltd.	Geochemical analyses of 139 surface rock samples			GM 47653
1988	Bondar-Clegg and Co. for Muscocho Explorations Ltd.	Geochemical analyses of 20 surface rock samples			GM 47653
2006	Aeroquest Ltd. For Golden Goose Resources Inc.	Magnetic and electromagnetic airborne survey over the Lac Levac property			GM 62680
2006	Abitibi Géophysique for Golden Goose Resources Inc.	Surface geophysical survey covering 29 km of lines (InfiniTEM)			
2007	Golden Goose Resources Inc.	10 holes (TF-04-07 to TF-15-07, except holes 11 and 14, which were not drilled) totaling 1,932 metres were drilled	10	1932.0	
2007	RSW Inc. for Golden Goose Resources Inc.	NI 43-101 report: based 10 holes drilled on the Lac Levac (Nisk-1) deposit			GM 63212
2007	Gérard Lambert Géosciences for Golden Goose Resources Inc.	In-hole “Pulse EM” survey in 8 of the 10 holes drilled by GGR in the winter of 2007			
2007	Abitibi Géophysique for Golden Goose Resources Inc.	Surface InfiniTEM survey covering 1.95 km2 of the Lac Levac property			GM 62939
2007	Golden Goose Resources Inc.	35 holes (TF-16 to 50-07) totaling 6,912 metres were drilled	35	6912.0	
2008	Golden Goose Resources Inc.	18 holes (TF-51 to 69-08, except Hole 63) totaling 4,244 metres were drilled	18	4244.0	
2009	RSW Inc. for Nemaska Exploration Inc.	Updated NI 43-101 report: based on 63 holes drilled on the Lac Levac Property in 2007 and 2008			
2010	Nemaska Exploration Inc.	SGS Mineral Services conducted a mineral recovery floatation optimization study			
2010	Nemaska Exploration Inc.	2 diamond drill holes (TF-70-10 and TF-71-10); 2 in-hole "Pulse EM" surveys; Prospecting, mapping, sampling and stripping	2	1194.0	
2011	Nemaska Exploration Inc.	2 diamond drill holes (TF-72-11 and TF-73-11) totaling 1,032m were drilled; in-hole "Pulse EM" survey conducted	2	1032.0	

Year	Company	Type of work	No. of DDH	Meters Drilled	Reference (#GM)
2011	Monarques Resources Inc.	Prospecting and trenching program; Ground magnetometric survey covering 60 linear km; IP survery			
2011	Monarques Resources Inc.	9 diamond drill holes (TF-74-11 to TF-82-11) totaling 1,857m	9	1857.0	
2012	Monarques Resources Inc.	Resampling of 7 drillholes (TF-75-11 to TF-82-11, excluding TF-77-11); Prospecting, mapping and trench sampling program			
2014	Critical Elements Lithium Corporation	98.8-km ground magnetic and electromagnetic (VLF-EM) survey			
2016-2018	Critical Elements Lithium Corporation	Compilation work of historic databases			

7. GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geological Setting

The Nisk deposit is hosted within the Archean age rocks of the Canadian Shield, as are many other Nickel sulphide, and other metallic deposits and showings. Below is a description of the geological environment in which the Nisk deposit formed. This section is a modified version of the regional geology description provided in a technical report by Trudel (2009), as well as Bussières and Théberge (2010), and references therein.

7.1.1 Archean Superior Province

The Nisk Project is located within part of the Québec portion of the Archean Superior Geological Province (figure 7.1). The Superior Province forms the core of the North American continent and is bounded by Paleoproterozoic age provinces to the west, north and east, and the Mesoproterozoic Grenville Province to the southeast. Tectonic stability has prevailed since approximately 2.6 Ga in large parts of the Superior Province. Proterozoic and younger activity is limited to rifting of the margins, emplacement of numerous mafic dyke swarms (Buchan and Ernst, 2004), compressional reactivation, large-scale rotation at approximately 1.9 Ga, and failed rifting at approximately 1.1 Ga. Except for the northwest and northeast Superior margins that were pervasively deformed and metamorphosed at 1.9 to 1.8 Ga, the craton has escaped ductile deformation.

Generally, in the Superior Province and in the Project area the metamorphism is at the greenschist facies except in the vicinity of intrusive bodies, where it can reach amphibolite to granulite facies, as indicated by the presence of garnet, sillimanite, cordierite, andalusite and staurolite in the local gneisses (Valiquette, 1975).

A first-order feature of the Superior Province is its linear subprovinces, or “terranes”, of distinctive lithological and structural character, accentuated by subparallel boundary faults (e.g., Card and Ciesielski, 1986). Trends are generally east-west in the south, west-northwest in the northwest, and northwest in the northeast. The terms subprovinces” or “terrane” are used in the sense of a geological domain with a distinct geological history prior to its amalgamation into the Superior Province during the 2.72 Ga to 2.68 Ga assembly events.

In Québec, the eastern extremity of the Superior province has been classified into the following sub-provinces, from south to north: Pontiac, Abitibi, Opatica, Nemiscau, Opinaca, La Grande, Ashuanipi, Bienville and Minto (Hocq, 1994). According to Card and Ciesielski (1986), the Project area lies within the Nemiscau subprovince.

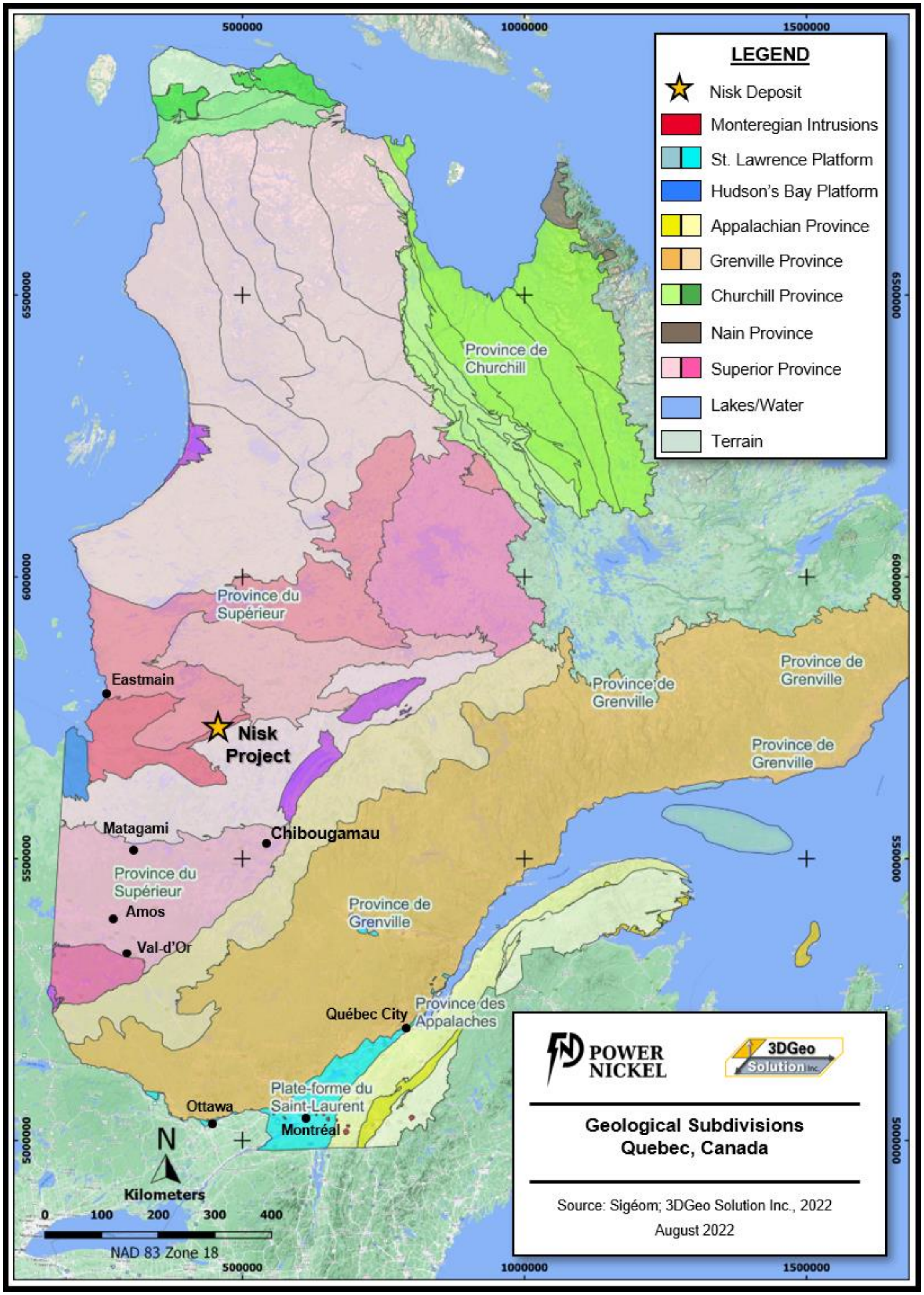

Figure 7.1 – Map of the Geological Subdivisions in Québec

7.1.2 Nemiscau Subprovince

The Archean Nemiscau subprovince is dominated by high-grade metasedimentary rocks that crop out in the central part of the Superior Province in Québec, Canada. To the north and the south, it is bounded by the La Grande and the Opatica subprovinces, which are made up of mainly mafic metavolcanic rocks and intermediate felsic orthogneiss and plutonic rocks. The Nemiscau subprovince is heterogeneously deformed and consists of partially migmatized metasedimentary rocks and felsic intrusives (belonging to the Rupert and Champion complexes) forming the innermost part of the subprovince. Whereas mafic-to-ultramafic volcanic and intrusive rocks predominate along its northern and southern borders, forming the Bande du Lac des Montagnes and Colomb-Chaboullié belts, respectively. The Nemiscau Subprovince corresponds to the remnant of a large sedimentary basin that would have formed a little before 2700 Ma. The age of deposition of the metasedimentary complex is estimated between 2698 and 2688 Ma (Valiquette, 1963).

7.1.3 Geological Setting of the Nisk Project

The Nisk Project lies within the Bande du Lac des Montagnes volcano-sedimentary formation (“BLM”), between the Champion Lake granitoids and orthogneiss and the Opatica NE, which is made of orthogneiss and undifferentiated granitoids. The BLM formation is several kilometres wide and oriented northeast, and is made up of a sequence of aluminous paragneiss and amphibolites (basaltic lavas, ultramafic sills and flows). These rocks are strongly deformed and cut around 20% of late granitoids (leucogranites and biotite-bearing white pegmatites).

In the area covered by the Project, the BLM formation is mainly composed of biotite, sillimanite, staurolite and garnet-bearing schist and/or paragneiss, with granite, pegmatites, amphibolites and ultramafic intrusive rocks (figure 7.2). The north of the BLM formation is mainly composed of orthogneiss intruded by granite (granitoid of Lac Champion). The south of the BLM formation is mainly composed of paragneiss, also intruded by granite. Proterozoic diabase dykes intruded some of these lithologies (Valiquette, 1963). Table 7.1 outlines the relative chronological order of the lithologies comprising the Bande du Lac des Montagnes volcano-sedimentary formation (“BLM”).

Table 7.1 - Table of Lithologies comprising the BLM Geologic Formation (from Valiquette, 1975)

Pleistocene and Holocene	Moraines, eskers, alluvial deposits, reticulated peat bogs, morainic belts
PRECAMBRIAN	11: Diabase
	10: Pegmatites White with muscovite, tourmaline, garnet and magnetite Pink, with microcline
	9: White and pink granite
	8: Grey hornblende-oligoclase granite with phenocryst of pink microcline
	7: Ultramafic rocks: Serpentinites, tremolite rocks
	6: Hornblende-plagioclase gneiss
	5: Metasomatic anthophyllite-cordierite rocks (mineralization susceptible)
	4: Paragneiss or biotite schists; garnet-biotite schists; porphyroblastic schist: Garnet, sillimanite, biotite Garnet, cordierite, biotite Garnet, andalousite, biotite Staurolite, sillimanite, andalousite, biotite Sillimanite, cordierite, andalousite, biotite Amphibole paragneiss
	3: Quartz-rich paragneiss; sillimanite, sericite and quartz schist; impure quartzite
	2: Pillowed metavolcanic amphibolites
	1. Oligoclase gneiss

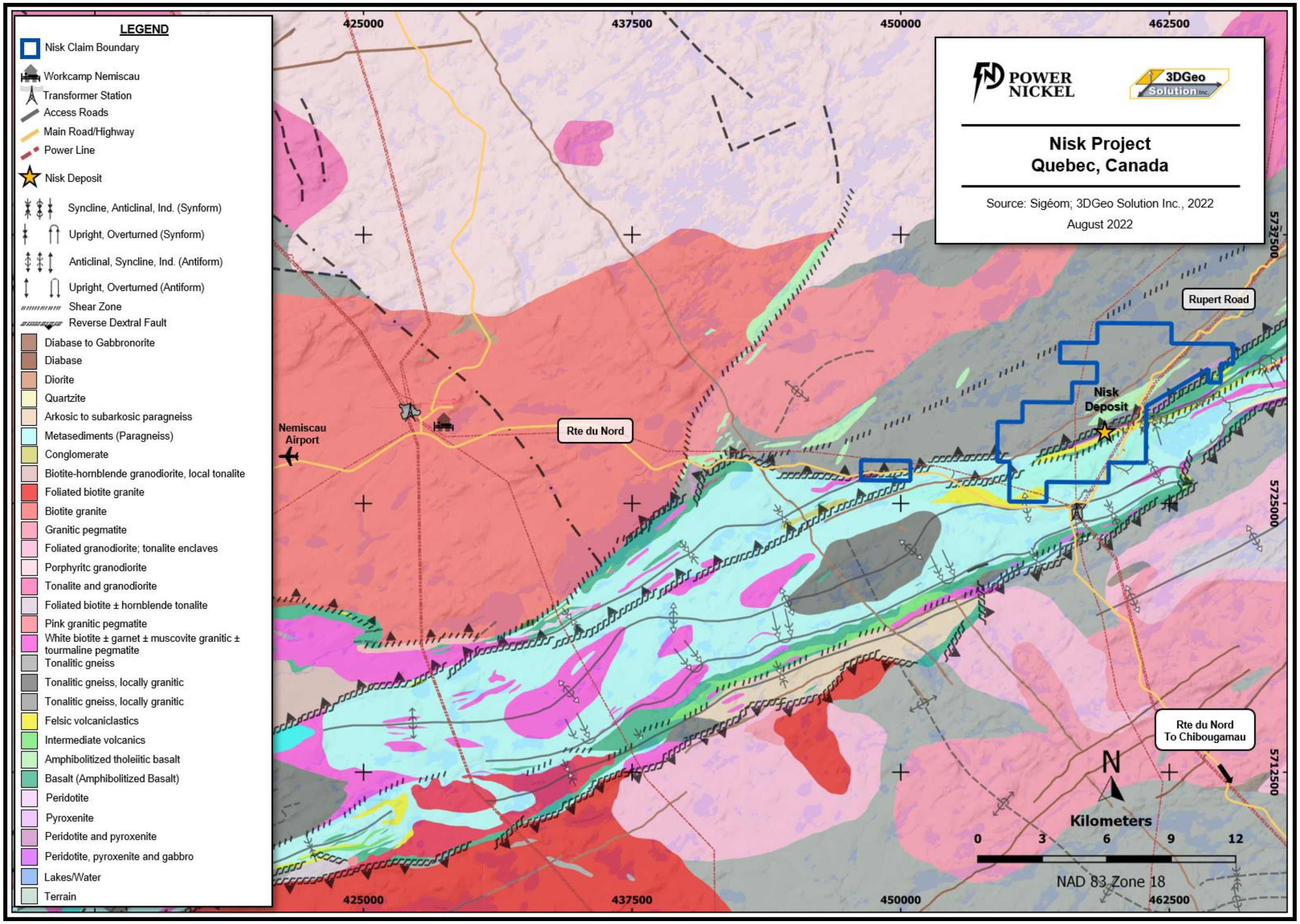

Figure 7.2 - Geological synthesis of the Nisk Project.

7.2 Nisk Project Geology

Information about the Nisk Project is sparse in the public domain. However, Trudel (2009) prepared a good compilation and write-up of the local geology in the historic NI 43-101 technical report "Resource Estimate for the NISK-1 Deposit, Lac Levac Property, Nemiscau, Quebec prepared for Nemaska Exploration Inc.". Other relevant information was gathered from the SIGEOM website and by 3DGS.

The Nisk deposit is hosted in an elongated body of a serpentinized ultramafic and/or peridotite unit that intrudes the Bande du Lac des Montagnes volcano-sedimentary formation ("BLM") paragneiss (sedimentary derived), orthogneiss (igneous derived) and amphibolite/mafic volcanic sequences. Figure 7.3 shows the property scale geology and structural interpretations compiled from government mapping. This base map, along with historical drilling and geophysical surveys, aided in the current litho-structural interpretations of the geological framework in which the Nisk deposit formed.

Structurally, the deposit lies on the northwest flank of the syncline affecting the BLM, being the overturned flank of the syncline, as the top of the metasedimentary unit lies to the southeast while they dip to the northwest. The ultramafic intrusion strikes N245 and dips 75° to 80° to the northwest. It is therefore conformable with the surrounding lithology units (paragneiss and orthogneiss) and is consequently interpreted as a sill. This peridotite sill host lies within interbedded sequences of paragneiss, orthogneiss and amphibolite/mafic volcanic lithologic units dipping to the northwest.

The Peridotite sill hosting the Ni-Cu-Co-PGE Nisk deposit is dark-grey to black in colour, moderately to strongly magnetic, weakly to moderately foliated, moderately to strongly fracture-filled serpentine and talc altered. This host Peridotite ("Black Peridotite") generally has background trace to 10% disseminated and stringer sulphides outside of the semi-massive to massive sulphide intervals that make the Nisk deposit. Surrounding this black peridotite is a medium-grey lithologic unit believed to be an older ultramafic intrusion (Trudel, 2009). Lithologic core logging by Power Nickel describes the contact between these two units as gradual and locally sharp. This medium-grey lithologic unit ("Grey Ultramafic") is generally weakly to moderately magnetic, weakly fracture-filled serpentinization and no visible sulphides. This unit has been logged as an Ultramafic Intrusive (I4) by Power Nickel.

The general lithological sequence intersected by drilling (Azimuth 164° with a dip of 50°-70°) is as follows:

- 3-30 meters of Overburden;
- Orthogneiss with interbedded Amphibolite and/or Mafic Volcanics;
- 2-40 meters of unmineralized medium-grey Ultramafic Intrusive;
- 5-40 meters of mineralized (trace to 10% sulphide) dark-grey to black Peridotite;
- 0.5-32 meters of Semi-Massive to Massive Ni-Cu-Co-PGE sulphide zone (average 16 m). The sulphide mineralization most often occurs as a single continuous zone.

In some cases, however, it can occur in two or three sections separated by the host black peridotite;

- 1-10 meters of mineralized (trace to 10% sulphide) black peridotite, followed by 1-5 meters of unmineralized grey ultramafic intrusive (Overall 50-100 meters of the Ultramafic Intrusive, including above the mineralized zone);

- Paragneiss interbedded with grey ultramafic intrusive and mafic volcanics.

As described by Trudel (2009), the relationships seen in the drill core suggest that a black serpentinized peridotite intrusion (mineralized in Ni-Cu-Co-PGE sulphides) was injected into the central part of an earlier grey serpentinized ultramafic (unmineralized) sill. In general, the grey ultramafic unit is present on both sides of the black peridotite intrusion, although in some cases the latter is in direct contact with the orthogneiss and/or paragneiss. The alternating black and grey ultramafic units could also be explained by alteration.

To summarize, while the possibility of multiple intrusions cannot be dismissed, the relationships seen are more easily explained by an unmineralized ultramafic intrusion followed by an ultramafic intrusion mineralized in nickel sulphides.

The sulphide mineralization is clearly concentrated on the northwest side of the black serpentinized peridotite intrusion. It often starts at the northwest contact between the black and the grey ultramafic intrusive, and is always followed by unmineralized black peridotite to the southeast.

Based on a magmatic model of nickel sulphides deposited at the base of an ultramafic intrusion (see Section 8 of this report) this observation suggests that the top of the mineralized sill lies to the southeast, conformable with the stratigraphic polarity of the paragneiss.

The orthogneiss, paragneiss and amphibolite/mafic volcanic sequences are cut by dykes of different composition (granites, diorites, and gabbro's). Veins of white pegmatite with tourmaline intrude all the lithologies in the area, including the ultramafic units and the sulphide mineralization.

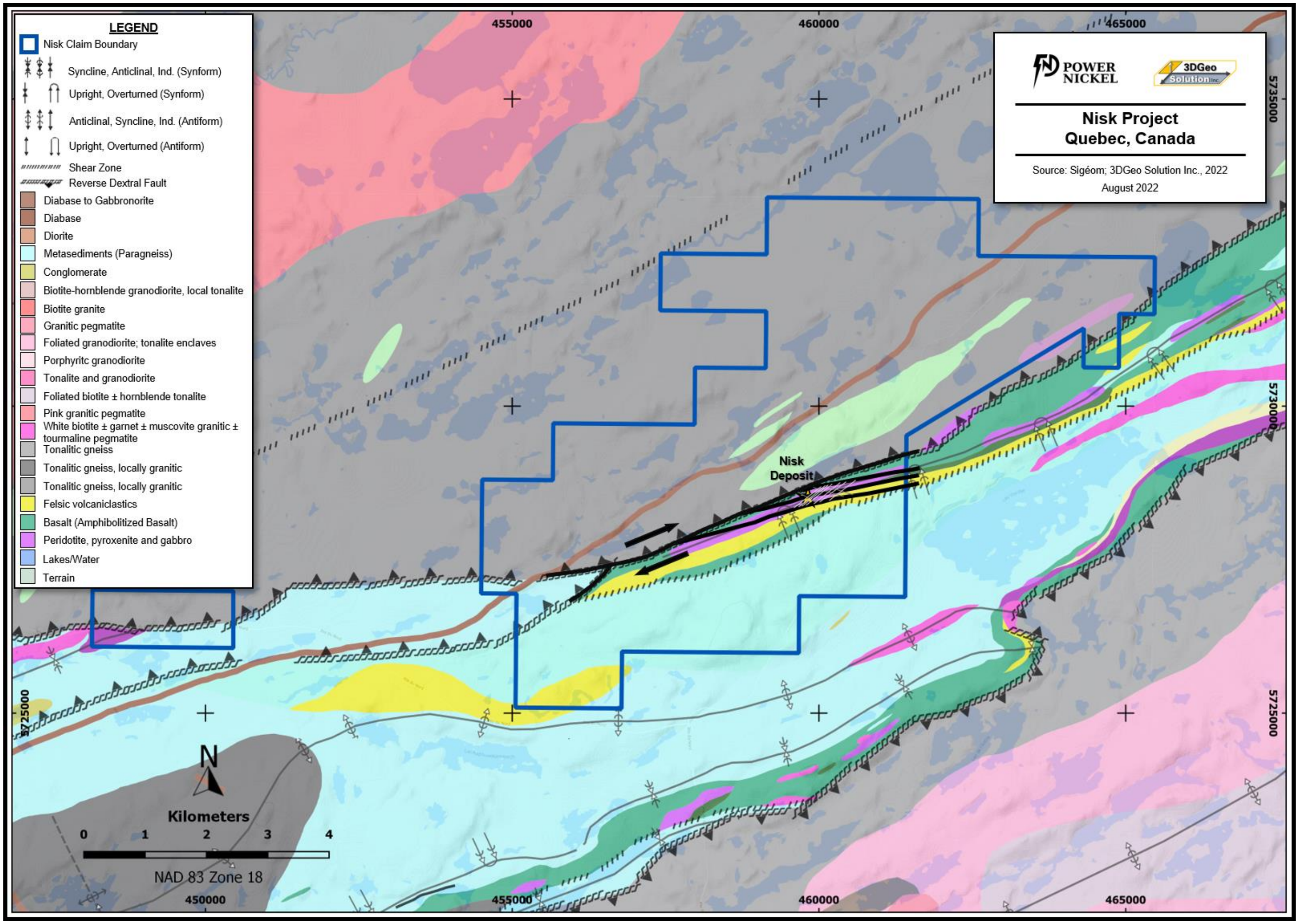

Figure 7.3 - Nisk Project geologic interpretation at the regional and local scale

7.2.1 Nisk Mineralization

The following description of mineralization and mineralogy of the Nisk Ni-Cu-Co-PGE deposit is a modified version of Trudel (2009).

The Nisk Ni-Cu-Co-PGE deposit occurs as a layer of semi-massive to massive sulphide mineralized zone deposited at the base of a black serpentinized peridotite sill, as described above. This main mineralized zone generally strikes N245°, and dips steeply (75° to 80°) to the northwest. To date, the mineralized main zone has been traced over a strike length of over 900 meters, approximately 400 meters vertically at depth, and is 0.5-32 meters wide (average horizontal width of over 5 meters). The deposit remains open at depth and along strike in both directions (east and west).

The concentration of sulphides in the Nisk deposit varies from very low (1 to 2%) to massive (100%), with an average of 45 to 50%. Generally, there is no consistent layering and/or ribboning of high-grade nickel mineralization that can been seen visually. However, the nickel grade of the mineralized zone is not necessarily proportional to the quantity of sulphides. Intervals of massive sulphides may contain only small quantities of nickel if they consist primarily of pyrrhotite and pyrite. Similarly, intervals of disseminated sulphides may be nickel-rich if pentlandite is present. The mineralization in the NISK-1 deposit presents a wide variety of textures, the main ones being:

- trace sulphides (1 to 2%);
- disseminated sulphides (2 to 25%);
- semi-massive sulphides (25 to 80%);
- massive sulphides (80 to 100%);
- brecciated, with fragments of black serpentinite in a sulphide matrix;
- reticulated (or mesh);
- in veins or veinlets, with or without a preferential strike;
- a sulphide matrix with prismatic crystals of secondary olivine (resulting from serpentine recrystallization).

Sulphide mineralization of the Nisk deposit consists essentially of pyrrhotite ($Fe_{1-x}S$), chalcopyrite ($CuFeS_2$), pentlandite [$(Fe, Ni)_9S_8$] and pyrite (FeS_2). In all cases, pyrrhotite is the most abundant sulphide, comprising up to 90 to 95% of the volume in the massive sulphide zones. The concentrations of chalcopyrite, pentlandite and pyrite generally range from 0 to 10%. Magnetite (F_3O_4) is an accessory component in almost all cases, exceptionally reaching a concentration of 25% in some areas.

Petrographic studies (Caderon, 2007a) and electronic microprobe analyses (Caderon, 2007b) have shown that:

- Nickel is essentially contained in the pentlandite. The nickel grade of the pentlandite of the Nisk deposit is 34.6% by weight (average of 43 analyses) and is fairly constant. This concentration makes for a nickel-rich pentlandite, as in the "ideal" mineral formula (containing equal proportions of Fe and Ni), the percentage of nickel by weight is 22.0% (Dana, 1949). The pentlandite is most often found as microscopic intergrowths (or "flames") with the pyrrhotite. It is rarely visible to the naked eye, and the nickel-rich ore consequently cannot be visually distinguished from the barren sulphides. In rare cases, the pentlandite has been seen as crystals with sides up to 1 cm (in Hole TF-66-08), which generates the highest grade obtained to date for the deposit (2.75% Ni/0.5 metre). The Nisk pyrrhotite, meanwhile, contains only 0.34% nickel by weight (average of 63 assays). Consequently, a massive sulphide ore consisting of 100% pyrrhotite (without pentlandite) would not meet the 0.4% Ni cut-off grade (current 2022 MRE used 0.5% NiEq) used to define the deposit (Trudel, 2009).

- Cobalt appears to only occur in the pentlandite. In addition to being rich in nickel, the pentlandite of the Nisk deposit also contains cobalt, with a relatively constant grade of 2.46% Co by weight (average of 43 assays). The average chemical formula of the Nisk deposit pentlandite is therefore $(Ni_{4,71}Fe_{3,97}Co_{0,32})S_8$. As the nickel and cobalt are contained in the same mineral, and this mineral shows a relatively constant composition, there is an excellent positive correlation between the Ni and Co grades in the mineralized zone. The pyrrhotite in the Nisk deposit contains virtually no cobalt (<0.01% by weight). This strong correlation between Ni and Co grades can also been shown by plotting the assay values for each metal on an x and y scatter graph;

- Copper occurs almost exclusively in the chalcopyrite. Microscopic veinlets of covellite (CuS) and digenite (Cu_9S_5) have been seen in one section of massive sulphides from Hole TF-04-07. These late veinlets are about 0.15 mm wide and cut all the other sulphides usually found in the ore. The covellite and digenite therefore contain only a minute proportion of the copper in the Nisk deposit;

- Palladium occurs as a Ni-Te-Sb-Pd alloy. Such alloys are not uncommon in PGE deposits, and have been observed in the Great Dyke, in Zimbabwe (Oberthür and Melcher, 2005);

- Platinum likely occurs as a platinum/iron alloy. The platinum grains analyzed by microprobe measured about 5 µm and were included in magnetite. During microprobe analysis of these grains, S. Caderon observed the distinctive Pt and Fe peaks, but attributed the iron peak to the surrounding magnetite. Furthermore, the program installed on the microprobe expresses the analyzed elements as oxides, hence the mention of platinum oxides in the report. In fact, platinum does not tend to combine with oxygen and is rarely found in pure form in nature (Pough, 1960). It is most often alloyed with iron or other elements of its group (Ir, Os, Rh and Pd). In the case of the grains analyzed, only iron was detected, and it is likely that the platinum presents in the form of a Pt-Fe alloy.

7.3 3D Litho-Structural Modelling and Structural Interpretation

A basic 3D model was built using Leapfrog® Geo to define the litho-structural components that characterize the Nisk deposit and to determine the controls on the Ni-Cu-Co-PGE mineralization. As a first step, the regional and/or local government mapping found on Sigéom (figure 7.3), historical drilling, as well as historical geophysical surveys (EM and IP) were used to interpret the main lithologic units and structural controls of the deposit.

As described and modified by Trudel (2009), the Nisk deposit appears to be strongly deformed based on the following:

- the deposit is very narrow (on average ~5 meters horizontally) relative to its extension along strike (~900 meters) and at depth (~400 meters). It therefore appears to have been strongly compressed by the pressures that caused regional folding.

- the mineralization often occurs in several alternating layers of disseminated, semi-massive or massive sulphides showing no systematic sequence. The contact between these layers of distinct sulphide concentration is clear and suggests a transposition phenomenon. The best example of this situation occurs in hole TF-53-08, where a 27-meters long sulphide zone consists of four layers of massive sulphide (80 to 100%), three layers of semi-massive sulphides (25 to 40%) and five layers of disseminated sulphides (3 to 10%), alternating, with sharp contacts and no systematic order. Had the Nisk deposit not been deformed, it would show the following sequence, from bottom to top of the mineralized sill: massive sulphides, semi-massive sulphides disseminated sulphides and unmineralized ultramafic. Instead, the juxtaposition of sulphide layers of contrasting concentrations suggests displacement of the sulphides from their original position by transposition.

- certain holes show sulphide mineralization in the form of intrusions and/or veinlets into the orthogneiss. In such cases, fragments of orthogneiss are included in a sulphide matrix very similar to those in the peridotite. This observation suggests that the sulphides formed at the base of the mineralized sill were remobilized and reinjected in the orthogneiss under the influence of intense deformation.

The litho-structural model presented in figure 7.4 presents five (5) key faults affecting the Nisk deposit. This includes two (2) primary southwest (SW) trending, northwest dipping regional scale thrust faults (shown in blue) and three (3) secondary west-southwest (WSW) trending, north dipping local scale late-stage faults offsetting the Nisk deposit. Subsequent late-stage (tertiary) faults were generated, further offsetting the deposit (figure 7.5).

It is interpreted that the main regional scale dextral strike-slip thrust fault (named the “Nisk fault”) is the deep-seated feeder structure that resulted in the peridotite sill host and ultimately the Nisk Ni-Cu-Co-PGE deposit. Reactivation of the regional Nisk thrust fault generated secondary late-stage dextral strike-slip faults (3 WSW faults) offsetting the Nisk deposit. These three (3) faults created a conjugate set of northeast and northwest trending faults that caused continued deformation of the Nisk deposit. The regional geophysics (EM and IP) and geometrical relationships observed in the Nisk Main Zone support a predominantly dextral sense of displacement.

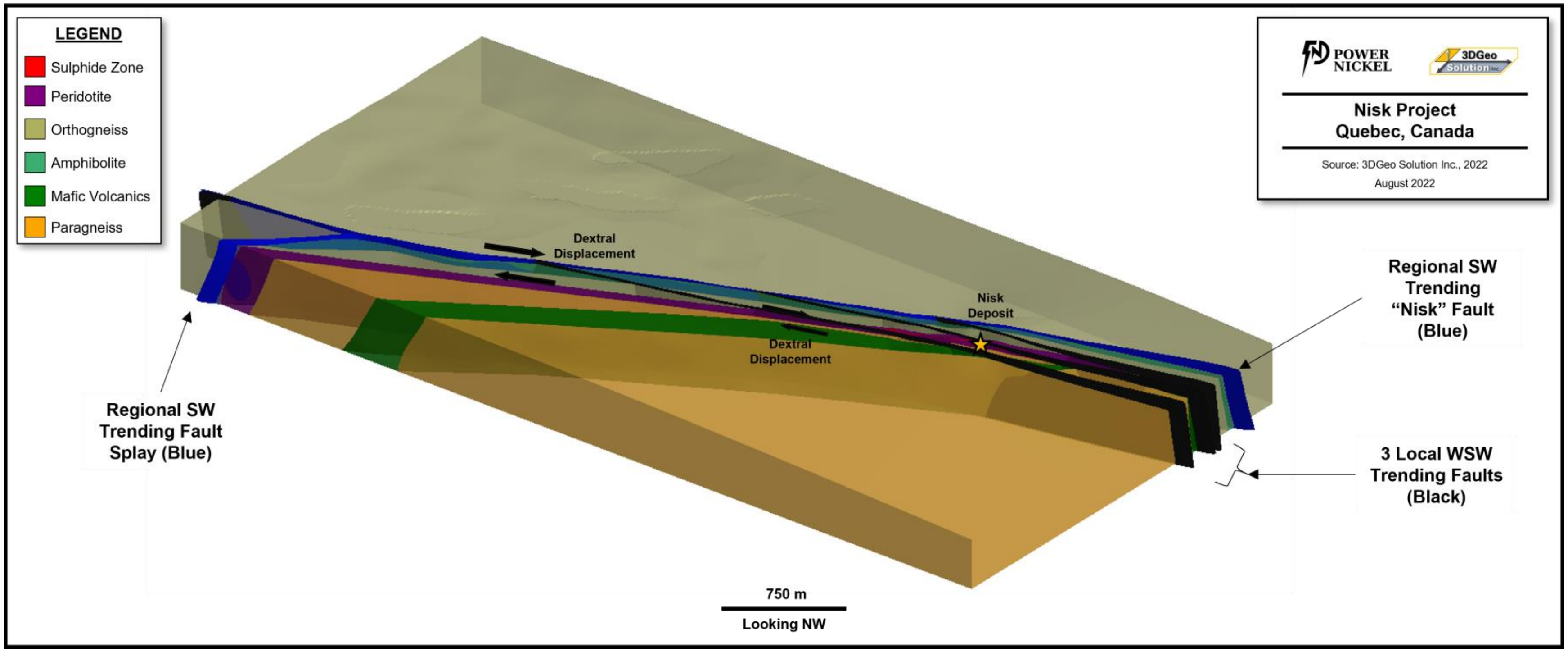

Figure 7.4 - Nisk 3D litho-structural model interpretation

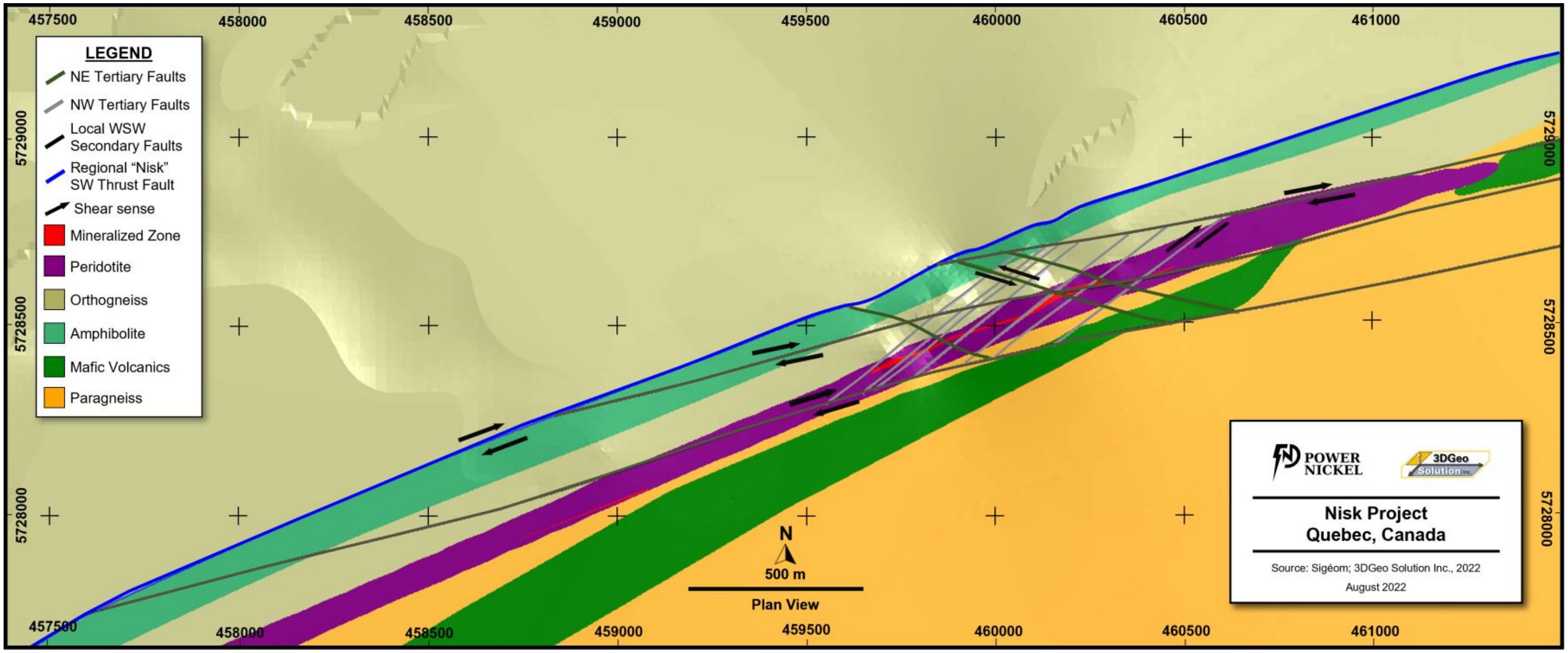

Figure 7.5 - Structural plan view showing multiple generations of deformation offsetting the Nisk deposit

8. MINERAL DEPOSIT TYPES

This section is a modified version of the mineral deposit type description provided in a technical report by Trudel (2009) and references therein.

The Nisk mineralized zone appears to be a classic magmatic nickel sulphide ore deposit associated with an ultramafic intrusion. In these deposits, Ni-Cu-Co-Fe sulphides form as immiscible sulphide droplets in the silica-rich magma. These droplets are denser than the liquid and accumulate at the base of the intrusion to form a layer of minable sulphides. The following is from Barnes and Lightfoot (2005), which outlines the processes that lead to the formation of Ni-Cu-PGE sulphide ore deposits in further detail, see figure 8.1 displaying a cartoon outlining these processes:

a. The mantle melts to release Ni from olivine and PGE from sulfides.

b. Magma is transferred to the crust along crust penetrating faults.

c. Sulfur is added to the magma from sediments to bring about saturation of a sulfide liquid.

d. The sulfide droplets assimilate chalcophile metals.

e. The droplets are transported by the magma until the magma flow slows such that they collect at the base of the intrusion or flow.

f. The sulfide liquid undergoes crystal fractionation to produce a mass cumulate and a Cu-rich liquid that can be injected into the footwall.

g. In some cases, there may be a new injection of magma and the Cu sulfide liquid may be entrained and moved to a new site collection site.

h. Deformation concentrates in the incompetent sulfides, resulting in sulfides being displaced from their parent body, possibly as breccias.

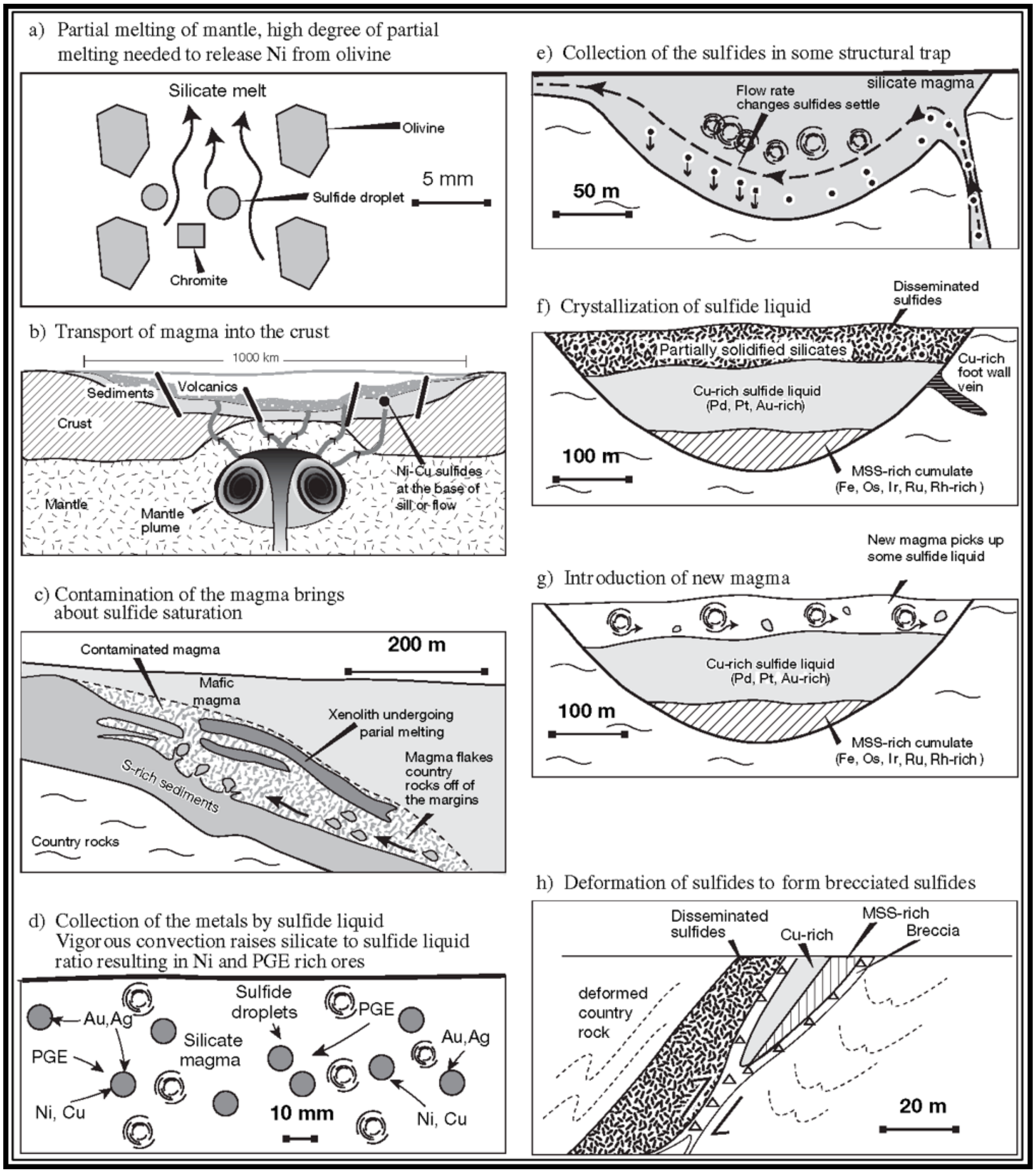

Figure 8.1 - Cartoon outlining the processes that lead to the formation of a Ni sulfide ore deposit (From Barnes and Lightfoot, 2005).

Barnes and Lightfoot (2005), as well as Eckstrand and Hulbert (2007), subdivide magmatic nickel-copper-PGE (platinum group elements) deposits into four main types (figure 8.2). These types, with their international and/or Canadian examples, are as follows, based on the nature of their magmatic and/or geologic environment:

a. Meteoric impacts (Sudbury in Ontario is the only known example of this type);

b. Feeders to flood basalts and komatiitic flows of continental rifts and plates (Muskox in Nunavut, Thompson in Manitoba, Raglan in Nunavik and Noril'sk in Russia);

c. Mafic and ultramafic intrusions as feeders along a suture (Voisey's Bay in Labrador and Lynn Lake in Manitoba);

d. Thick crust (Grenville).

The Nisk Ni-Cu-PGE deposit clearly belongs to the third type (type 'c') based on the distinct ultramafic intrusive host. There is no evidence of komatiites in the core examined (spinifex textures, crackled flow tops, etc.).

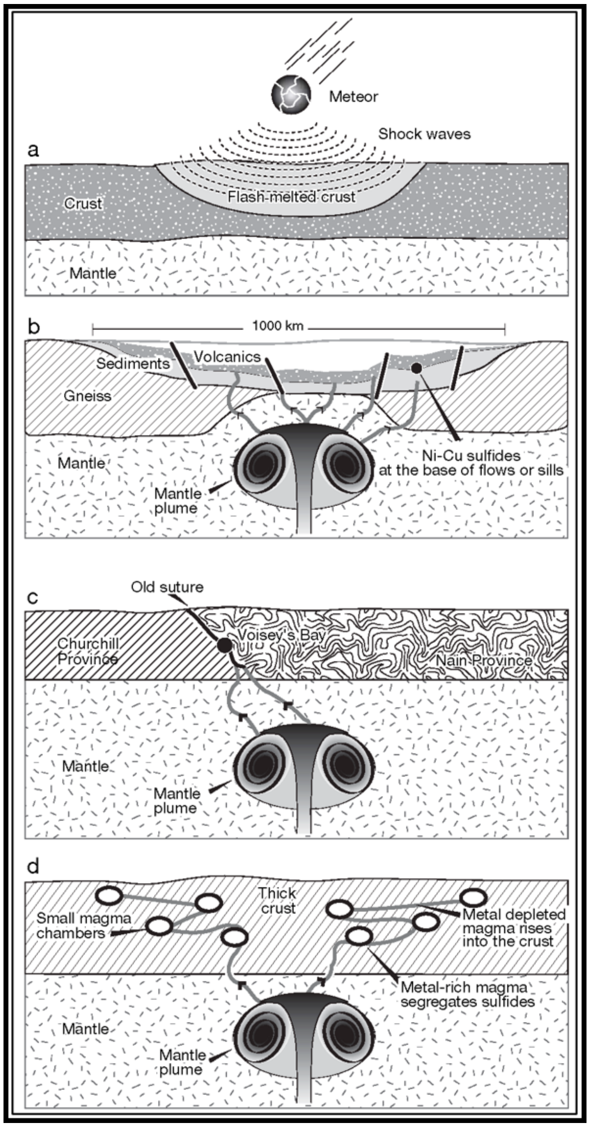

Figure 8.2 - Cartoons of the geologic settings of Ni sulfide deposits (from Barnes and Lightfoot, 2005).

9. EXPLORATION

The following section summarizes the Exploration Work pertaining to the Nisk Project that Power Nickel has completed since optioning the Project from Critical Elements in December 2020.

9.1 3D Geological Modeling

In June 2021, Power Nickel contracted 3DGS to evaluate, interpret and model the litho-structural components on the Nisk Project. The 3D Modeling software used was Leapfrog® Geo and Edge. The outcome was a complete 3D litho-structural model. 3DGS and the Power Nickel technical team used the modeling work to plan the 2021 fall diamond drill program and provide guidance for internal volumetrics (see Item 7.3 and Item 14.3).

10. DRILLING

Information in this section was obtained from the Power Nickel exploration team and combined with 3DGS's database compilation work. One drilling campaign was completed in the fall of 2021 and is supporting the current MRE.

10.1 Drilling Methodology

The fall 2021 drilling campaign on the Nisk Project was performed by Forage Val-d'Or Inc. from Val-d'Or, Quebec. All holes were drilled from surface, with NQ core caliber (47.6 mm core diameter). RQD (Rock Quality Designation) measurements were completed on all drilled core. Photos, using a digital camera, were taken of all the drilled core. All core boxes were labelled or tagged with the drill hole name and number, as well as meterage within the core box.

Diamond drill holes were planned using vertical cross section, plan and 3D views generated in Leapfrog GEO™ in order to intersect interpreted mineralization lenses or structural features at the proper angle.

Consul-Teck Exploration ("Consul-Teck") based in Val-d'Or, Quebec was appointed by Power Nickel to provide geologists and technicians to conduct the exploration program on the Nisk Project. Consul-Teck geologists and technicians used a handheld Garmin™ GPSMAP® 64 to position drill holes. Drill rigs were aligned with the required azimuth and dip information of each hole prior to drilling by Consul-Teck geologists using the REFLEX TN14 GYROCOMPASS™.

During drilling, deviation surveys consist of single shots starting slightly below the collar and at 50 metre intervals thereafter. The instrument was handled by the drilling contractor, and survey information was transcribed and provided in paper format to Consul-Teck geologist. The REFLEX EZ-GYRO™ instrument was used to record azimuth and dip information.

Casings are left in place, flagged and capped. A metal tag identifying the hole is installed on the cap for future reference.

10.2 Core Logging Procedures

At the drill rig, the driller helper places the core into core boxes, marking off every 3 m with wooden blocks. Once a core box is full, the helper wraps the box with fiber tape. At the end of each day, the driller helper, a Consul-Teck geologist and/or technician bring the secured core boxes from the rig to the core shack facility.

In the core shack, Consul-Teck employees remove the tape and place the boxes on the logging tables. The geologist rotates the core so that all the pieces slant one way, showing a cross-sectional view, perpendicular to the strike of the main penetrative fabric observed in the core. They check that distances are correctly indicated on the wooden blocks placed every 3 m. The core meterage is then measured in each box and the boxes are labelled. RQD is measured by either geologists or geological technicians. Any breakage under 10 cm is recorded. RQD data is then uploaded into the drillhole database.

The geologists use Gems™ Logger logging software. Lithological (principal and secondary lithologies), alteration, texture, mineralization, veining and structural characteristics of the core are compiled in the database.

Samples are selected by the geologists. Sample length is typically 1.0-1.5 m outside of mineralized areas and range from 0.3 (minimum) to 1.5 m to honor lithological contacts defined by the geologist. A shoulder of 1.0-0.5 m outside of mineralized areas is sampled. Once all samples are marked in red on the core sample tags are placed in the core box at the beginning of each sample interval. Once all core logging and sample tags have been placed photographs of the wet core are taken by either the geological technician or the geologist.

Once logged and/or labelled, the core is stored inside in racks until split. The core of each selected interval is split in half using a core splitter. One half of the core and a sample tag are placed in a plastic bag for shipment to the laboratory, and the other half return to the core box as a witness (reference) sample. A tag bearing the sample number is left in the box at the beginning of the sampled interval. The core box is then taken to roofed racks at the outdoor core storage area. The exact location of each hole in the outdoor core library is recorded in an Excel spreadsheet for future reference.

Completed core logging and sampling descriptions are exported into an Excel spreadsheet and sent to the geologist in charge of the project, in order to validate and sign the drillhole logs.

10.3 2021 Drilling Program

The fall 2021 drilling campaign aimed specifically at defining and verifying the geological model of the Nisk deposit.

A total of eight (8) holes, for 2496 meters, were drilled in the fall 2021 drill program. One (PN-21-003) of the eight holes was abandoned prior to intersecting the mineralized target due to drilling problems and therefore no sampling was conducted on this hole. A new hole (PN-21-003A) was collared 1 meter away from the original collar and was drilled to the original target. The seven (7) successfully drilled holes, corresponding to 2394 meters, all intersected the mineralized zone and were used in the current MRE.

Table 10.1 provides detail about the drilling by year for the historic drilling and the 2021 Power Nickel drill program used in the current MRE. Figure 10.1 highlights the traces of the holes drilled during the 2021 drill program and the historical drillholes used in the current MRE.

Table 10.1 - Drilling summary of holes used in the current MRE by year

Year	Company	Hole Type	Number of Holes	Metres	Comment
2007	Golden Goose	Historic	42	8520.3	TF-04-07 to TF-50-07 (Excluded: TF-18-07, TF-20-07, TF-21-07, TF-28-07)
2008	Golden Goose	Historic	15	3467.0	TF-51-08 to TF-67-08 (Excluded: TF-55-08, TF-68-08, TF-69-08)
2010	Nemaska Exploration	Historic	1	453.0	TF-71-10 (Excluded: TF-70-10)
2011	Nemaska Exploration	Historic	1	432.0	TF-72-11 (Excluded: TF-73-11 to TF-78-11, TF-81-11, TF-82-11)
2021	**Power Nickel**	**NEW**	**7**	**2394.0**	**PN-21-001 to PN-21-003A, PN-21-004 to PN-21-007 (Excluded: PN-21-003)**
Grand Total			66	15266.3	Total Excluded from MRE: 19 drillholes, 4345.6 m

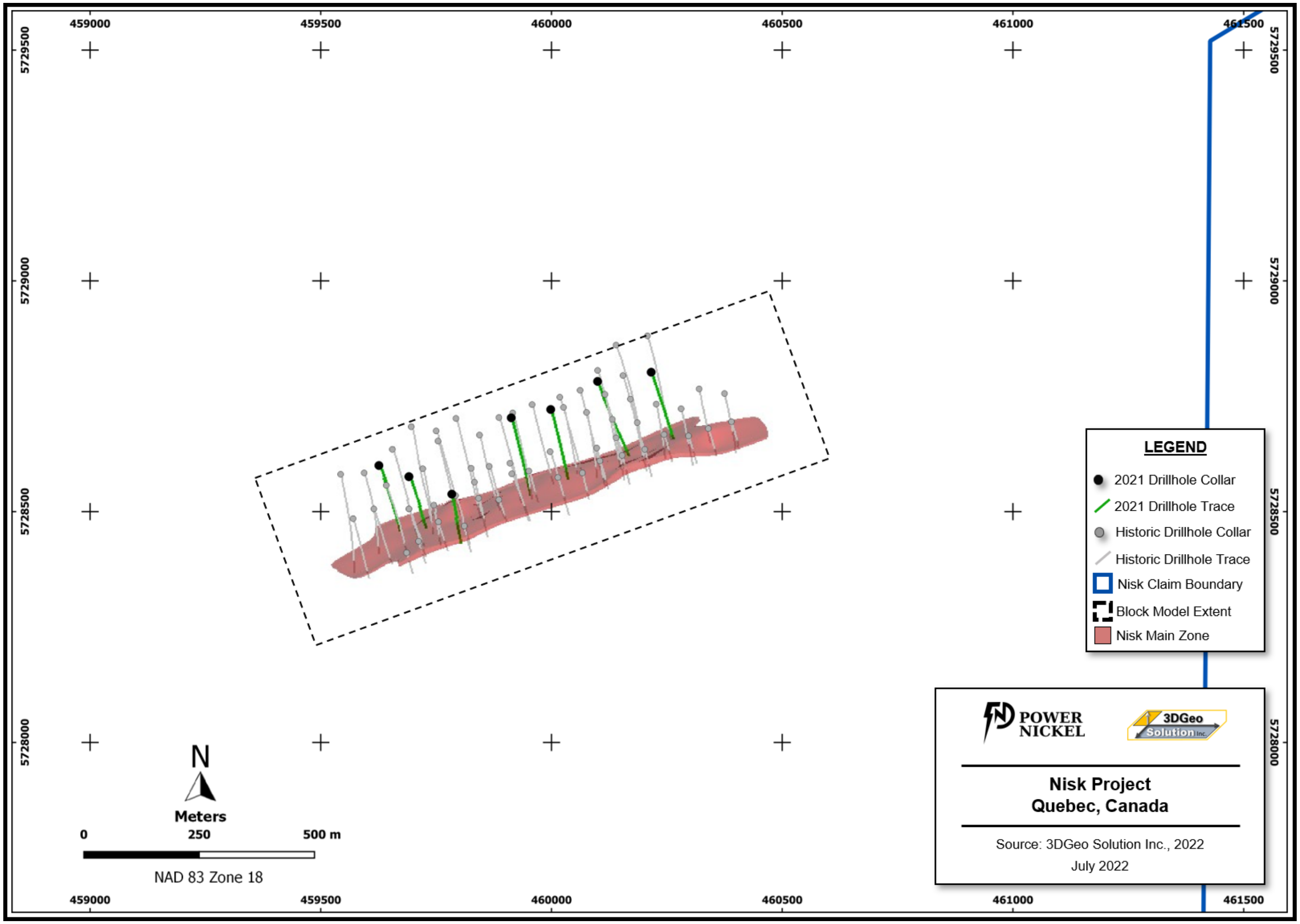

Figure 10.1 - MRE drillhole traces highlighting historic and 2021 programs

11. SAMPLE PREPARATION, ANALYSES AND SECURITY

The following paragraphs describe the Power Nickel sample preparation, analysis, and security procedures for the complete 2021 diamond drilling program.

The information in this section was provided by the Power Nickel exploration team (Consul-Teck). 3DGS reviewed the QA/QC procedures and results for the 2021 drilling program.

11.1 Core handling, Sampling and Security

Core boxes are received daily at the core shack on the Project. Drill core is logged and sampled by experienced and qualified geologists. Samples usually range from 0.3 m to 1.5 m in length and, whenever possible, sample intervals respect lithological contacts, the appearance of mineralization, changes in alteration type, vein type and/or vein density. Sampled core intervals are identified by geologists with red marks on the core and sample tags are placed at the beginning of the interval. Core samples are split in half (NQ core diameter).

Core splitting is carried out by an experienced technician who follows the geologist's markings using a core splitter. One half of the core is placed in a plastic bag with the matching sample tag while the other half is replaced in the core box and stored for future reference. The two-metallic bowls used to catch either side of the split core are then well cleaned before proceeding to the next sample. Individual sample bags are placed in rice bags along with the list of samples. Samples are then stored in a locked trailer, owned by Consul-Teck, in the parking lot of the Workcamp Nemiscau accommodations. Consul-Teck geologists are the only personnel with access to this trailer. Samples were taken to Consul-Teck's warehouse in Val-d'Or by pick-up truck. Samples were then shipped to the laboratory.

11.2 Laboratories Accreditation and Certification

The International Organization for Standardization ("ISO") and the International Electrotechnical Commission ("IEC") form the specialized system for worldwide standardization. ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories sets out the criteria for laboratories wishing to demonstrate that they are technically competent, operating an effective quality system, and able to generate technically valid calibration and test results. The standard forms the basis for the accreditation of competence of laboratories by accreditation bodies. ISO 9001 applies to management support, procedures, internal audits and corrective actions. It provides a framework for existing quality functions and procedures.

For the 2021 drilling program, Power Nickel used ALS Global (ALS), an independent commercial laboratory located in Val D'Or, Québec for both the sample preparation and assaying. ALS is a commercial laboratory independent of Power Nickel with no interest in the Project. ALS received ISO/IEC 17025 accreditation through the Standards Council of Canada ("SCC"). More information about ALS Global can be found at their website: (https://www.alsglobal.com/en/geochemistry).

11.3 Laboratory Preparation and Assays

All samples are prepared by ALS Global following the below described procedure:

- Sample is received with tracking system and a bar code label attached (ALS Code #: LOG-21)
- Prior to crushing, all samples submitted to ALS were weighed for Specific Gravity (SG). The rock or core section (up to 6 kg) is weighed dry for method OA-GRA08. The sample is then weighed while it is suspended in water. The specific gravity is calculated from the following equations.

$$\text{Specific Gravity} = \frac{\text{Weight of sample (g)}}{\text{Weight in air (g)} - \text{Weight in water (g)}}$$

- Fine crushing of rock chip and drill samples to better than 70% of the sample passing 2 mm (Tyler 10 mesh) screen (ALS Code #: CRU-31)
- Split sample using riffle splitter (ALS Code #: SPL-21)
- A sample split of up to 250 g is pulverized to better than 85% of the sample passing 75 microns (Tyler 200 mesh) screen (ALS Code #: PUL-31)
- Core samples are analyzed using ME-ICP61a (33 element Suite; 0.4g sample; Intermediate Level Four Acid Digestion) and PGM-ICP27 (Pt, Pd, and Au; 30g fire assay and ICP-AES Finish) methods
- Assay results are provided as Excel and PDF spreadsheets. Internet «Webtreive» offers direct access to results.

11.4 Quality Assurance and Quality Control (QA/QC)

ALS Global has their own internal QA/QC program, and results are internally validated and the certificates are signed prior to becoming available.

Power Nickel also has a QA/QC program for drill core that includes the insertion of blanks, standards (certified reference material; or CRM) and duplicates in the flow stream of core samples. For each group of 30 samples, the issuer inserted one blank, one standard and one pulp duplicate.

The discussion below details the results of the blanks, standards and duplicates inserted as part of the issuer's QA/QC program only.

11.4.1 Blank samples

The blank samples sent to the laboratory are derived from a Certified Reference Material (CRM) standard "CDN-BL-10", purchased from CDN Resource Laboratories Ltd. The Standard CDN-BL-10 was prepared using a blank granitic material. Each sample of the blank material was placed into a plastic sample bag and given a sample identification number.

A total of 9 blank samples were inserted in the batches from the 2021 drilling program. According to Power Nickel's quality control protocol, if any blank yields a metal value (Nickel, Copper, Cobalt, Platinum, Palladium, Gold and Silver) above 10 times (10x) the detection limit (i.e., 0.010 %Ni for ALS Global), the entire batch should be re-assayed.

As shown in the graphs below (figures 11.1 and 11.2), no outliers were detected above the 10x detection limit threshold. Thus, no outliers are present, and the blanks inserted into the sample analysis passes the companies quality control protocol.

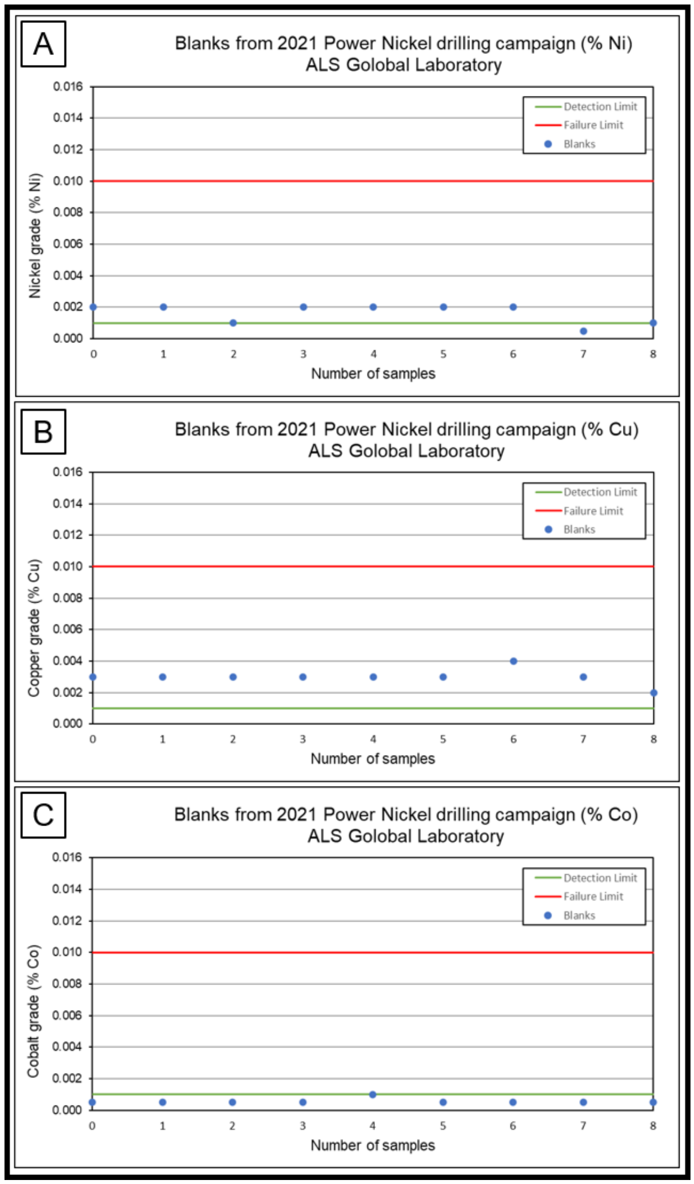

Figure 11.1 - Distribution graphs showing results from assayed blanks from the 2021 drilling program for Nickel, Copper, and Cobalt (ALS Global)

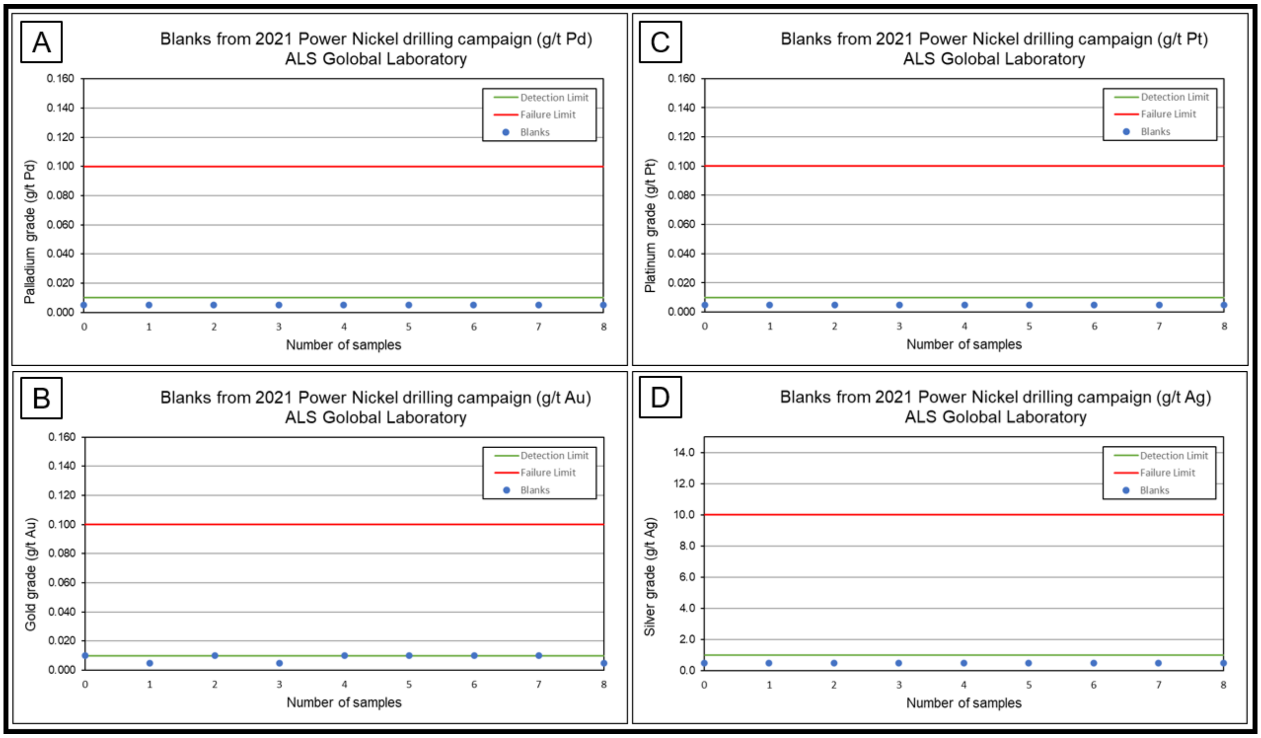

Figure 11.2 - Distribution graphs showing results from assayed blanks from the 2021 drilling program for Palladium, Gold, Platinum and Silver (ALS Global)

11.4.2 Standards

Analysis accuracy was monitored by inserting standards. Two (2) different multi-element certified reference materials (CRMs) used as standards were sent to ALS Global. The standards used were CDN-ME-1310 and CDN-ME-1207, representing lower and higher grades of Nickel comparable to the historic assays drilled at the Nisk deposit. The standard inserted in each sample batch is randomly selected from these available CMRs. The theoretical grade and the standard deviations for each CRM can be found on the CDN Resource Laboratories website (http://cdnlabs.com/). 3DGS calculated the +/- 1, +/- 2 and +/- 3 standard deviations for each element and each standard. Figures 11.3 and 11.4 shows the multi-element standard values inserted in the sample batch, the theoretical (expected) grade, and the three (3) standard deviations (+/-) were plotted on distribution control graphs to determine if any failures occurred.

The definition of a quality control failure is when assays for a standard are outside three standard deviations (+/- 3SD). Additionally, if two consecutive standards are outside 2SD, it is also considered problematic.

According to Power Nickel's quality control protocols, a batch should be re-analyzed if its "Certified" standard yields a metal value above or below +/- 3SD of the standard's grade, unless the standard has been flagged as an "Indicated" or "Provisional" value. As stated on the CRM certificates, standards with an RSD of near or less than 5% are Certified, RSD's of between 5% and 15% are Provisional, and RSD's over 15% are Indicated. Provisional and Indicated values cannot be used to monitor accuracy with a high degree of certainty.

A total of 14 standards were inserted within the 2021 drilling campaign, split equally between the two standards used and described above (CDN-ME-1310 and CDN-ME-1207). The only "failures" observed in the graphs below are related to "Indicated" and "Provisional" values for only Gold and Silver.

3DGS considers that failures related to standards with Provisional and Indicated values are deemed to be unreliable and insignificant.

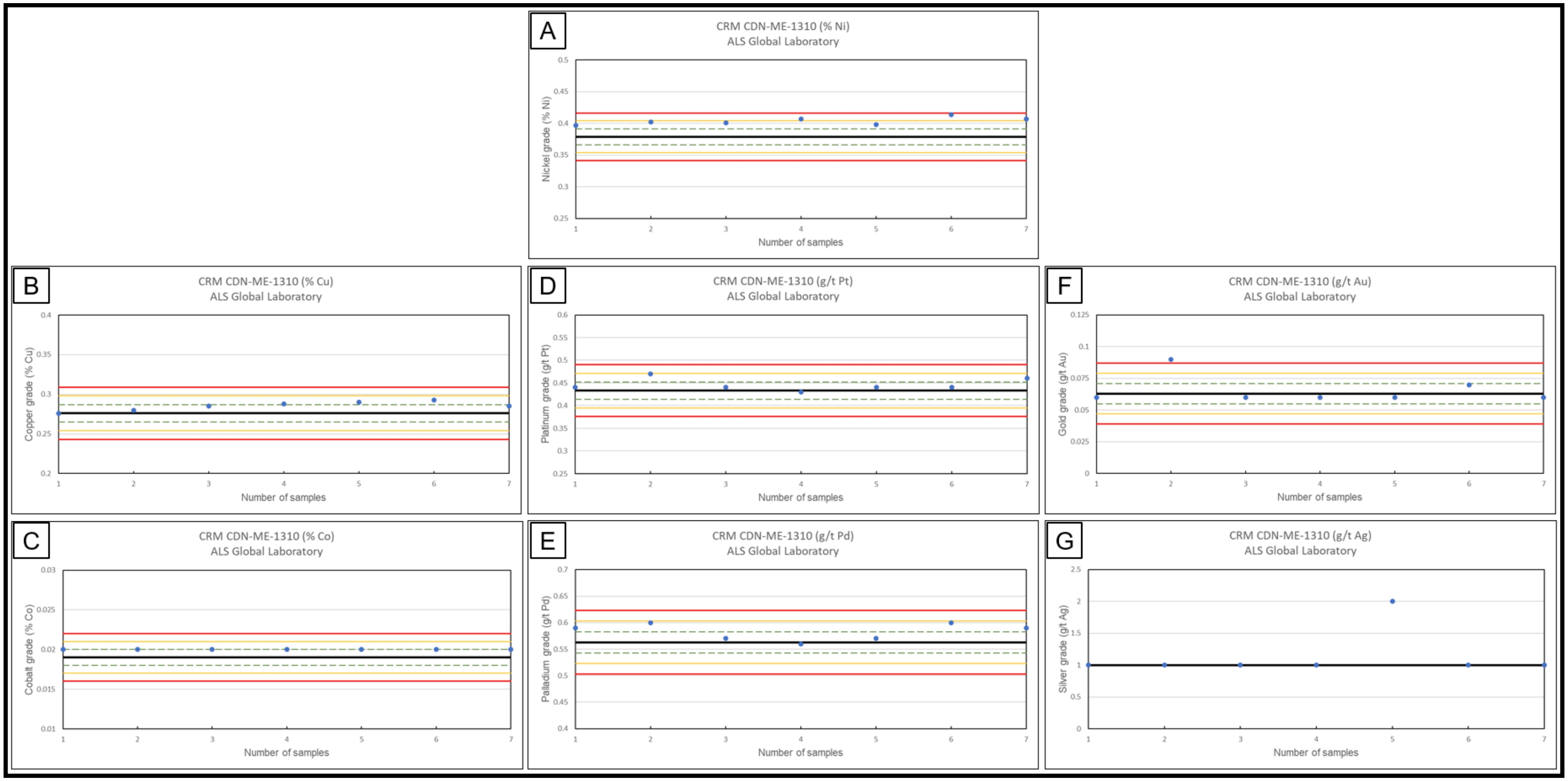

Figure 11.3 - Distribution graph showing results from assayed CRM: CDN-ME-1310; a) % Nickel, b) % Copper, c) % Cobalt, d) g/t Platinum, e) g/t Palladium, f) g/t Gold (Provisional Value), and g) g/t Silver (Indicated Value).

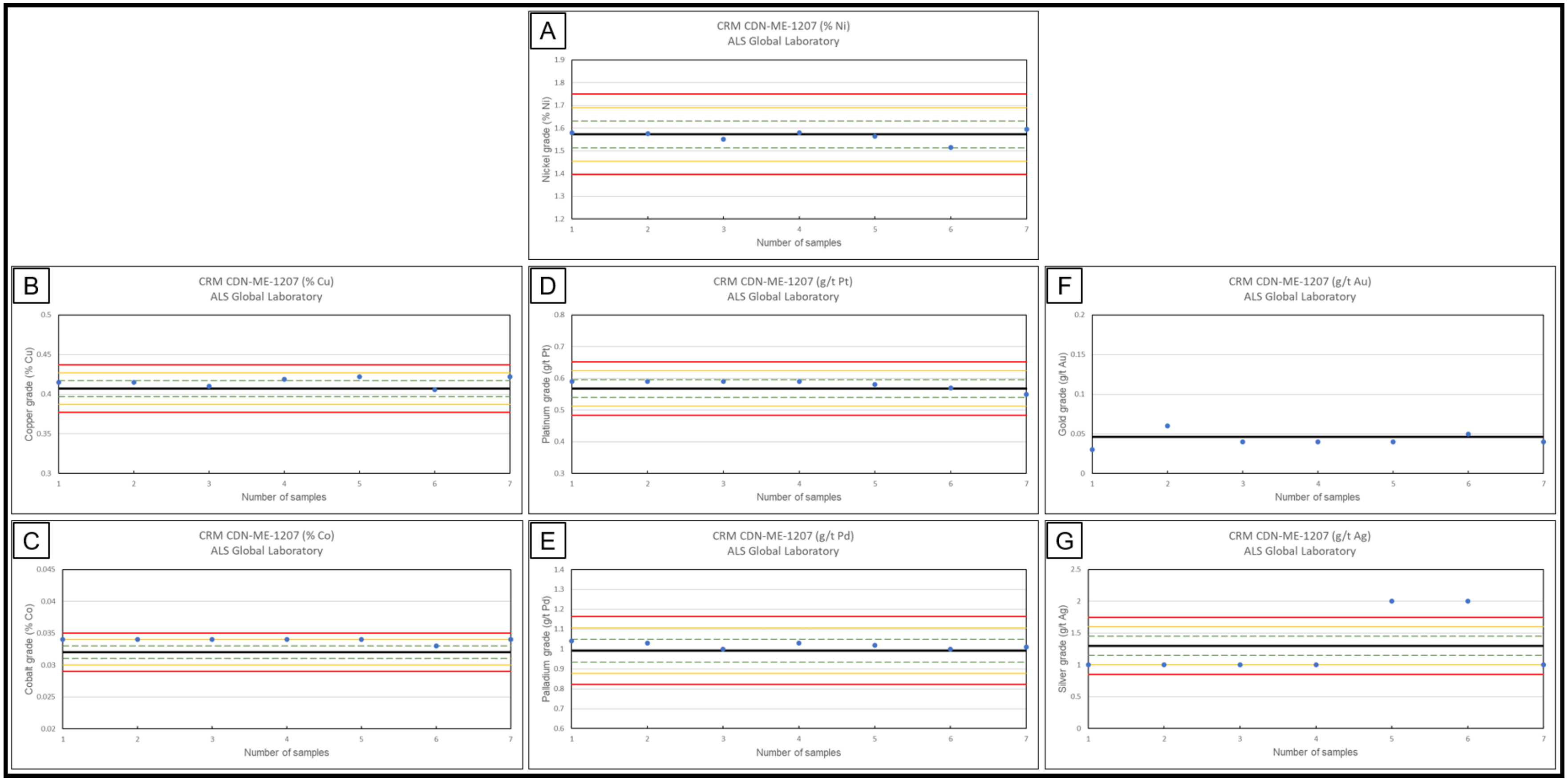

Figure 11.4 - Distribution graph showing results from assayed CRM: CDN-ME-1207; a) % Nickel, b) % Copper, c) % Cobalt, d) g/t Platinum, e) g/t Palladium, f) g/t Gold (Indicated Value), and g) g/t Silver (Provisional Value).

11.4.3 Duplicates

A total of ten (10) duplicate samples have been inserted during the 2021 drilling campaign. Figure 11.5 presents the duplicates for Nickel, Copper, Cobalt, Specific Gravity (density), Platinum, Palladium, Gold and Silver that were analysed at ALS Global Laboratory. The sample selection and insertion of the duplicate sequence was done by Power Nickel's geology team. In general, the duplicate sequence follows the QA/QC procedure described above in section 11.4.

As shown below, the eight duplicate pairs have fairly high precision for all metals, as well as the density, with R-squared values greater than 0.89. Gold had the lowest R-squared value of the set and this is considered to be related to the nugget effect commonly found in gold mineralization.

Figure 11.5E displays the duplicates for Platinum and shows one (1) outlier highlighted as a "red" dot. 3DGS deemed this outlier to be insignificant and excluded it from the linear regression and R-squared value. This outlier was excluded as in is one data point that may have been inputted incorrectly by the laboratory. This outlier should be noted for future drilling and QA/QC.

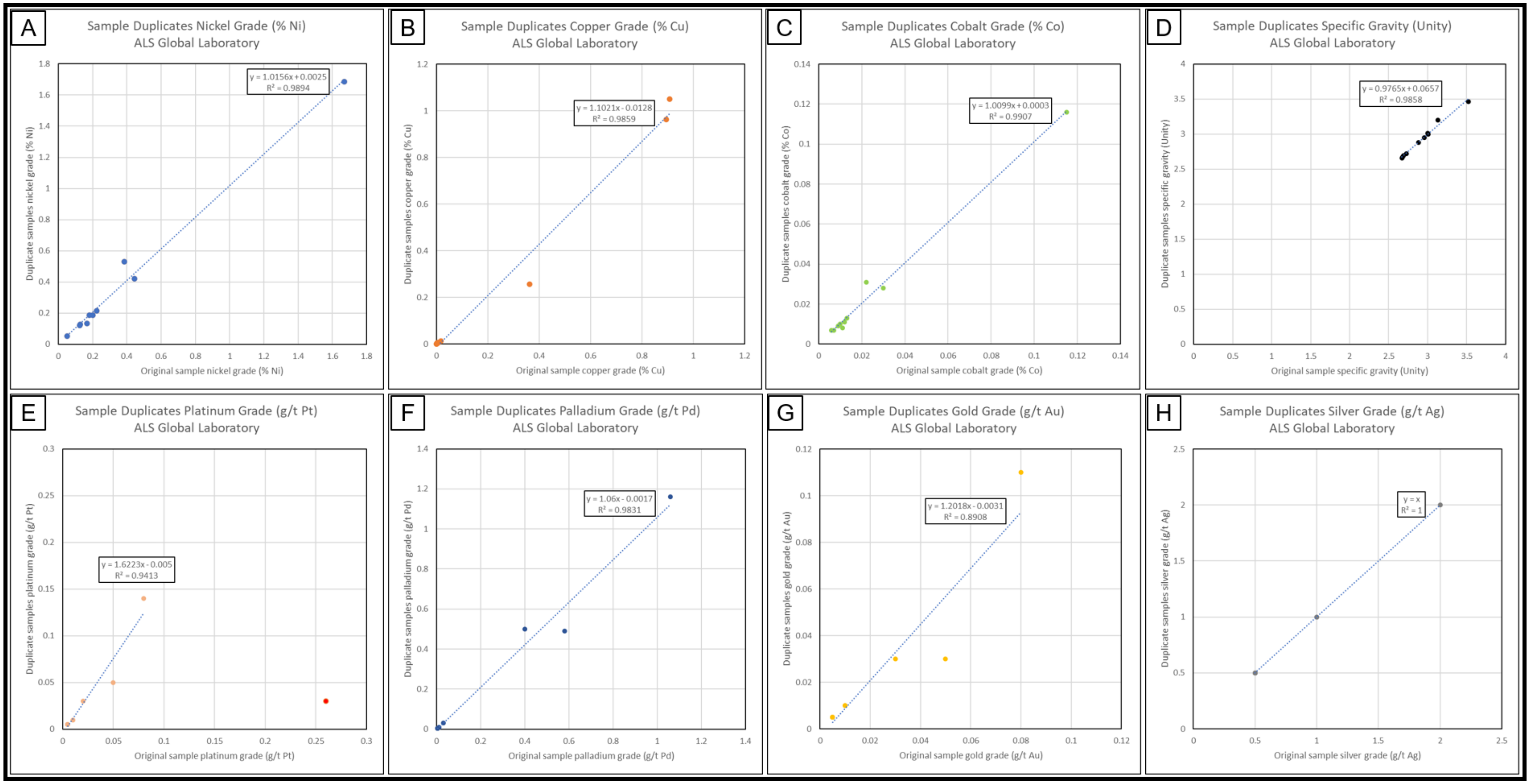

Figure 11.5 - Distribution Graph showing results obtained on pulp duplicates obtained from the ALS Global laboratory against the original samples results; a) % Nickel, b) % Copper, c) % Cobalt, d) Specific Gravity (Unity), e) g/t Platinum, f) g/t Palladium, g) g/t Gold, and h) g/t Silver.

11.5 Conclusions on the QA/QC for the 2021 drilling campaign

A statistical analysis of the QA/QC on the data provided by Power Nickel revealed only a few, minor, unmaterial, analytical issues.

Of the 9 results for blanks analysed, no values were higher than the accepted threshold. This suggests that there was no contamination during sample preparation at the laboratory.

A total of 14 standards were inserted in the 2021 drilling campaign, with no “real” failures observed. It should be noted that the only “failures” observed were related to “Indicated” and “Provisional” values for only Gold and Silver. 3DGS considers that failures related to standards with Provisional and Indicated values are deemed to be unreliable and insignificant.

Of the 10 duplicates inserted into the QA/QC sequence no material anomalies or outliers were identified. One outlier related to Platinum was noted and considered irrelevant by the QP and was not investigated.

The Authors are of the opinion that the sample preparation, analysis, security procedures and QA/QC protocols used by Power Nickel for the Nisk Project are appropriate and adequate for an advanced exploration program, the data is of good quality and satisfactory for use in the current Mineral Resource Estimate.

12. DATA VERIFICATION

On November 30th, 2021, Matthew DeGasperis, P.Geo., B.Sc., the QP and representative of 3DGS, visited the Nisk Project.

3DGS' data verification included a review of a limited number of historic and recent drillhole collar locations, as well as selected core intervals to verify the concordance with the drillhole database. Attention was paid on the description of lithologies, alteration and structures to which sulphide bearing zones are related to and on the samples' position along the selected drill holes.

Discussions with Consul-Teck staff provided insights on the core handling and assaying procedures, the QA/QC program, and the downhole surveying procedure.

The data verification does not include older drillholes (the historic 1960's and 1980's drillholes) for which too many original documents (original logs, original lab certificates) were missing.

12.1 Drillhole Database

The final resource database contains 66 drillholes. This total includes 59 holes from the historic 2007-2009 drilling campaigns and 7 new holes from the 2021 drilling campaign.

The final database does not include drillholes from 1964 and 1969, and 1988 due to the inability to verify and validate collar locations, as well as assay certificates. The final database also does not include drillholes from 2007-2008 and 2010-2011 that were drilled outside of the MRE boundary. The final database does not include abandoned holes.

In total, the database supporting the 2022 MRE contains 15,266.3 m of NQ drill core; specifically, 11,987.3 m from the historic 2007-2009, 885.0 m from the historic 2010-2011 drilling campaigns, and 2,394.0 m from the recent 2021 drilling campaign.

The final database is of good overall quality. 3DGS considers the Nisk Project drillhole database to be valid and reliable for the purpose of a Mineral Resource Estimate.

12.1.1 Historical Drilling

12.1.1.1 Drillhole Location

All fifty-nine (59) historic drillhole collar coordinates were compiled from Quebec government "GM" assessment files, including the historic 2009 NI 43-101 technical report appendices (Trudel, 2009). It is understood that these drillholes were located using a handheld GPS at the time of their drilling campaigns. Coordinates of one (1) drillhole from the historic drillhole data base was verified in the field by 3DGS during the site visit (figure 12.1A and 12.1B). This drillhole was located near the core shack and easily found and/or accessible with snow cover.

Over 10% of this drillhole coordinate location data was further verified and validated by 3DGS. No discrepancy was found.

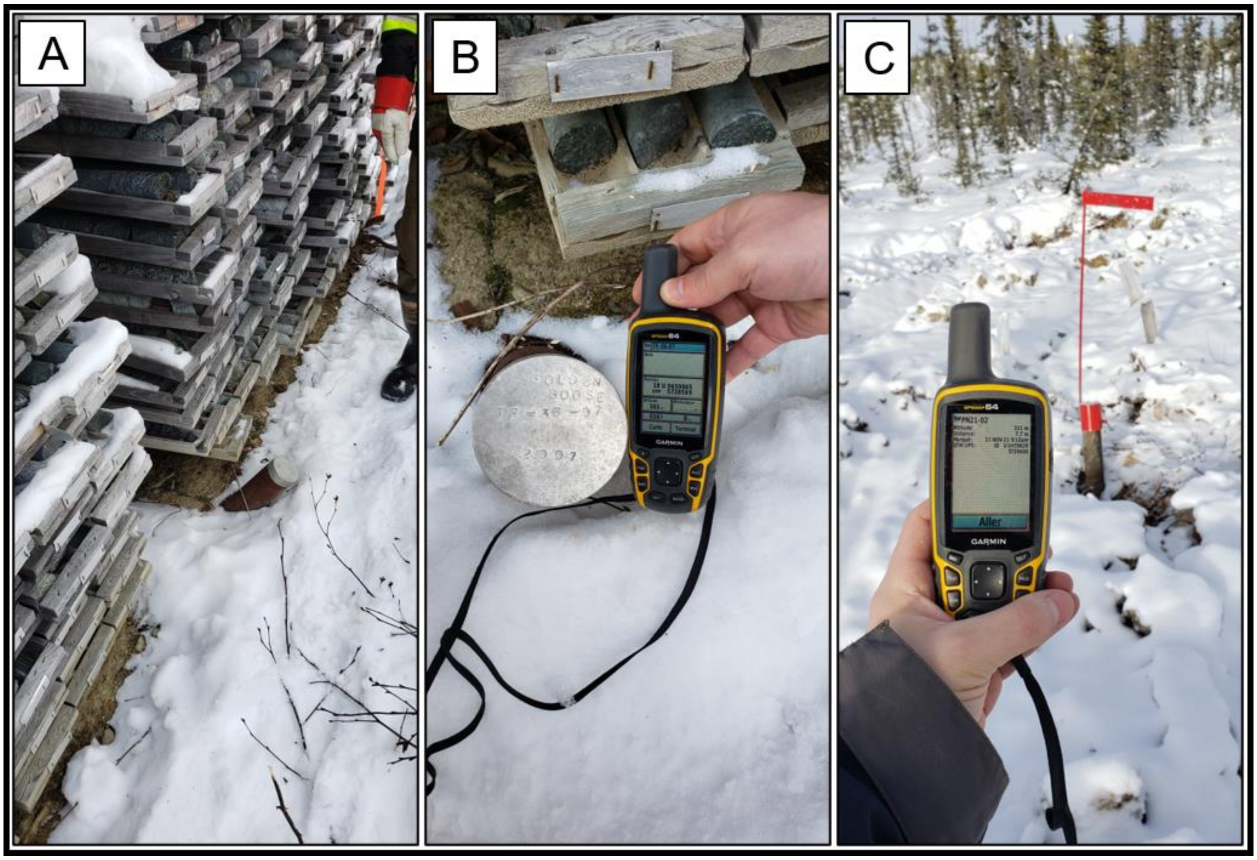

Figure 12.1 - Photos of in-field drillhole collar verification by 3DGS; a and b) Verification of historic TF-36-07 drillhole, c) Verification of recent PN-21-002 drillhole (3DGeo-Solution Inc, 2021).

12.1.1.2 Down-hole Survey

For the 59 historic drillholes reliance on historic FLEX-IT surveys was required. These surveys were compiled from Quebec government "GM" assessment files, including the historic 2009 NI 43-101 technical report appendices (Trudel, 2009). Over 10% of this survey data was further verified and validated by 3DGS.

12.1.1.3 Assays

The authors had access to the electronic assay certificates for most of the 2007-2008 and 2010-2011 historic drillholes; and had access to all current (2021) drillholes. All certificates were recompiled, and the current resource database has been updated accordingly. The historic drillhole assay certificates were mainly compiled from Quebec government "GM" assessment files, including the historic 2009 NI 43-101 technical report (Trudel, 2009), and some certificates were received by 3DGS directly from ALS Global.

Core intervals missing assay data and/or intervals with a value of "zero" ("0") were replaced with a value of half of the laboratory's lower detection limit for each element.

3DGS was unable to receive certain historic assay certificates directly from the laboratory (Accurassay and ALS Global). In these few cases, 3DGS has relied on information available in the historic NI 43-101 technical report "Resource Estimate for the NISK-1 Deposit, Lac Levac Property, Nemiscau, Quebec prepared for Nemaska Exploration Inc.".

12.1.2 2021 Drilling Campaign

12.1.2.1 Drillholes Location

All seven (7) 2021 drillhole collars were located with the use of a handheld Garmin™ GPSMAP® 64 by Consul-Teck geologists and technicians. Drill rigs were aligned with the REFLEX TN14 GYROCOMPASS™ at the required azimuth and dip prior to drilling by Consul-Teck geologists. Coordinates of two (2) drillholes from the 2021 drilling campaign were verified in the field by 3DGS during the site visit (figure 12.1C).

12.1.2.2 Downhole Survey

For the first three (3) 2021 drillholes a deviation survey consisting of single shots starting slightly below the collar and at 50 metre intervals downhole thereafter. The REFLEX EZ-TRAC™ instrument was used to record azimuth and dip information. The instrument was handled by the drilling contractor, and survey information was transcribed and provided in paper format to a Consul-Teck geologist.

For the remaining four (4) 2021 drillholes a deviation survey consisting of single shots starting slightly below the collar and at 50 metre intervals downhole thereafter. The REFLEX EZ-GYRO™ (north seeking gyro) instrument was used to record azimuth and dip information. The instrument was handled by the drilling contractor, and survey information was transcribed and provided in paper format to a Consul-Teck geologist.

Routine verification and validation checks have been performed on the down-hole survey data to verify the presence of any excessive or drastic variation in the hole deviation. Any discrepancies found were corrected and the current resource database was updated accordingly.

12.1.2.3 Assays

All assay certificates for the 2021 drillholes were received by 3DGS directly from ALS Global and were incorporated into the drilling database from these original certificates.

12.2 Power Nickel Logging, Sampling, and Handling Procedure Verification

During the site visit on November 30th, 2021, Matthew DeGasperis verified the drilling, logging, sampling, and handling procedures established by Power Nickel and/or Consul-Teck (see Items 10.2 and 11.1). From the drill rig (figure 12.2A) the core is transported to core benches located in front of the core shack (figure 12.2B). The core logging facility (or "core shack"), located on the Project site, is well adapted with a sufficient logging station, lighting and access to water (figure 12.2C). Figure 12.2D shows core racks in the core shack which allow storage for overflow core boxes and for the transitioning from core logging to core splitting. The core splitter is located on the opposite side of the core shack, behind the logging tables, giving sufficient room for a clean and safe working environment (figure 12.2E). Once the core is split and sampled the core boxes are transferred to the outdoor core storage racks (figure 12.2F), location approximately 50 metres from the core shack. These outdoor core racks also store historic drill core from previous drill programs.

In all core boxes reviewed, sample tags were still present in the boxes and it was possible to validate sample numbers and confirm the presence of mineralization in reference half-core samples from the mineralized zones. All core boxes are labelled and properly stored outside, as described above.

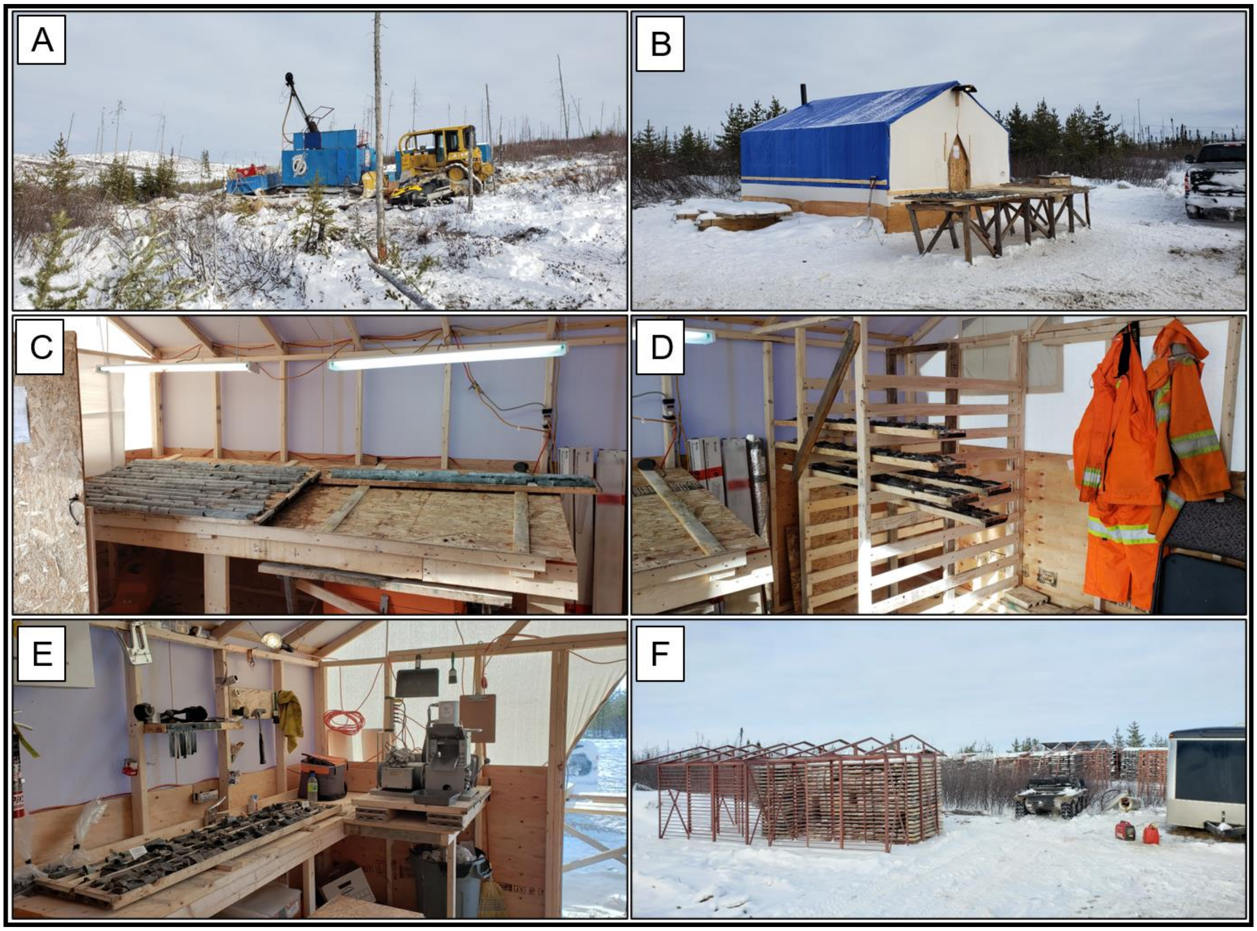

Figure 12.2 - Photos of the core handling from the drill through to core logging, sampling or splitting and core storage (3DGeo-Solution Inc, 2021).

Once core is split and sampled according to the procedures outlined in items 10.2 and 11.1 the sample bags are transported by a Consul-Teck pick-up truck (figure 12.3A) to the Workcamp Nemiscau where a locked storage trailer is located (figure 12.3B). This storage trailer is owned by Consul-Teck and only geologists in charge of the drill program have access to it. The samples are then transported in the back of the pick-up truck or in the storage trailer to the Consul-Teck warehouse (figure 12.3C) located in Val-d’Or, Québec.

Samples are aligned on the warehouse floor in order of sample number (figure12.3D) and shipped to ALS Global in Val-d'Or.

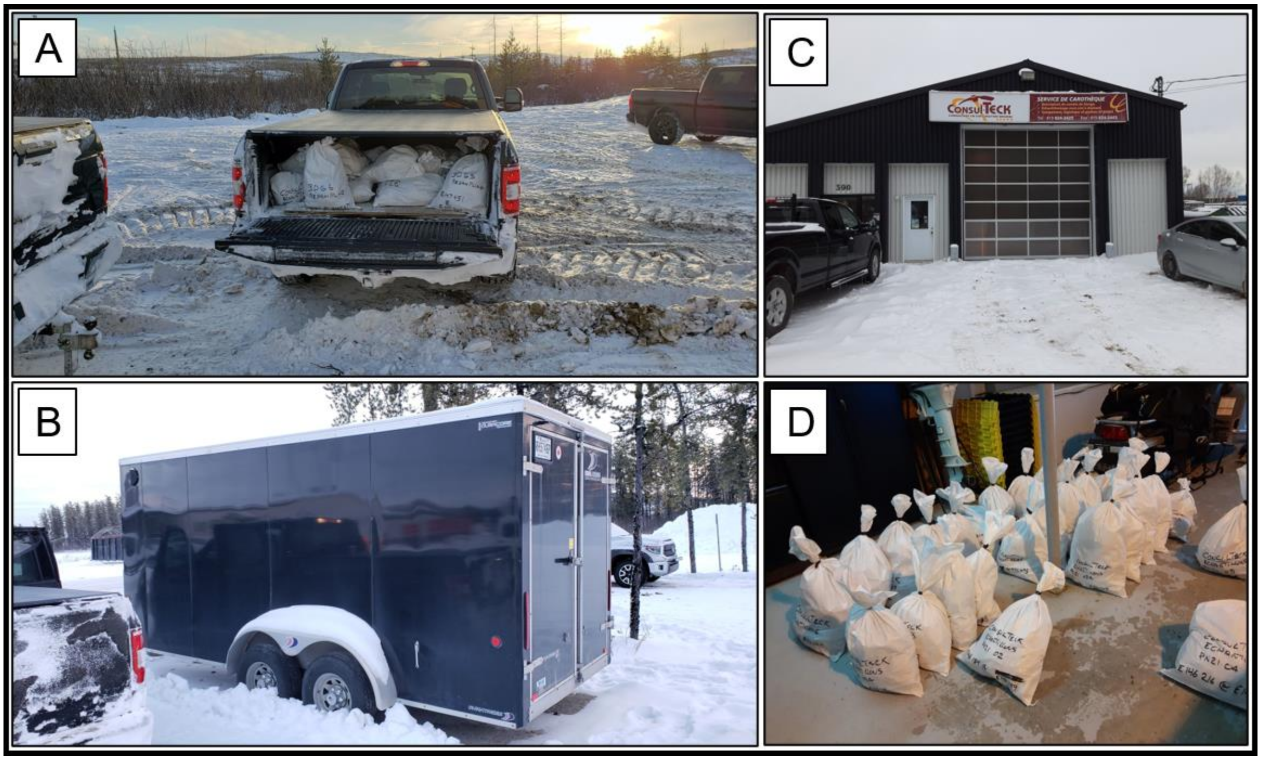

Figure 12.3 - Photos of the core transportation from the core shack to the Consul-Teck warehouse located in Val-d'Or, QC (3DGeo-Solution Inc, 2021)

Power Nickel has established logging, sampling and assaying protocols, including complete QA/QC protocols, that are in line with the industry standards. 3DGS is of opinion that the protocols in place are adequate.

12.3 Conclusion

Overall, 3DGS is of the opinion that the data verification and validation processes demonstrate the validity of the data and protocols for the Nisk Project. 3DGS considers the Nisk database to be valid and of sufficient quality to be used for the mineral resource estimate herein.

13. MINERAL PROCESSING AND METALLURGICAL TESTING

Not applicable at the current stage of the Project.

14. MINERAL RESOURCE ESTIMATE

The current mineral resource estimate for the Nisk Project (the "2022 MRE") herein was prepared by Kenneth Williamson, P.Geo., M.Sc. of 3DGeo Solution Inc., an independent Qualified Persons ("QP") in terms of NI 43-101, using all available information.

Technical contribution from Matthew DeGasperis, P.Geo., B.Sc. of 3DGeo Solution Inc. ("3DGS") in the preparation of the 2022 MRE has been performed under the supervision of Kenneth Williamson, P.Geo.

The main objective of the mandate assigned by Power Nickel Inc. (the "issuer") was to confirm and update the historic mineral resource estimate using verified and validated historic drillholes from 2007-2011 and all drillholes from the recent fall/winter 2021 drill program. This drilling data, along with the new litho-structural interpretation of the deposit, was used to prepare a NI 43-101 compliant Mineral Resource Estimate for the Nisk Project.

The 2022 resource area covers approximately 900 m x 500 m and reaches a depth of approximately 400 m below surface. The mineral resource estimate is based on a compilation of valid historic and recent diamond drill holes, as well as a litho-structural model constructed by 3DGS.

The mineral resources presented in the 2022 MRE are not mineral reserves as they do not currently demonstrate economic viability. The result of this study is a single mineral resource estimate for one (1) Ni-Cu-Co-PGE bearing zone. The 2022 MRE includes indicated and inferred resources constrained by both an open pit surface and underground mineable volumes.

The effective date of this mineral resource estimate is May 17th, 2022.

The 2022 MRE was prepared using Leapfrog® EDGE ("EDGE"), whereas any other 3D modeling work (i.e., litho-structural modeling and interpretation) was performed in Leapfrog® GEO ("Leapfrog"). Leapfrog was used for the construction of mineralized solids, which were used in EDGE for the block model construction, grade estimation and resource reporting. Sensitivities to different interpolation methods were also performed in EDGE.

Basic and spatial statistics, capping analysis, density analysis, as well as several validations were established using a combination of Microsoft Access, Leapfrog, and Microsoft Excel.

The main steps in the methodology were as follows:

- Compilation and validation of the drillhole database used in the current 2022 MRE;
- Creation of the topography and bedrock contact surfaces;
- Mineralized zones interpretation and modelling based on geological and grade continuity and respecting their respective litho-structural context;
- Generation of drillhole intercepts for each mineralized zone;
- High grade capping study on raw assay data;
- Sample length analysis and compositing;
- Density determination;
- Creation of the block model;
- Spatial statistics (3D semi-variography);
- Interpolation and validation;
- Resources classification;
- Engineering support (“Whittle” pit shell and “Deswik” stope optimizer);
- Reporting

14.1 Drillhole Database

The final database contains 66 drillholes (59 from the historic 2007-2009, 2010-2011 drilling campaigns and 7 from the 2021 drilling campaign) within the resource estimate area. All 66 holes, totalling 15,266.3 m of NQ drill core, were compiled, and validated at the time of the resource estimate. The drillhole data was imported into Leapfrog for modelling and mineral resource estimation work.

Figure 14.1 presents the location and extent of the 59 historic drillholes and the 7 recent holes used in the current 2022 MRE resource database. The database covers the about 900 meters of strike-length in the central portion of the project, and at drillhole spacings vary from 10 to 80 meters. The 66 drillholes include lithological, alteration and structural descriptions taken from drill core logs.

The 66 holes include Ni-Cu-Co-PGE assays, for a total of 1,848 sampled intervals.

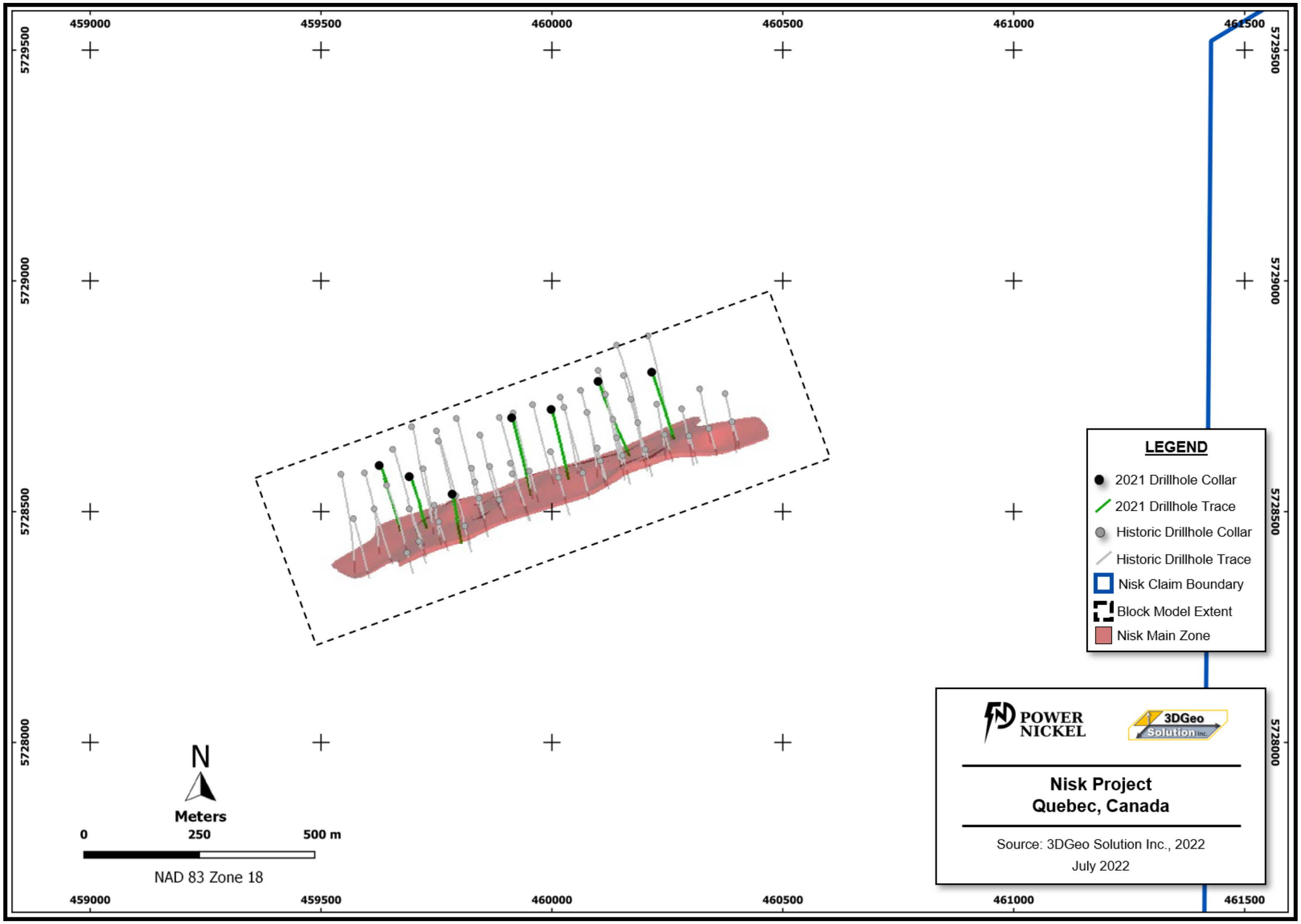

Figure 14.1 - Surface plan view of the validated diamond drillholes used for the 2022 MRE

14.2 Topography and bedrock contact model

The topography surface was retrieved from a Government of Canada public source for Geospatial Data Extraction (see website: https://maps.canada.ca/czs/index-en.html). A Digital Elevation Model ("DEM") surface was downloaded and imported into the Leapfrog database. Collar elevation was draped to the topography surface in Leapfrog.

The overburden contact was created using the position of the first occurrence of bedrock reported in the drillhole database for all 66 drillholes. The modelling was done in Leapfrog and ensured that collar positions were honored. The surface covers a much larger area than the 2022 MRE extent to prevent modelling artifacts along the edges of the resource domain. The final surface has been optimised and smoothed, to eliminate any remaining triangulation inconsistencies, either artificial or related to bad data.

A volume representing the unclassified overburden material was created from the topography and bedrock contact surfaces.

14.3 Mineralized Domain Interpretation

The 2022 MRE model is the result of a comprehensive review of historical data combined with new drillholes from the fall/winter 2021 drilling program. The 2022 mineralized zones model honors, as best as possible, all the geometrical constraints, such as preferential orientation of structures and geometry of lithological contacts imposed by the new litho-structural interpretation (see Item 7.3). Out of the several mineralized zones interpreted within the Property scale litho-structural model, only one (1) mineralized domain, the Nisk Main Zone, was estimated in the current 2022 MRE (Table 14.2). Figure 14.2 presents a 3D view of the interpreted Nisk Main Zone.

The 3D model of the Nisk Main Zone was created based on a manual interval selection of composites with a minimum grade of 0.50 %NiEq and demonstrating geological and grade continuity along strike and/or down dip. Where appropriate lower-grade composites were included for the purpose of maintaining such geological continuity. The Geological Model used to create the Nisk Main Zone was set to a surface resolution of 5.0 m, and a minimum thickness of 2.0 meters was imposed on the Nisk Main Zone wireframe.

The Nisk Main Zone was modeled to maximize its spatial continuity. However, its extent was constrained by the presence of "dead drillholes", in which case the extent corresponds to the mid-point between the closest mineralized intersect and the barren one. This rule has not been applied to cases where the presence of a barren area can be explained by its geological context. In the absence of drillhole information or other limiting factors (surface, overburden, etc.), "unconstrained" boundaries were given a maximum of 50 m from the last closest mineralized intersect.

Table 14.1 - Rock codes and volume of the Nisk Main Zone

ROCK CODES AND VOLUMES OF MINERALIZATION DOMAINS		
Domain	**Rockcode**	**Volume (m^3)**
Zone_101_NISK_Main_MRE_2022	101	2,163,500

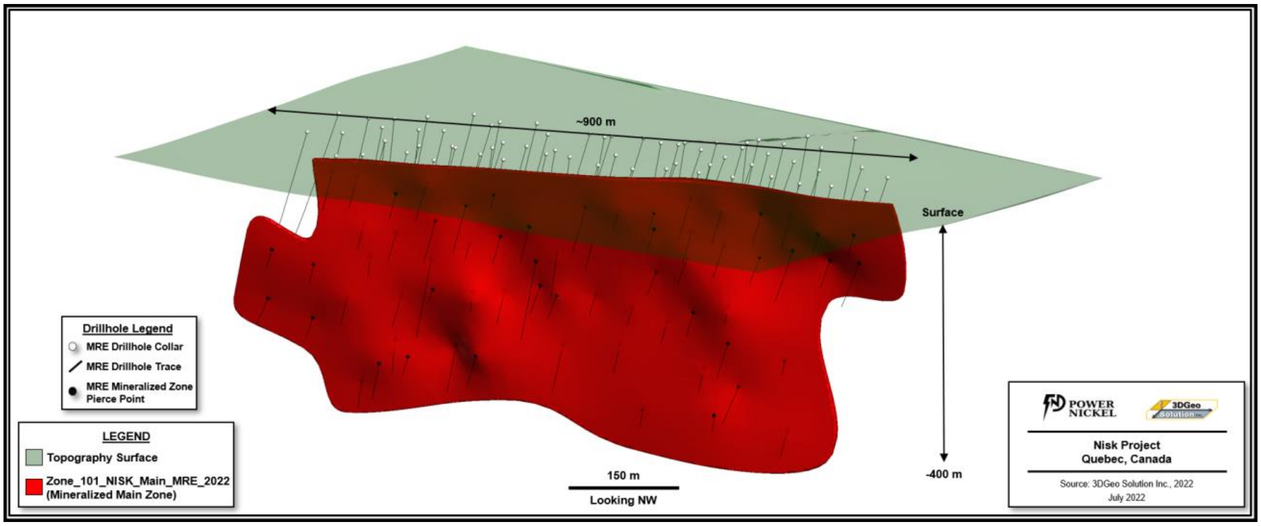

Figure 14.2 - 3D isometric view of the Nisk "Main" Zone

14.4 Drillhole Intersects and High-Grade Capping

A table of intersecting intervals of the drillholes and the mineralized domain was created using Leapfrog. A total of 66 intersects were created from the one (1) mineralized solid. The mineralized intersects show an average length of 9.61 meters. The minimum intersects width is 2.0 meters and the maximum intersect width is 31.6 meters.

From the intersect table, a cross-reference transfer data was performed towards the assay table. Every assay contained within a given mineralized intersect were assigned the rock code of that specific mineralized zone, in this case only the mineralized Main zone. A total of 1,060 samples were thus flagged with the mineralized zone code.

Basic univariate statistics were then performed on the mineralized zone constrained raw assay dataset, as shown in Table 14.2. From this statistical analysis, Parrish analysis, Log-Grade Histograms and Log-Probability plots were used to determine a capping grade for each element. Table 14.3 shows the grade capping values for each metal. Figure 14.3, 14.4 and 14.5 presents the graphs supporting the capping values for Platinum, Palladium and Silver, respectively. Table 14.4 shows the basic univariate statistics of the mineralized zone constrained assays after capping.

Table 14.2 - Basic statistics of the Nisk Main Zone uncapped assays

NISK CONSTRAINED UNCAPPED ASSAY STATISTICS SUMMARY										
Variable	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	SG (t/m³)	Length (m)
Number of Samples	1060	1060	1060	1060	1060	1060	1060	1060	1060	1060
Minimum Value	0.0053	0.0005	0.0005	0.0003	0.0025	0.0050	0.0005	0.0010	2.5400	0.3000
Maximum Value	5.9863	2.7528	9.0700	0.2261	16.8790	8.1920	4.4760	1205.0000	4.6023	1.5000
Mean	1.1797	0.6944	0.4261	0.0434	0.1534	0.6966	0.0474	7.5973	3.1596	0.5883
Median	0.8083	0.4083	0.2570	0.0260	0.0250	0.3450	0.0200	1.0000	2.9616	0.5000
Variance	0.9934	0.3992	0.3910	0.0018	0.5376	0.8968	0.0298	3161.7821	0.2024	0.0579
Standard Deviation	0.9967	0.6318	0.6253	0.0419	0.7332	0.9470	0.1727	56.2297	0.4498	0.2407
Coefficient of Variation	0.8449	0.9098	1.4676	0.9651	4.7809	1.3594	3.6397	7.4013	0.1424	0.4091
Skewness	1.0169	1.0435	6.0232	1.1724	15.9000	3.0718	18.7229	14.1903	1.1048	2.4687
Kurtosis	0.5667	-0.0450	60.6322	0.7047	318.3189	13.6557	436.5930	242.6002	0.1879	5.5988

Table 14.3 - Grade capping values for each element

NISK GRADE CAPPING VALUES									
Element	Domain	Total No. of Samples	Capping Value	No. of Capped Samples	Mean of Samples	Mean of Capped Samples	CoV of Samples	CoV of Capped Samples	Capping Percentile
Ni (%)	Nisk_Main	1060	No Cap	0	0.694	0.694	0.910	0.910	100.0
Cu (%)	Nisk_Main	1060	No Cap	0	0.426	0.426	1.468	1.468	100.0
Co (%)	Nisk_Main	1060	No Cap	0	0.043	0.043	0.965	0.965	100.0
Pt (g/t)	Nisk_Main	1060	2.00	12	0.153	0.121	4.781	2.589	98.9
Pd (g/t)	Nisk_Main	1060	5.00	11	0.697	0.685	1.359	1.286	99.0
Au (g/t)	Nisk_Main	1060	No Cap	0	0.047	0.047	3.640	3.640	100.0
Ag (g/t)	Nisk_Main	1060	15.00	15	7.597	2.425	7.401	1.026	98.6

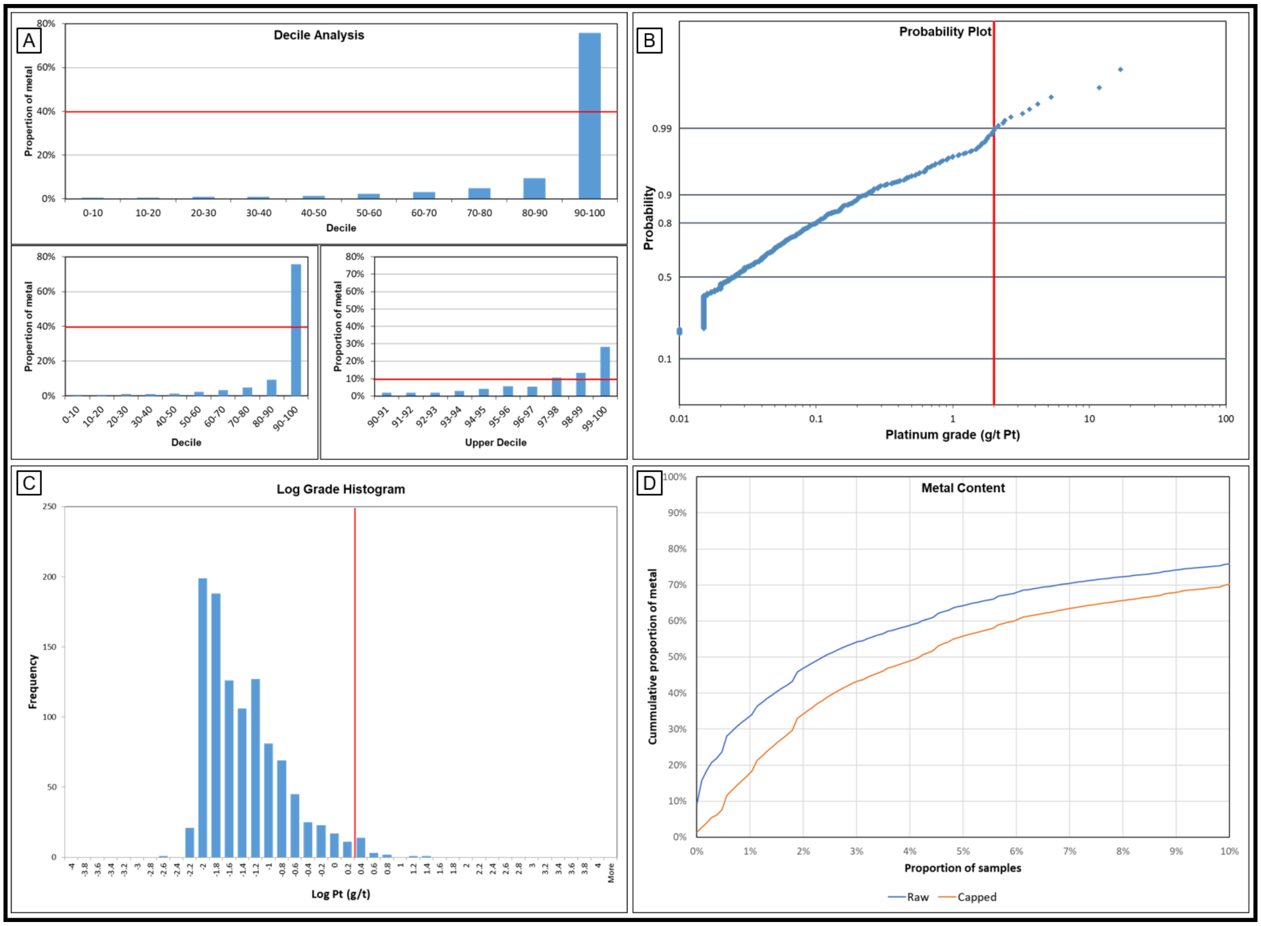

Figure 14.3 - Graphs supporting a capping grade of 2 g/t for Platinum (Pt)

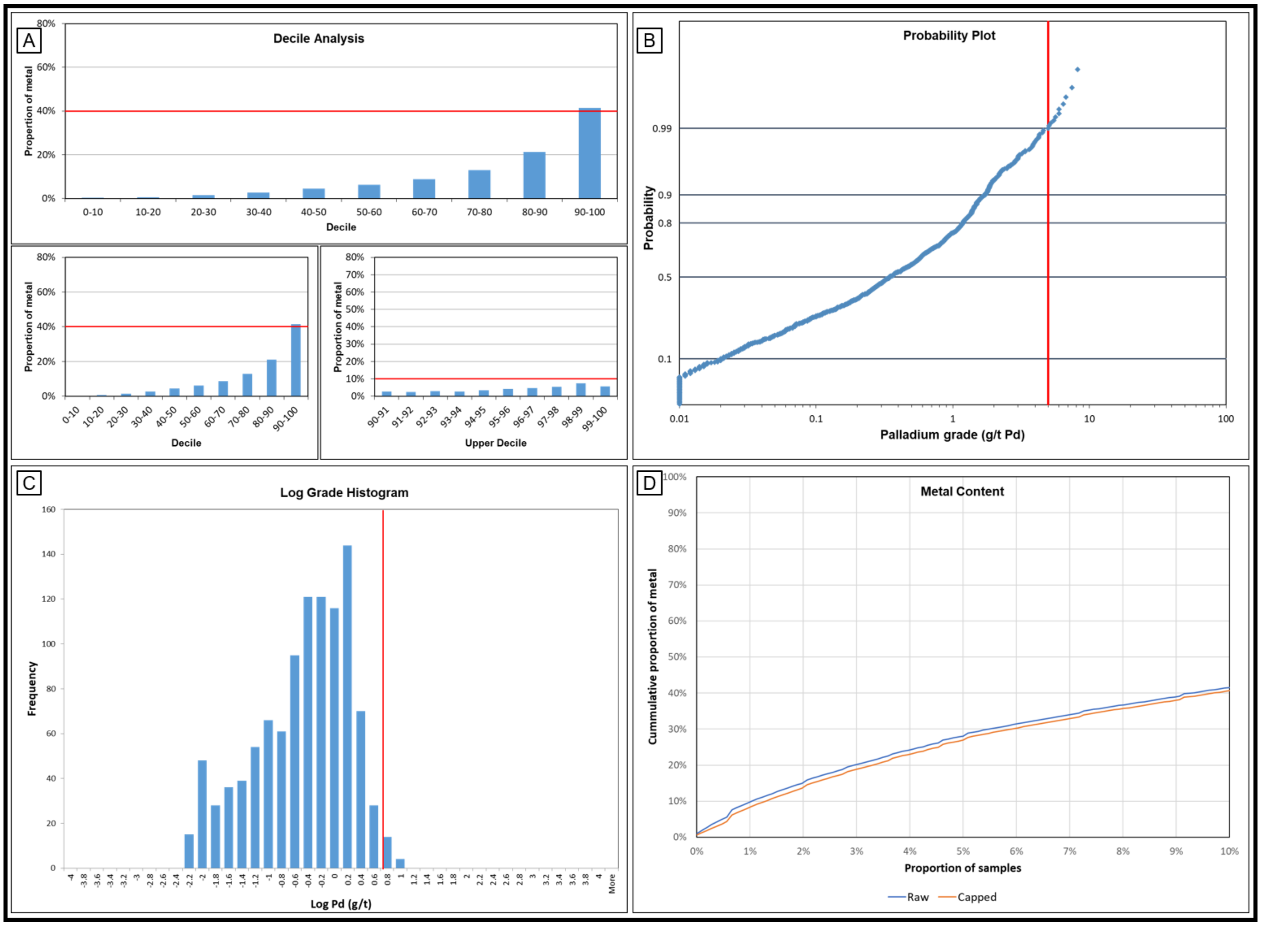

Figure 14.4 - Graphs supporting a capping grade of 5 g/t for Palladium (Pd)

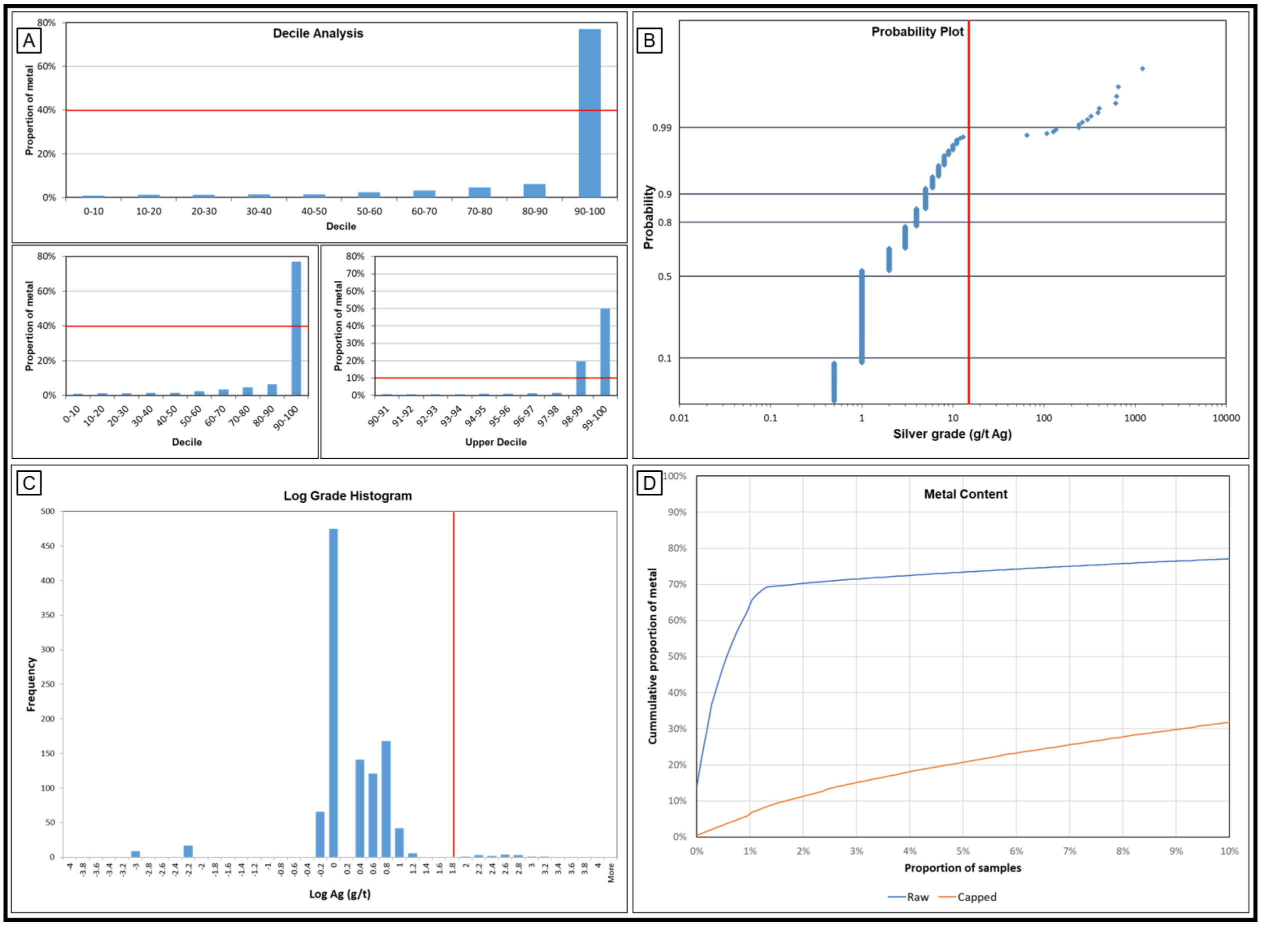

Figure 14.5 - Graphs supporting a capping grade of 14 g/t for Silver (Ag)

Table 14.4 - Basic statistics of the Nisk Main Zone capped assays

NISK CONSTRAINED CAPPED ASSAY STATISTICS SUMMARY										
Variable	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	SG (t/m³)	Length (m)
Number of Samples	1060	1060	1060	1060	1060	1060	1060	1060	1060	1060
Minimum Value	0.0053	0.0005	0.0005	0.0003	0.0025	0.0050	0.0005	0.0010	2.5400	0.3000
Maximum Value	5.9863	2.7528	9.0700	0.2261	2.0000	5.0000	4.4760	15.0000	4.6023	1.5000
Mean	1.1556	0.6944	0.4261	0.0434	0.1207	0.6852	0.0474	2.4246	3.1596	0.5883
Median	0.8068	0.4083	0.2570	0.0260	0.0250	0.3450	0.0200	1.0000	2.9616	0.5000
Variance	0.9229	0.3992	0.3910	0.0018	0.0977	0.7759	0.0298	6.1943	0.2024	0.0579
Standard Deviation	0.9607	0.6318	0.6253	0.0419	0.3126	0.8809	0.1727	2.4888	0.4498	0.2407
Coefficient of Variation	0.8313	0.9098	1.4676	0.9651	2.5887	1.2855	3.6397	1.0265	0.1424	0.4091
Skewness	0.9488	1.0435	6.0232	1.1724	4.5504	2.4230	18.7229	2.6021	1.1048	2.4687
Kurtosis	0.2937	-0.0450	60.6322	0.7047	21.7306	7.3220	436.5930	8.7474	0.1879	5.5988

14.5 Nickel Equivalent Calculation

The Nisk Mineral Resource Estimate was derived from applying Nickel Equivalent cut-off values to the block models and reporting the resulting tonnes and grades for potentially mineable areas.

The following parameters were used to calculate nickel equivalent grade (%NiEq):

- Nickel (Ni): US $8.00/lb
- Copper (Cu): US $3.00/lb
- Cobalt (Co): US $25.00/lb
- Platinum (Pt): US $1000.00/Oz
- Palladium (Pd): US $1000.00/Oz
- Gold (Au): US $1300.00/Oz
- Silver (Ag): US $17.00/Oz

Nickel equivalent values (%NiEq) were derived with the formulas below:

1. **1 %/t** = 10,000(g/t) ÷ 1,000,000(g/t) = 0.01/t
2. **lb/t** = 2,204.62 lb x 0.01/t = 22.0462 lb/t (percent to pounds per tonne)
3. **$US/t** = (%Ni × 22.0462 × $8.00/lb) + (%Cu × 22.0462 × $3.00/lb) + (%Co × 22.0462 × $25.00/lb) + (Pt (g/t) ÷ 31.10348 × $1000.00/t. Oz) + (Pd (g/t) ÷ 31.10348 × $1000.00/t. Oz) + (Au (g/t) ÷ 31.10348 × $1300.00/t. Oz) + (Ag (g/t) ÷ 31.10348 × $17.00/t. Oz)
4. **%NiEq** = ($US/t) ÷ ($8.00/lb) × (22.0462)

14.6 Compositing

Given that the majority (97%) of the samples show lengths less than or equal to 1.00 m, and to minimize any bias introduced by the variable sample lengths, the assays were composited to 1.00 m within all intervals that define the Nisk Main Zone.

Prior to compositing, missing assay data and/or intervals with a value of “zero” (“0”) were replaced with a value of half of the laboratory’s lower detection limit for each element.

“Composite tails”, residual composite less than 0.25 meters, were redistributed equally to the regular composites contained within such given interval. The total number of composites generated within the Nisk Main Zone from the 2022 MRE drillhole dataset is 648.

Table 14.5 presents the basic statistics for the capped assay composites.

Table 14.5 - Basic statistics for the capped assay composites

NISK CONSTRAINED STATISTICS OF CAPPED COMPOSITES										
Variable	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	SG (t/m^3)	Length (m)
Number of Samples	648	648	648	648	648	648	648	648	648	648
Minimum Value	0.0053	0.0005	0.0005	0.0005	0.0025	0.0050	0.0005	0.0010	2.6700	0.4000
Maximum Value	5.1104	2.3011	5.8404	0.2011	2.0000	5.0000	2.2860	15.0000	4.4349	1.0167
Mean	1.0824	0.6510	0.3987	0.0405	0.1153	0.6437	0.0434	2.2318	3.1258	0.9789
Median	0.8026	0.4327	0.2575	0.0267	0.0320	0.3501	0.0200	1.5000	2.9777	1.0000
Variance	0.7338	0.2996	0.2489	0.0014	0.0560	0.6225	0.0137	4.9548	0.1509	0.0099
Standard Deviation	0.8566	0.5473	0.4989	0.0372	0.2367	0.7890	0.1171	2.2259	0.3885	0.0995
Coefficient of Variation	0.7914	0.8408	1.2515	0.9185	2.0531	1.2257	2.7005	0.9974	0.1243	0.1016
Skewness	1.0171	1.0456	4.3384	1.1725	3.9435	2.3394	13.0828	2.7164	1.1057	-4.5735
Kurtosis	0.6306	0.1692	32.9850	0.7499	19.3125	7.3727	223.4098	10.8606	0.4596	19.5413

14.7 Density

The drillhole database contains limited information on density (also known as “Specific Gravity” or “S.G.”). A total of 306 density measurements were analyzed, this included 9 historic measurements from Accurassay laboratory and 297 measurements by ALS Global during the 2021 drill program.

It was determined that density is strongly correlated with Nickel grade (%Ni), with an R^2 value of 0.86 (Figure 14.6). Based on such linear correlation, the following formula was used to calculate density (S.G.) for all samples used in the 2022 MRE for which no measured density values were available.

Density (S.G.) = (0.7001 × %Ni) + 2.6751

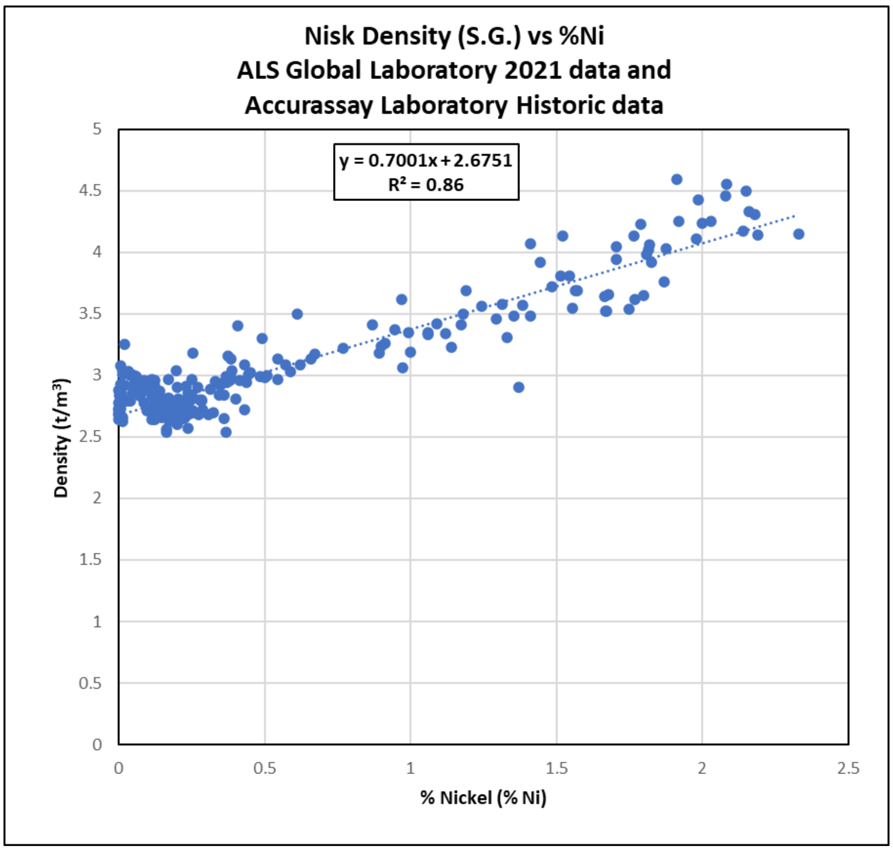

Figure 14.6 - Density against Nickel Grade (%Ni)

Tables 14.6 and 14.7 show the similarity between laboratory analyzed density values and equation calculated values, for both the unconstrained samples dataset, and for samples within the Nisk Main Zone, respectively.

Table 14.6 - Basic statistics for the unconstrained analyzed density compared with equation calculated density

Database Unconstrained SG Analyzed vs Equation Calculated			
Variable	Analyzed	Calculated	Difference
	SG (t/m³)	SG (t/m³)	Anal. - Calc.
Number of Samples	306	1848	-1542
Minimum Value	2.5400	2.5400	0.0000
Maximum Value	4.5900	4.6023	-0.0123
Mean	3.0141	3.0055	0.0086
Median	2.8300	2.8298	0.0002
Variance	0.2031	0.1523	0.0508
Standard Deviation	0.4507	0.3903	0.0604
Coefficient of Variation	0.1495	0.1299	0.0197
Skewness	1.6896	1.8143	-0.1246
Kurtosis	2.0740	2.5615	-0.4874

Table 14.7 - Basic statistics for the mineralized zone constrained analyzed density compared with equation calculated density

Zone Constrained SG Analyzed vs Equation Calculated			
Variable	Analyzed	Calculated	Difference
	SG (t/m³)	SG (t/m³)	Anal. - Calc.
Number of Samples	140	1060	-920
Minimum Value	2.5400	2.5400	0.0000
Maximum Value	4.5900	4.6023	-0.0123
Mean	3.2774	3.1596	0.1178
Median	3.0900	2.9616	0.1284
Variance	0.2892	0.2024	0.0868
Standard Deviation	0.5377	0.4498	0.0879
Coefficient of Variation	0.1641	0.1424	0.0217
Skewness	0.7445	1.1048	-0.3604
Kurtosis	-0.6282	0.1879	-0.8161

From the data presented above, it was deemed appropriate to interpolate density values within the Nisk Main Zone as shown in Table 14.8.

Furthermore, density for each domain and/or simplified lithologic unit, based on the 3D litho-structural model, was determined based on laboratory analyzed and equation calculated density values (Table 14.8).

Table 14.8 - Density of different lithology types

Domain	Litho_Simple	Count	Min	Max	Average	W. Avg	Std Dev	Var
Mineralized Zone	Peridotite	749	2.54	4.34	3.01	2.95	0.34	0.11
	Sulphide Zone	515	2.54	4.60	3.42	3.42	0.47	0.22
	ALL	**1264**	**2.54**	**4.60**	**3.21**	**3.14**	**0.06**	**0.00**
Bedrock	Peridotite	1274	2.54	3.37	2.74	2.69	0.09	0.01
	Orthogneiss_North	104	2.68	2.68	2.68	2.68	0.00	0.00
	Orthogneiss	974	2.68	3.48	2.68	2.68	0.04	0.00
	Amphibolite	295	2.68	3.04	2.68	2.68	0.03	0.00
	Paragneiss	109	2.68	3.50	2.74	2.69	0.14	0.02
	ALL	**2756**	**2.54**	**3.50**	**2.70**	**2.68**	**0.05**	**0.00**
Global	**ALL**	**4020**	**2.54**	**4.60**	**2.96**	**2.91**	**0.01**	**0.00**

From the data presented above, a density of 2.70 g/cm^3 was assigned to the host country rocks. A density of 2.00 g/cm^3 was assigned to the overburden material.

14.8 Block Model

An octree block model (sub-blocks model) was constructed in Leapfrog® EDGE for the mineralized zone and dilution envelopes. The block model covers an area suitable to host both an open-pit and underground scenarios. The block model extends to a depth of approximately 490 meters below surface. The block model was rotated counter-clockwise 20° around the block model origin to honour the mean strike of the Nisk Main Zone. No rotation was imposed along the dip of the zone.

A block dimension of 2 m x 2 m x 2 m was selected for the Parent Cells, and sub-blocking was allowed to a minimum sub-block size of 1 m x 1 m x 1 m to maintain an appropriate resolution. The block model was evaluated on the “Parent Block Centroids” for each interpolant, while reporting is based on the cumulative sum of the sub-blocks. Table 14.9 presents the physical properties of the block model.

Several attributes were created within the block model to complement data generated during the interpolation process. As such, the block model also includes:

- Number of composites used
- Minimum Distance to composite
- Average Distance to composite

Table 14.9 - Block model properties

BLOCK MODEL DEFINITION				
Direction	**Origin**	**Block Size**	**Boundary Size**	**No. of Blocks**
X (Easting)	459,490.00	2.0 m	1184 m	592
Y (Northing)	5,728,210.00	2.0 m	384 m	192
Z (Elevation)	380.00	2.0 m	560 m	280
Total			254,607,360 m^3	31,825,920
Rotation	20° counter-clockwise, around origin			

14.9 3D semi-variography and Search Ellipsoids

A 3D semi-variography ("variography") analysis was performed using the NiEq (Nickel Equivalent) composites to determine the search ellipse orientation and range. Due to the relatively low number of sample points supporting the variography analysis, a set of NiEq grade shells were created within the Nisk Main Zone.

Both tools aided in determining and confirming the presence of two higher grade mineralized trends; the main control is plunging shallowly to the southwest, while another "shoot" appears to be steeply plunging to the southeast. 3DGS interprets this steep plunge to be related to a structural intersection between the Zone and some late offsetting faults. The search ellipse orientation was consequently set to better conform with the shallow southwest plunge, interpreted being the primary grade control.

Search ranges should allow for the interpolation strategy to work properly; in such a way that ranges are set to be large enough to capture the optimal number of samples during the search.

Based on the above, the geometry and range of the search ellipsoid used in the current 2022 MRE was set as following:

- **Orientation** : N245 / 75; major axis plunging 25° southwest
- **Dimension** : 130 m x 120 m x 60 m

Figure 14.7 shows the variography analysis, numerical grade shells and search ellipsoid parameters.

This variogram model was used for each numerical interpolant for Density (S.G.), NiEq, Ni, Cu, Co, Pt, Pd, Au, Ag.

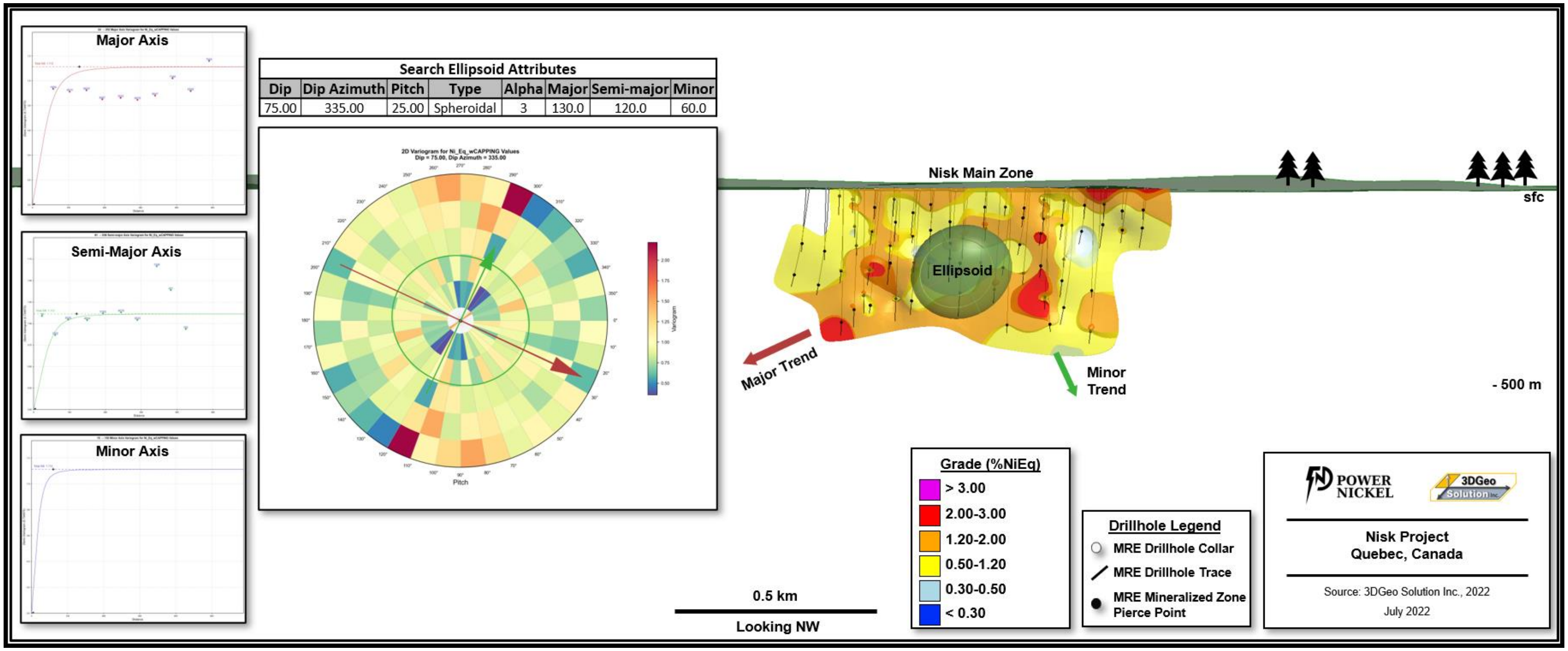

Figure 14.7 - Longitudinal view showing the variography analysis, search ellipsoid geometry and numerical %NiEq grade shell of the mineralized Main zone

14.10 Grade Interpolation

The Nisk Main Zone wireframe is used as a hard boundary to limit the use of composites that are confined within the wireframe boundary. The interpolation of capped grade for all considered elements or attributes was run on a point set defined by the desurveyed mid-point of all composites.

All attributes required for the Mineral Resource Estimation were interpolated using a similar Inverse Distance Squared (ID^2) interpolation strategy. This includes interpolation of Density, NiEq, Ni, Cu, Co, Pt, Pd, Au, Ag.

As a result of subsequent deformation, the Nisk Main Zone shows local scale changes of strike and / or dip. Improved local grade estimation was reached by allowing EDGE to use its internal “Variable Orientation” option to control the search ellipsoid orientation.

EDGE always uses the maximum amount of data available within the search ellipsoid during the interpolation. The QP has determined that a single pass interpolation strategy was optimal as it minimizes the generation of mathematical artifacts related inconsistencies in grade calculation (different parameters used) across the boundaries defining such different passes. Therefore, the interpolation strategy used in the current 2022 MRE is a single pass search, querying for a minimum of 1 to a maximum of 25 composites, without imposing any minimum number of composites per hole (Table 14.10).

The interpolation strategy aimed at obtaining the following results:

- Given the relative thickness of the Nisk Main Zone and the 1.0 m composite length selected, a given participating hole cannot provide the maximum number of composites queried for, thus forcing the utilization of at least 2 drillholes, but most often 3 drillholes for the interpolation.
- Along the periphery of a zone, where the density of drillholes is low, the number of drillholes used can decrease to 1 hole, in which case the interpolated grade will honour the grade of the closest mineralized intersection, without being biased by distant data points.
- Grade smearing is controlled by the mineralized zone wireframe model and by capping the raw assays.
- Using a single pass interpolation will not process blocks outside of the search ellipsoid range.
- Other than generating some specific attributes, the interpolation strategy does not have any impact of the final resource category.

Table 14.10 - MRE Interpolation Parameters

BLOCK MODEL GRADE INTERPOLATION PARAMETERS							
Pass	Interpolation Method	No. of Composites			Search Range (m)		
		Min	Max	Max per Hole	Major	Semi-Major	Minor
1	ID2	1	25	n/a	130	120	60

14.11 Mineral Resource Classification

14.11.1 Mineral resource classification definition

The resource classification definitions used for this report are those published by the Canadian Institute of Mining, Metallurgy and Petroleum in their document “CIM Definition Standards for Mineral Resources and Reserves”.

Measured Mineral Resource: that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Indicated Mineral Resource: that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Inferred Mineral Resource: that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

A Mineral Reserve is defined as the “economically mineable part of a Measured and/or Indicated Mineral Resource” demonstrated by studies at pre-feasibility or feasibility level as appropriate. Mineral Reserves are classified into Proven and Probable categories. No Mineral Reserves have been estimated for the Nisk deposit.

14.11.2 **Mineral resource classification for the Nisk Project**

Measured resources (category 1) were not defined within the current 2022 MRE.

By default, all interpolated blocks were classified as Inferred Resource (Category 3). Reclassification of blocks to an Indicated Resource (Category 2) has been done manually by the QP and is based on the analysis of the different attributes generated during the interpolation process, and following this approach:

Defining Indicated Resource Category

- A clipping boundary was created on a longitudinal view of the Nisk Main Zone showing the Closest Distance to Composite attribute (Figure 14.8). The initial clipping boundary was drawn using a 25 m to 35 m distance threshold, while acknowledging that a significant cluster of blocks would be necessary to obtain an indicated resource.
- The initial clipping boundary was then overlaid on and compared to the Average Distance of Composites used by the interpolation (Figure 14.9) and readjusted accordingly;
- This second iteration was then similarly overlaid on and compared to the Number of Samples Used (Figure 14.10) and readjusted accordingly;
- Blocks contained within the final clipping boundary were then reclassified as Indicated Resource (Figure 14.11).

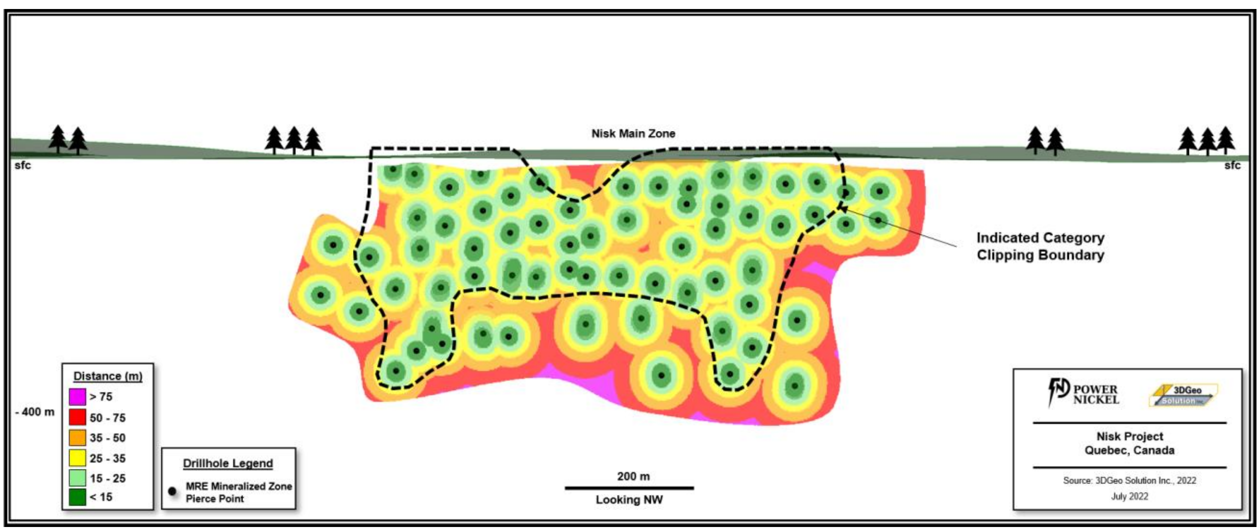

Figure 14.8 - Closest Distance to Composite

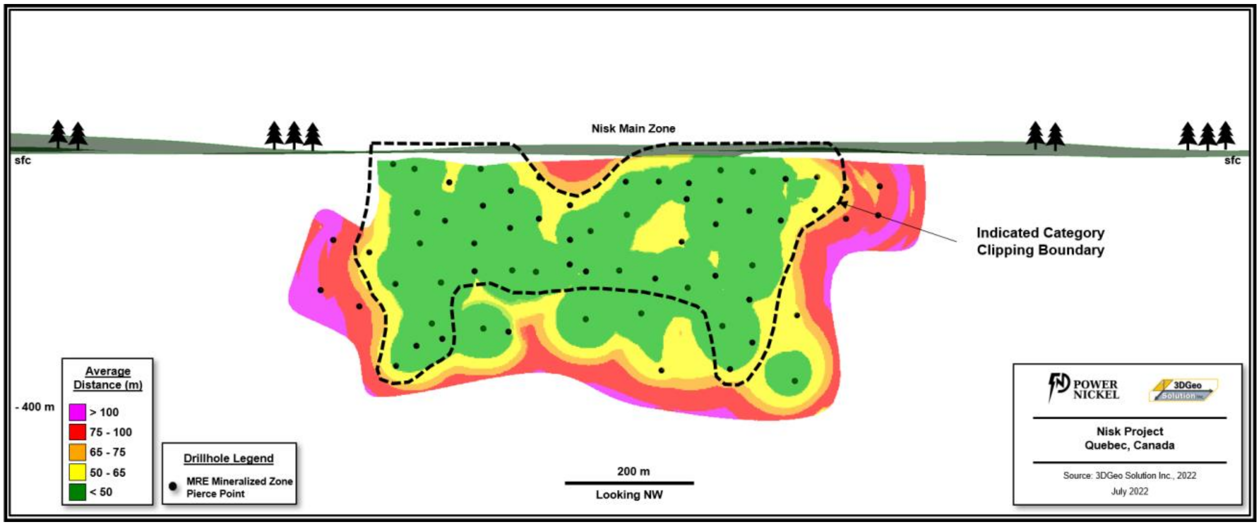

Figure 14.9 - Average Distance of Composites.

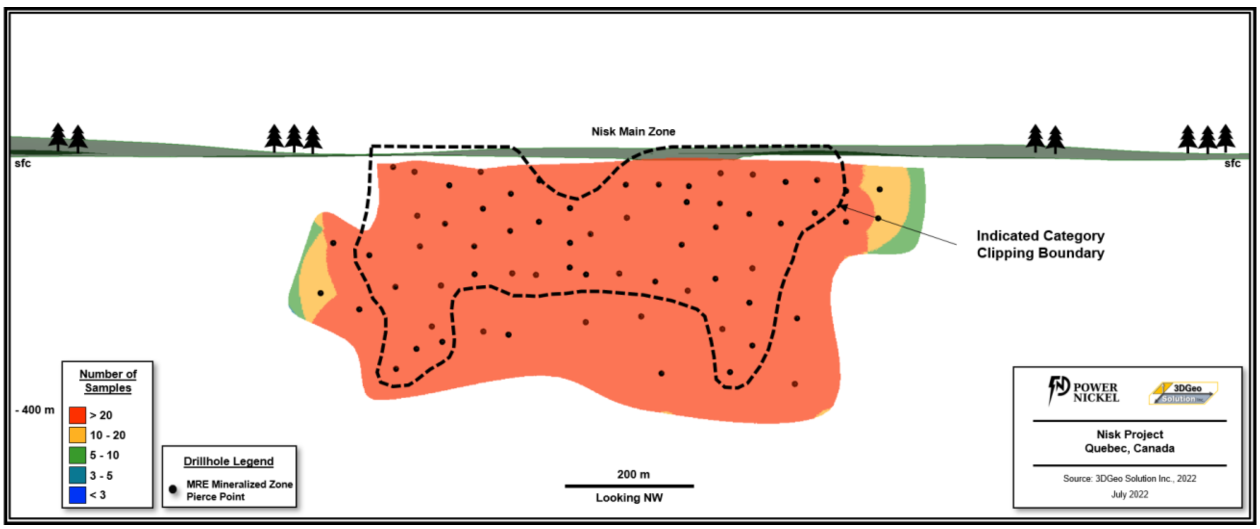

Figure 14.10 - Number of Samples Used

Figure 14.11 - Mineral Resource Classification

Figure 14.12 presents the final Resource classification clipping boundary against Nickel Equivalent grade (%NiEq) interpolation performed in the Nisk Project 2022 MRE.

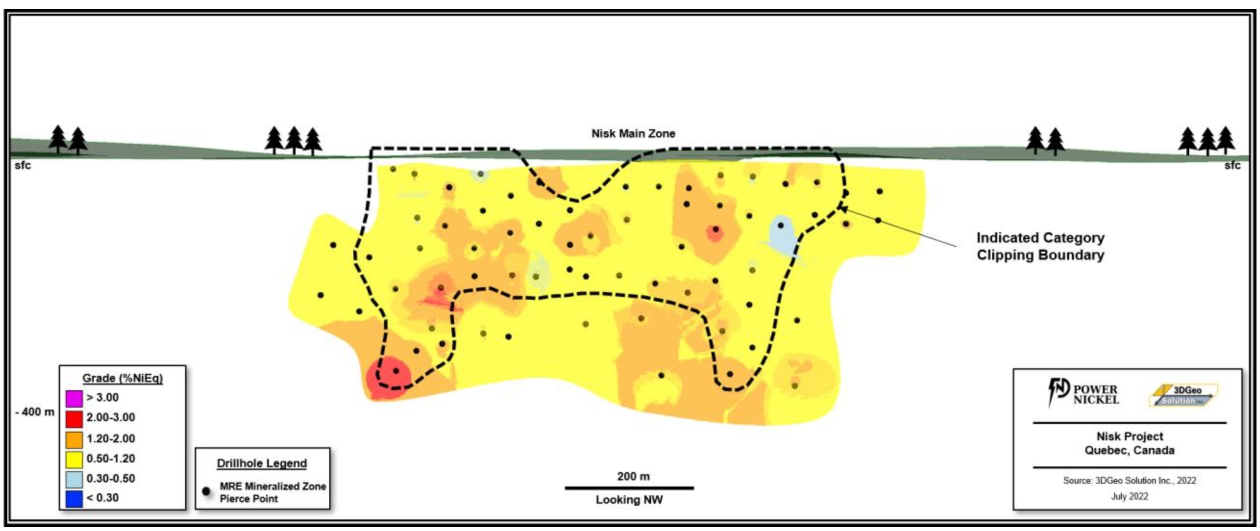

Figure 14.12 - Mineral Resource Classification against interpolated Nickel Equivalent grade (%NiEq)

14.12 Cut-off parameters and economical constraints

The nature of the deposit allows for a combined “open pit” mining and underground mining operation. Cut-off grades as well as related economic parameters were established by InnovExplo Inc., a specialized consulting firm from Val-d’Or. Table 14.11 lists the economic and technical parameters used by InnovExplo Inc.

Subsequently, InnovExplo Inc. also performed both an Open Pit and a Stope Optimization analyses on the 2022 MRE, resulting in the creation of a preliminary pit shell and preliminary optimized underground mineable volumes.

The Open Pit optimization work was performed by Simon Boudreau, using Whittle software Lerchs-Grossman method, and resulted in the creation of one (1) constraining surface based on a marginal cut-off grade of 0.33% NiEq.

The underground optimization work was performed by Jean-Olivier Brassard, using Deswik Stope Optimizer (DSO) software and validated with Surpac Stope Optimizer (SSO). The optimization resulted n the creation of one (1) principal volume and several others, much smaller, volumes, based on a cut-off grade of 0.91% NiEq.

InnovExplo Inc. did not perform an in-depth analysis of the transition moving from the open-pit to the underground scenarios. As a result, blocks that were potentially both in-pit or within the DSO shapes were not considered.

Table 14.12 presents the parameters used for the UG optimization process.

Table 14.11 - Input parameters used for the open pit and underground cut-off grade estimation in %NiEq

Parameter	Units	Open Pit O/P	LH U/G
Ni price (Sensitivity -2)	US$/lb	6.40	**6.40**
Ni price (Sensitivity -1)	US$/lb	7.20	**7.20**
Ni price (base case)	**US$/lb**	**8.00**	**8.00**
Ni price (Sensitivity +1)	US$/lb	8.80	**8.80**
Ni price (Sensitivity +2)	US$/lb	9.60	**9.60**
Exchange rate		1.30	1.30
Royalty	%	2.0%	2.0%
Royalty	CA$/t Ni	458.10	458.10
Transport	CA$/t Ni	100.00	100.00
Cost of selling	CA$/t Ni	558.10	558.10
Total revenue	**CA$/t Ni**	**22,347**	**22,347**
Total processing cost	CA$/t treated	40.00	40.00
Metallurgical recovery	%	85.0%	85.0%
Mining dilution	%	0.0%	0.0%
Mining recovery	%	100.0%	100.0%
Pit slopes	degree	50	
Pit slopes overburden	degree	30	
Mining cost	CA$/t mined	6.00	110.00
Mining overburden cost	CA$/t mined	4.20	
Administration & General	CA$/t treated	12.20	12.20
Northern Logistics	CA$/t treated	10.00	10.00
Transport to process	CA$/t treated	-	-
Total Based Cost	CA$/t treated	62.20	172.20
Marginal COG (sensitivity -2) -> US$6.40	% NiEq	0.41%	1.14%
Marginal COG (sensitivity -1) -> US$7.20	% NiEq	0.36%	1.01%
Marginal COG (base case) -> US$8.00	**% NiEq**	**0.33%**	**0.91%**
Marginal COG (sensitivity +1) -> $US8.80	% NiEq	0.30%	0.82%
Marginal COG (sensitivity +2) -> $US9.60	% NiEq	0.27%	0.75%

Table 14.12 - Stope Optimizer parameters used for UG (DSO & SSO)

Block Model File		BM_Nisk_Resources_v1.gmdlb	
Optimization Field		A1_NiEq	
Optimization Field Type		Grade	
Default		0	
Density Field		DENSITY	
Default		2.698	
Reporting Field (Optional)		A2_Ni	
		A3_Cu	
		A4_Co	
		A5_Pt	
		A6_Pd	
		A7_Au	
		A8_Ag	
Stope Orientation	Method	**Vertical**	
	Rotate	YES	
	X	0	
	Y	0	
	Z	-20	
Optimization Region		Coordinates	Extend
	X	459,540	1000
	Y	5,728,320	120
	Z	-120	420
Level (Height) V		20	
Section (Length) U		10	
Stope Width	Minimum	2	
	Maximum	100	
Stope Pillar	Minimum	0.01	
Side Ratio	Top to Bottom	5	
	Front to Back	5	
Dilution	HW	0	
	FW	0	
Dip	Minimum	43	
	Maximum	137	
	Max Variation	90	
Strike	Minimum	-60	
	Maximum	60	
	Max Variation	90	

14.13 Mineral Resource Estimate

Kenneth Williamson, P.Geo is of the opinion that the current mineral resource estimate can be categorized as indicated and inferred mineral resources based on data density, search ellipse criteria, drill hole density, and interpolation parameters. Kenneth Williamson, P.Geo considers the 2022 MRE to be reliable and based on quality data, reasonable hypotheses and parameters that follow CIM Definition Standards.

Kenneth Williamson, P.Geo., the Qualified Person (QP) of this Technical Report section, considers the mineralization of the Nisk Project to be potentially amenable to a hybrid, open pit and underground mining methods.

The Mineral Resource Estimate is reported with an effective date of May 17, 2022.

Table 14.13 displays the results of the 2022 In Situ Mineral Resource Estimate for the Nisk Project (1 mineralized zone) at the official 0.33% NiEq. cut-off grade for the In-Pit portion, and at the official cut-off grade of 0.91% NiEq. cut-off grade for the underground portion.

Figures 14.13 and 14.14 display the mineral resources in nickel equivalent grade (%NiEq) and mineral resource classification (indicated and inferred), respectively. Note that portions of the deposit still contain unclassified mineral potential and requiring more in-fill drilling and / or more engineering work to potentially be included in a future updated MRE.

Table 14.13 - 2022 Nisk Project Mineral Resource Estimate at a 0.33% NiEq. Cut-off grade in pit and 0.91% NiEq cut-off grade underground

Scenario	Classification	Cut-off NiEq (%)	Mass (t)	Grade								Material Content NiEq (t)
				NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	
Open Pit	Indicated	0.33	894,100	0.87	0.53	0.32	0.03	0.08	0.47	0.04	2.05	7,800
	Inferred	0.33	67,000	1.04	0.62	0.34	0.04	0.13	0.70	0.07	2.46	700
Underground	Indicated	0.91	1,693,500	1.37	0.83	0.48	0.05	0.13	0.86	0.06	2.65	23,200
	Inferred	0.91	1,337,800	1.30	0.76	0.54	0.05	0.18	0.80	0.04	1.67	17,400
Total	**Indicated**	**0.33 + 0.91**	**2,587,600**	**1.20**	**0.72**	**0.42**	**0.05**	**0.11**	**0.72**	**0.05**	**2.44**	**31,000**
	Inferred	0.33 + 0.91	1,404,800	1.29	0.75	0.53	0.04	0.18	0.79	0.04	1.71	18,100

Note: *NiEq = Nickel Equivalent, Ni = Nickel, Cu = Copper, Co = Cobalt, Pt = Platinum, Pd = Palladium, Au = Gold, Ag = Silver, % = Percent, g = Gram, t = Metric tonne*

1. The Independent Qualified Persons for the purposes of this Mineral Resource Estimate (MRE), as defined in NI 43-101, is Kenneth Williamson, P.Geo.. (OGQ # 1490) of Solution 3DGéo inc. The effective date of the estimate is May 17, 2022.
2. The estimate of the mineral resources of the Nisk Project complies with the "CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" of November 29, 2019. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
3. These mineral resources are not mineral reserves since their economic viability has not been demonstrated.
4. The resources are presented before dilution and in-situ and are considered to have reasonable prospects of economic extraction. Isolated and discontinuous blocks with a grade greater than the selected cut-off grade are excluded from the estimate of underground mineral resources. The blocks that must be included, i.e., isolated blocks with a grade below the cut-off grade located within potentially mineable volumes, have been included in the mineral resource estimate.
5. As of May 17, 2022, the database included a total of 66 drillholes (59 historic and 7 recent 2021 drillholes) totaling 15,266.3 meters of drilling.
6. A value of half of the assay lab detection limit for each element was used as a grade for the un-assayed core.
7. The assays were grouped within the mineralized domains in composites of 1.00 meters in length.
8. The block model was prepared using Leapfrog® Geo and Edge software. The block model consists of 2-meter parent blocks and sub-blocks of 1 meter. The block model has a dip azimuth of 340°.
9. An interpolation according to the "inverse distance squared" ("ID^2") method was performed to estimate the grades in the interpreted mineralized volume.
10. An interpolation according to the "inverse distance squared" ("ID^2") method was performed to estimate the Density (SG) in the interpreted mineralized volume. Sample intervals with missing SG values were calculated based on a strong correlation with %Ni. The calculation used was SG = (0.7001 x %Ni) + 2.6751.
11. The "Open Pit" mineral resources are presented at a cut-off grade of 0.33 %NiEq and are confined within a "Whittle" pit shell. The "Underground" mineral resources are presented at a cut-off grade of 0.91 %NiEq and are confined within volumes defined using "DSO" (Deswik Stope Shape Optimizer). These volumes correspond to groups of contiguous blocks with a reasonable size to be exploited by underground mining methods.
12. The engineering work required for the cut-off grade estimation and the creation of the DSO volumes were performed by InnovExplo Inc., and the following economic parameters were used : US $8.00/lb Nickel, $3.00/lb Cu, $25.00/lb Cobalt, $1000/Oz Platinum, $1000/Oz Palladium, $1300/Oz Gold, and $17.00/Oz Silver; Exchange rate of USD/CAD 1.30, metallurgical recovery of 85%, total processing cost CA $40.00/t, mining cost CA $6.00/t, mining overburden cost CA $4.20/t, underground mining cost CA $110.00/t, G&A cost CA $12.20/t, northern logistics costs CA $10.00/t. It should be noted that the G&A cost could be underestimated depending on the extraction sequence chosen.
13. The independent qualified person is not aware of any environmental, licensing, legal, title-related, tax, socio-political or marketing-related issue, or any other relevant issue that could have a material impact on the estimate of mineral resources.
14. The numbers of tonnes are rounded to the nearest hundred to reflect uncertainties, which may cause slight differences.

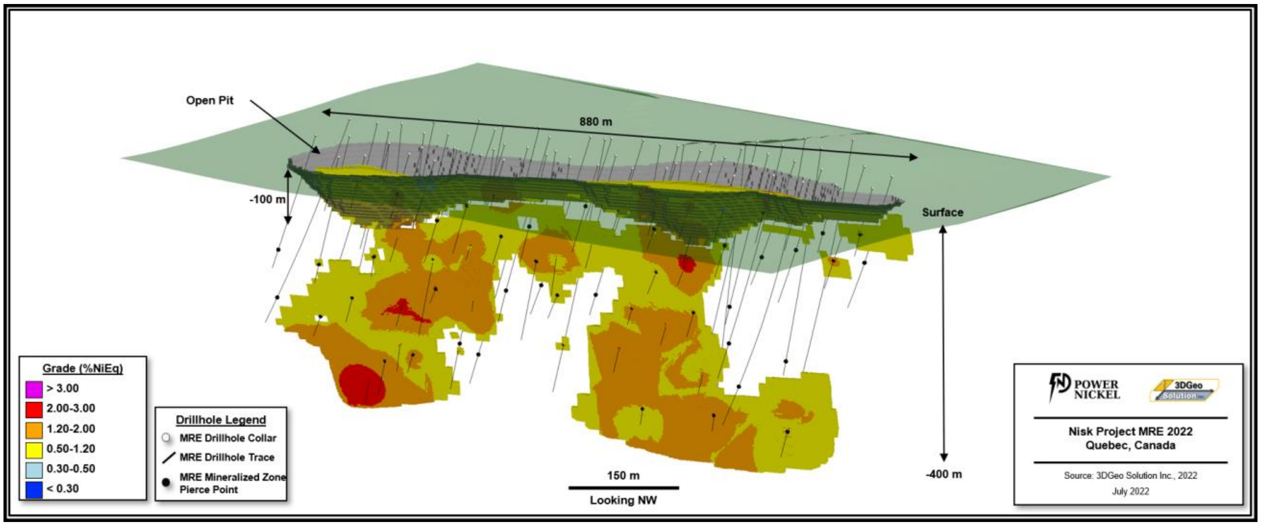

Figure 14.13 - Isometric view of the 2022 Nisk Project Mineral Resource Estimate, showing both the open pit constrained resources (using a cut-off grade of 0.33 %NiEq) and the underground constrained resources (at a cut-off grade of 0.91 %NiEq)

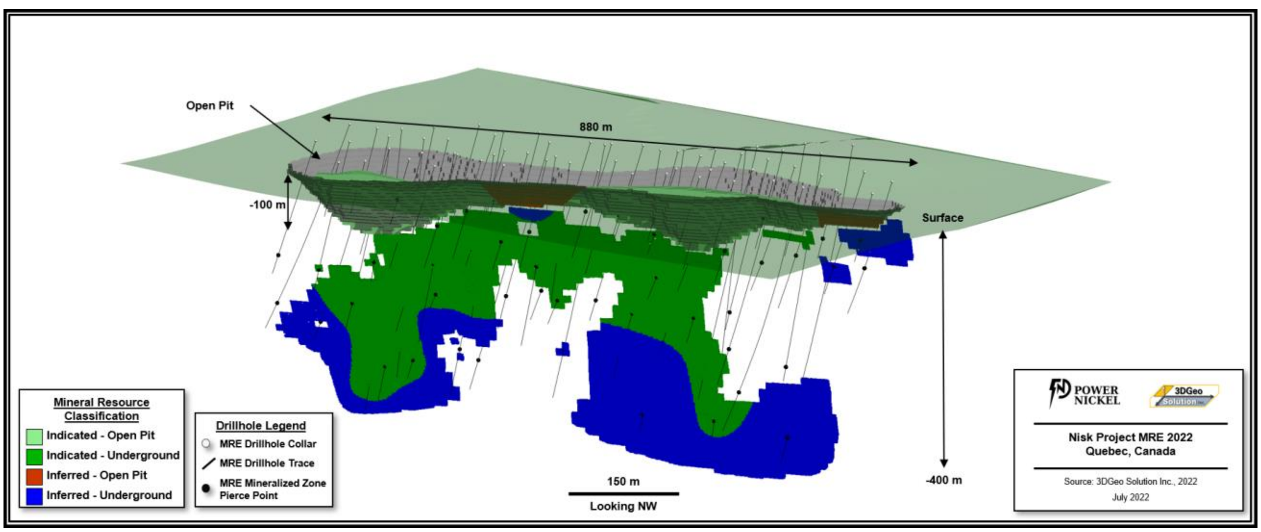

Figure 14.14 - Isometric view of the 2022 Nisk Project Mineral Resource Classification, showing both the open pit constrained resources (using a cut-off grade of 0.33 %NiEq) and the underground constrained resources (at a cut-off grade of 0.91 %NiEq)

14.14 Mineral Resource Sensitivities

As part of their work, InnovExplo Inc. also provided a sensitivity analysis to the cut-grade used, for both the In-Pit and Underground mining scenarios. Based on the official cut-off grades of 0.33 %NiEq for the In-Pit scenario and 0.91 %NiEq for the underground scenario, InnovExplo Inc. provided four (4) other cases set arbitrarily to -20%, -10%, +10% and +20% of the base case cut-off grade for both mining scenarios.

Figure 14.15 presents the longitudinal section of the base case (US$8.00 Ni/lb) scenario mineral resources for both the open pit and underground mining methods at cut-off grades of 0.33 %NiEq and 0.91 %NiEq, respectively. This figure shows the pit shell outline and the transition gap between open pit and underground mining methods. Further sensitivity analysis and/or optimization is warranted to potentially increase tonnage to the mineral resources.

Figures 14.16 and 14.17 presents similar longitudinal sections of the Sensitivity +1 (US$8.80 Ni/lb) and Sensitivity +2 (US$9.60 Ni/lb) scenarios, respectively.

Corresponding pairs of open pit surfaces and DSO volumes were provided and were used to calculate volumetrics using such cut-off grade variations. Table 14.14 shows the results of the sensitivity scenarios of both the open pit and underground mining methods of the Mineral Resources to various cut-off grades. The reader should be cautioned that the figures presented in Table 14.14 should not be misinterpreted as a mineral resource statement apart from the official base case scenario (duly highlighted). The reported quantities and grade estimates at different cut-off grades are only presented to demonstrate the sensitivity of the resource model to the selection of a reporting cut-off grade.

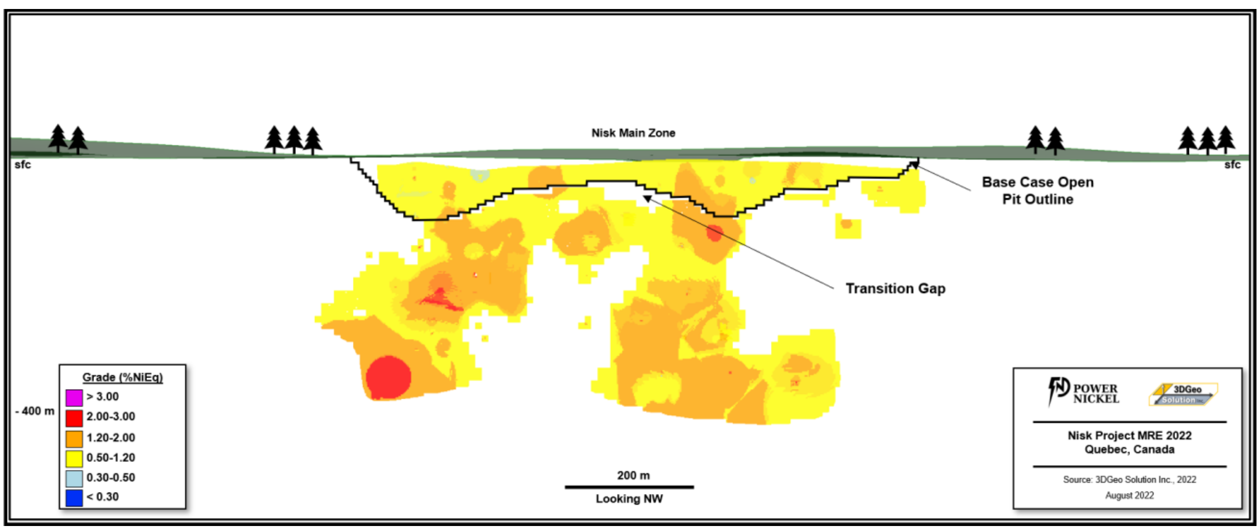

Figure 14.15 - Longitudinal section of the 2022 Nisk Project Mineral Resource base case scenario using US$8.00 Ni/lb, showing both the open pit constrained resources (using a cut-off grade of 0.33 %NiEq) and the underground constrained resources (at a cut-off grade of 0.91 %NiEq)

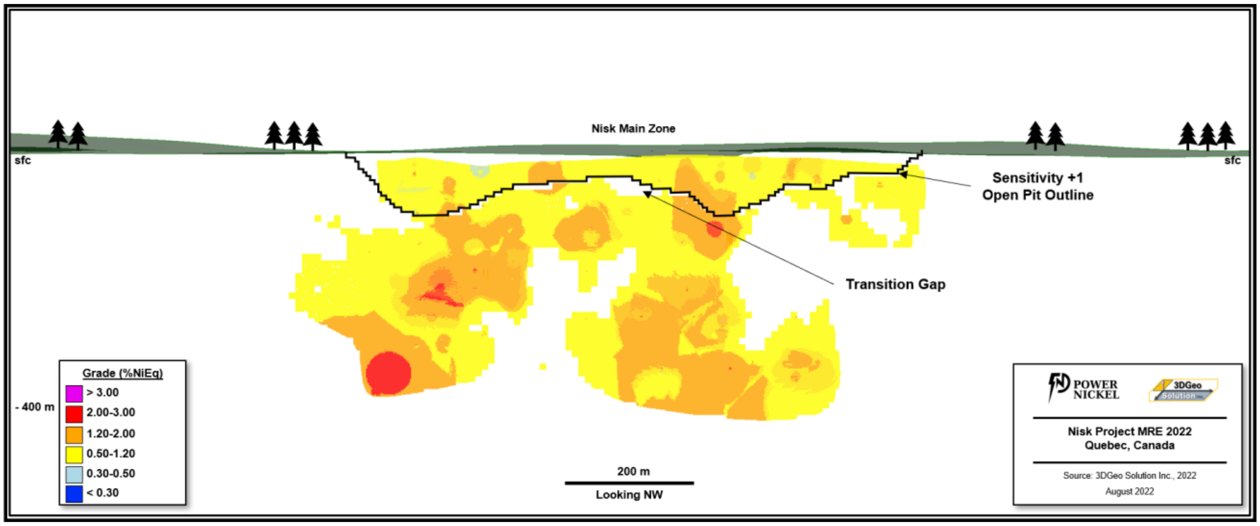

Figure 14.16 - Longitudinal section of the 2022 Nisk Project Mineral Resource Sensitivity +1 scenario using US$8.80 Ni/lb, showing both the open pit constrained resources (using a cut-off grade of 0.30 %NiEq) and the underground constrained resources (at a cut-off grade of 0.82 %NiEq)

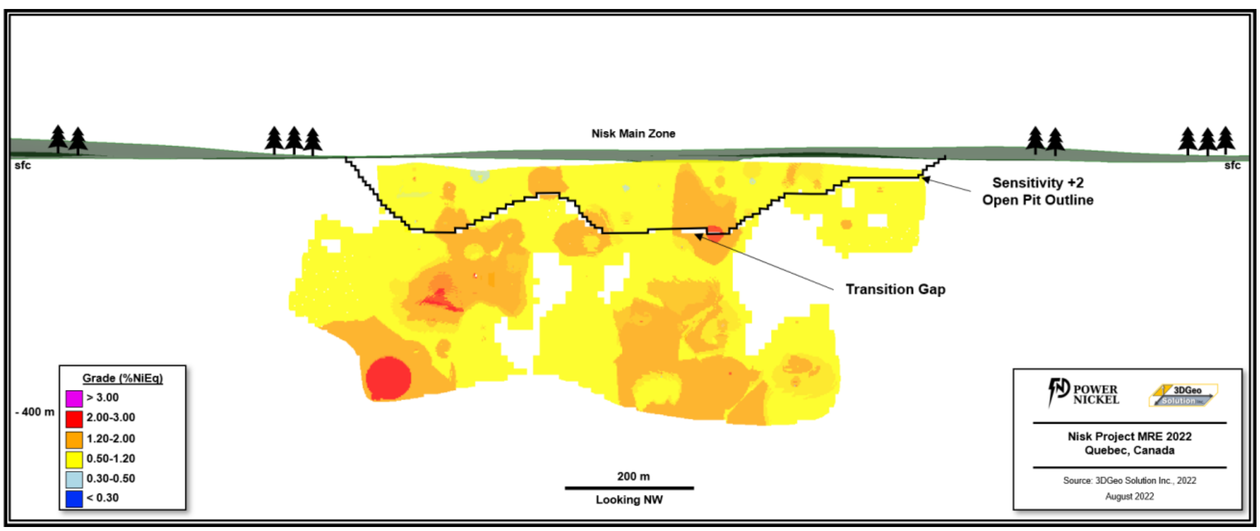

Figure 14.17 - Longitudinal section of the 2022 Nisk Project Mineral Resource Sensitivity +2 scenario using US$9.60 Ni/lb, showing both the open pit constrained resources (using a cut-off grade of 0.27 %NiEq) and the underground constrained resources (at a cut-off grade of 0.75 %NiEq)

Table 14.14 - 2022 Nisk Project Mineral Resource Estimate at a 0.33% NiEq. Cut-off grade in pit and 0.91% NiEq cut-off grade underground, sensitivity at other cut-off scenarios

Scenario	Classification	*Cut-off*	Mass	*Grade*								*Material Content*
		NiEq (%)	(t)	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Au (g/t)	Ag (g/t)	NiEq (t)
Open Pit	Indicated	0.41	595,700	0.9	0.54	0.34	0.03	0.09	0.53	0.04	2.23	5,400
		0.36	687,400	0.88	0.53	0.33	0.03	0.09	0.51	0.04	2.19	6,100
		0.33	**894,100**	**0.87**	**0.53**	**0.32**	**0.03**	**0.08**	**0.47**	**0.04**	**2.05**	**7,800**
		0.30	917,200	0.88	0.53	0.32	0.03	0.08	0.48	0.04	2.05	8,000
		0.27	1,259,600	0.92	0.55	0.34	0.03	0.09	0.57	0.05	2.44	11,600
	Inferred	0.41	56,500	1.03	0.61	0.33	0.04	0.14	0.7	0.07	2.37	600
		0.36	65,900	1.04	0.62	0.34	0.04	0.13	0.7	0.07	2.46	700
		0.33	**67,000**	**1.04**	**0.62**	**0.34**	**0.04**	**0.13**	**0.7**	**0.07**	**2.46**	**700**
		0.30	67,000	1.04	0.62	0.34	0.04	0.13	0.7	0.07	2.46	700
		0.27	86,200	1.05	0.62	0.34	0.04	0.13	0.71	0.07	2.62	900
Underground	Indicated	1.14	1,119,600	1.54	0.93	0.52	0.06	0.15	0.98	0.06	2.38	17,200
		1.01	1,457,000	1.44	0.87	0.49	0.05	0.14	0.9	0.06	2.5	20,900
		0.91	**1,693,500**	**1.37**	**0.83**	**0.48**	**0.05**	**0.13**	**0.86**	**0.06**	**2.65**	**23,200**
		0.82	1,902,800	1.32	0.8	0.46	0.05	0.13	0.82	0.06	2.66	25,100
		0.75	1,770,400	1.3	0.8	0.45	0.05	0.12	0.77	0.05	2.47	23,100
	Inferred	1.14	904,900	1.4	0.82	0.57	0.05	0.2	0.86	0.04	1.73	12,700
		1.01	1,180,700	1.33	0.78	0.56	0.05	0.19	0.82	0.04	1.66	15,700
		0.91	**1,337,800**	**1.3**	**0.76**	**0.54**	**0.05**	**0.18**	**0.8**	**0.04**	**1.67**	**17,400**
		0.82	1,661,800	1.22	0.72	0.5	0.04	0.17	0.73	0.04	1.62	20,300
		0.75	1,973,500	1.16	0.68	0.47	0.04	0.16	0.68	0.04	1.58	22,800
Total	**Indicated**	0.41 + 1.14	1,715,300	1.32	0.8	0.46	0.05	0.13	0.83	0.05	2.33	22,600
		0.36 + 1.01	2,144,400	1.26	0.76	0.44	0.05	0.12	0.78	0.05	2.4	27,000
		0.33 + 0.91	**2,587,600**	**1.2**	**0.72**	**0.42**	**0.05**	**0.11**	**0.72**	**0.05**	**2.44**	**31,000**
		0.30 + 0.82	2,820,000	1.17	0.71	0.42	0.04	0.11	0.71	0.05	2.46	33,100
		0.27 + 0.75	3,030,000	1.15	0.69	0.41	0.04	0.11	0.69	0.05	2.46	34,700
	Inferred	0.41 + 1.14	961,400	1.38	0.81	0.56	0.05	0.2	0.85	0.04	1.77	13,200
		0.36 + 1.01	1,246,600	1.32	0.77	0.55	0.05	0.19	0.82	0.04	1.71	16,400
		0.33 + 0.91	**1,404,800**	**1.29**	**0.75**	**0.53**	**0.04**	**0.18**	**0.79**	**0.04**	**1.71**	**18,100**
		0.30 + 0.82	1,728,800	1.21	0.71	0.49	0.04	0.17	0.73	0.04	1.65	21,000
		0.27 + 0.75	2,059,700	1.15	0.68	0.47	0.04	0.16	0.68	0.04	1.62	23,700

1. The Independent Qualified Persons for the purposes of this Mineral Resource Estimate (MRE), as defined in NI 43-101, is Kenneth Williamson, P.Geo.. (OGQ # 1490) of Solution 3DGéo inc. The effective date of the estimate is May 17, 2022.
2. The estimate of the mineral resources of the Nisk Project complies with the "CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" of November 29, 2019. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
3. These mineral resources are not mineral reserves since their economic viability has not been demonstrated.
4. The resources are presented before dilution and in-situ and are considered to have reasonable prospects of economic extraction. Isolated and discontinuous blocks with a grade greater than the selected cut-off grade are excluded from the estimate of underground mineral resources. The blocks that must be included, i.e., isolated blocks with a grade below the cut-off grade located within potentially mineable volumes, have been included in the mineral resource estimate.
5. As of May 17, 2022, the database included a total of 66 drillholes (59 historic and 7 recent 2021 drillholes) totaling 15,266.3 meters of drilling.
6. A value of half of the assay lab detection limit for each element was used as a grade for the un-assayed core.
7. The assays were grouped within the mineralized domains in composites of 1.00 meters in length.
8. The block model was prepared using Leapfrog® Geo and Edge software. The block model consists of 2-meter parent blocks and sub-blocks of 1 meter. The block model has a dip azimuth of 340°.
9. An interpolation according to the "inverse distance squared" ("ID^2") method was performed to estimate the grades in the interpreted mineralized volume.
10. An interpolation according to the "inverse distance squared" ("ID^2") method was performed to estimate the Density (SG) in the interpreted mineralized volume. Sample intervals with missing SG values were calculated based on a strong correlation with %Ni. The calculation used was SG = (0.7001 x %Ni) + 2.6751.
11. The "Open Pit" mineral resources are presented at a cut-off grade of 0.33 %NiEq and are confined within a "Whittle" pit shell. The "Underground" mineral resources are presented at a cut-off grade of 0.91 %NiEq and are confined within volumes defined using "DSO" (Deswik Stope Shape Optimizer). These volumes correspond to groups of contiguous blocks with a reasonable size to be exploited by underground mining methods.
12. The engineering work required for the cut-off grade estimation and the creation of the DSO volumes were performed by InnovExplo Inc., and the following economic parameters were used : US $8.00/lb Nickel, $3.00/lb Cu, $25.00/lb Cobalt, $1000/Oz Platinum, $1000/Oz Palladium, $1300/Oz Gold, and $17.00/Oz Silver; Exchange rate of USD/CAD 1.30, metallurgical recovery of 85%, total processing cost CA $40.00/t, mining cost CA $6.00/t, mining overburden cost CA $4.20/t, underground mining cost CA $110.00/t, G&A cost CA $12.20/t, northern logistics costs CA $10.00/t. It should be noted that the G&A cost could be underestimated depending on the extraction sequence chosen.
13. The independent qualified person is not aware of any environmental, licensing, legal, title-related, tax, socio-political or marketing-related issue, or any other relevant issue that could have a material impact on the estimate of mineral resources.
14. The numbers of tonnes are rounded to the nearest hundred to reflect uncertainties, which may cause slight differences.

14.15 Mineral Resource and Block Model Validation

3DGS validated the block model by visual inspection, volumetric comparison, and scatterplots. Visual comparison on vertical sections and plan views, and a series of swath plots found good overall correlation between the block grade estimates and supporting composite grades.

The estimated total volume of the wireframe models is 2,080,900 m^3, while the volume of the block model at a zero-grade cut-off is 2,080,476 m^3 showing 0.02% difference.

The average grade of the composites within the mineralized domain was compared to the average grade of all blocks estimated by the Inverse Distance Squared (ID^2) and nearest neighbour (NN) interpolation methods. Table 14.15 summarizes the results of this comparison. Block grade estimates compared well with the informing data, indicating that the estimation parameters used in the interpolation of grades are appropriate.

Table 14.15 - %NiEq grade comparison of composites with block model

NIEQ GRADE COMPARISON OF COMPOSITES WITH BLOCK MODEL			
Data Type	%NiEq		
	Min	Max	Mean
Capped composites	0.01	5.11	1.08
Block model interpolated with ID^2	0.05	3.34	1.05
Block model interpolated with NN	0.01	5.11	1.19

The block model and drillhole intercepts were reviewed on a longitudinal and vertical cross section, to ensure that the grade distribution in the blocks was honouring the drillhole data. Figure 14.18 and Figure 14.19 shows the Longitudinal section and vertical cross section of the Main zone, respectively. The agreement between the block grades and the drillhole intercepts is reasonable.

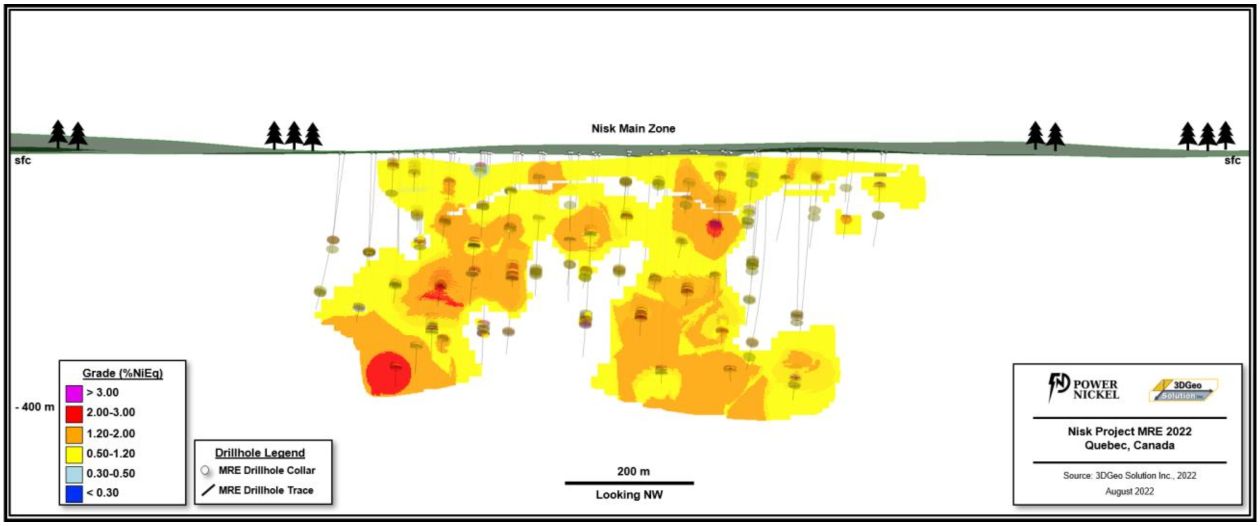

Figure 14.18 - Longitudinal section of the 2022 Nisk Project Mineral Resource base case scenario and drillhole assay intercept comparisons

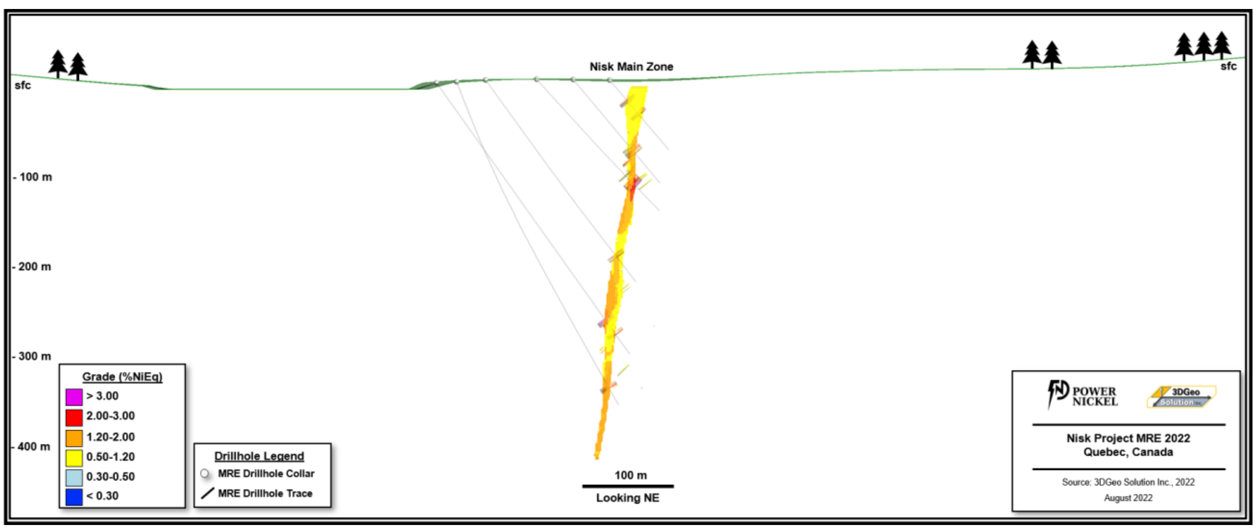

Figure 14.19 - Vertical cross-section of the 2022 Nisk Project Mineral Resource base case scenario and drillhole assay intercept comparisons

Figure 14.20 shows a comparison of the nickel equivalent (%NiEq) grade-tonnage curves interpolated with ID² and NN on a global mineralization basis.

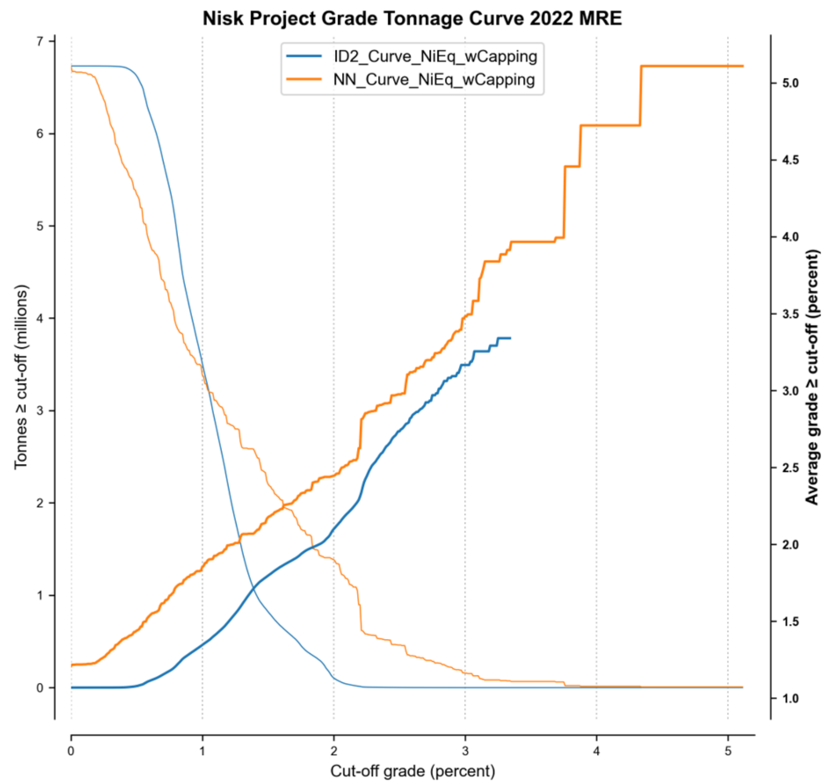

Figure 14.20 - Grade tonnage curve of %NiEq for ID² and NN

Figure 14.21 presents local trends of the nickel equivalent (%NiEq) grade evaluated by comparing the ID^2 and NN estimates against the composites with use of swath plots and a histogram of the composite data.

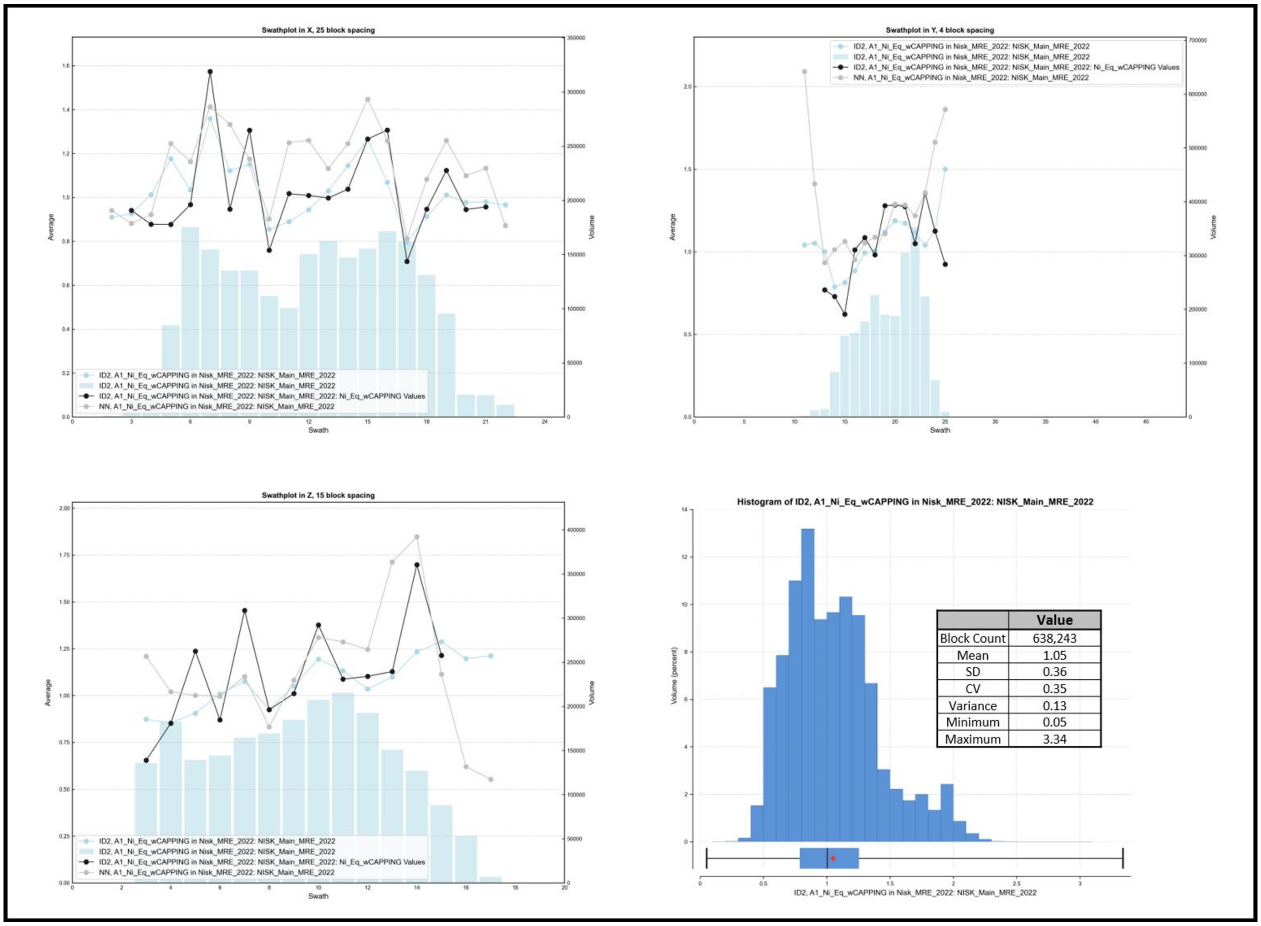

Figure 14.21 - Swath plots of x, y, z %NiEq for ID^2, NN and composites, including composite histogram

14.16 Important Notice

Kenneth Williamson, P.Geo, the Qualified Person for Nisk Project 2022 MRE, is solely responsible for this section of the report and is of the opinion that the current 2022 MRE for the Nisk Project satisfies all requirements prescribed by the NI 43-101 regulation.

Matthew DeGasperis, P.Geo, has contributed to the construction of the EDGE project, as well as participating in the elaboration of the estimation strategy and other related tasks, but has done so under the direct supervision of Kenneth Williamson, P.Geo.

15. MINERAL RESERVE ESTIMATE

Not applicable at the current stage of the Project.

16. MINING METHODS

Not applicable at the current stage of the Project.

17. RECOVERY METHOD

Not applicable at the current stage of the Project.

18. PROJECT INFRASTRUCTURE

Not applicable at the current stage of the Project.

19. MARKET STUDIES AND CONTRACTS

Not applicable at the current stage of the Project.

20. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Not applicable at the current stage of the Project.

21. CAPITAL AND OPERATING COSTS

Not applicable at the current stage of the Project.

22. ECONOMIC ANALYSIS

Not applicable at the current stage of the Project.

23. ADJACENT PROPERTIES

The vicinity of the Nisk Project has seen a considerable amount of exploration activities, some of which are ongoing. Several mineral occurrences and deposits containing lithium, beryllium, copper, silver, and chromium are found within a 20 km radius of the Project. Thirteen (13) property holders, consisting of individuals and junior mineral exploration companies, are located near the Nisk Project (Figure 23.1) The source of the claim holders of the adjacent properties is from the Québec government's online claim management system Gestim (https://gestim.mines.gouv.qc.ca).

Critical Elements Lithium Corporation's (current partner of Power Nickel on the Nisk Project) Lemare Property is found contiguously to the northeast of the Nisk Project and has seen recent lithium exploration activity. Critical Elements also holds mining claims to the southwest of the Nisk Project (shown in green).

Nemaska Lithium's Whabouchi Property (shown in pink), an advanced lithium deposit, lies approximately 20 km to the west of the Nisk Project. A portion of Li-FT Power Limited's Rupert Project (shown in grey), with ongoing lithium exploration, lies immediately west of the Nisk Project. Mining exploration is prohibited to the east of the Nisk Project (shown in pale red). This prohibited area has been "Reserved to the State" for hydroelectric development.

Further information on some of the adjacent properties can be found on each of the company websites. This information is not necessarily indicative of the mineralization on the Nisk Project that is the subject of this Technical Report. 3DGS has been unable to verify the above information for adjacent properties to the Nisk Project.

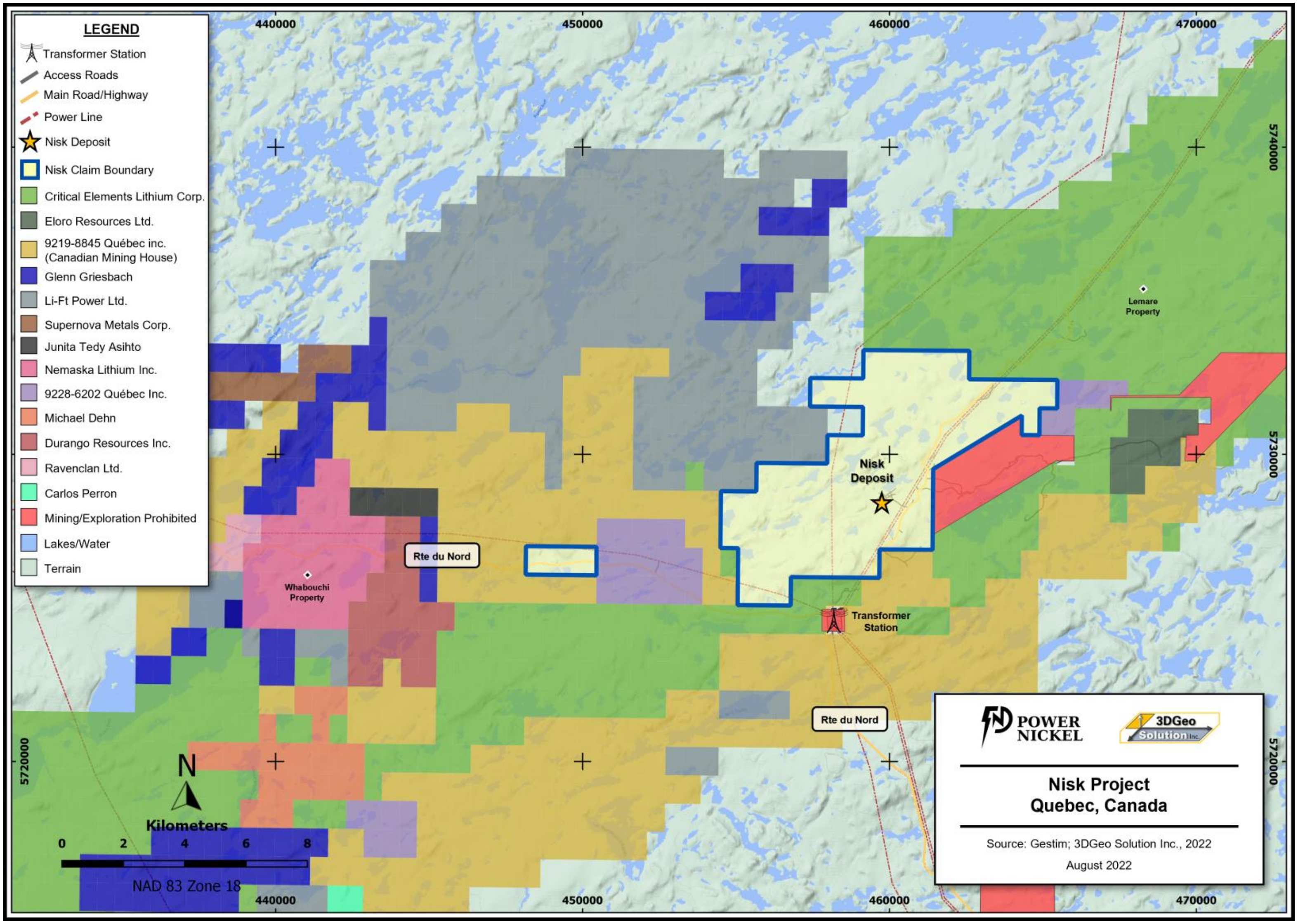

Figure 23.1 - Planview map of the different claim holders in the vicinity of the Nisk Project.

24. OTHER RELEVANT DATA AND INFORMATION

All relevant data and information regarding the issuer's Project have been disclosed under the relevant sections of this report.

25. INTERPRETATIONS AND CONCLUSIONS

The main objective of 3DGS' mandate was to prepare a mineral resource estimate for the Nisk Project using the valid historic and 2021 drilling programs. This Technical Report and the mineral resource estimate presented herein achieve this objective.

Resources

Using all geological and analytical information available, 3DGS created a new mineralized-zone wireframe model (Nisk Main Zone) of the Nisk Project. Kenneth Williamson concludes the following after conducting a detailed review of all pertinent information and completing the 2022 MRE:

- Geological and grade continuity for one (1) Ni-Cu-Co-PGE mineralized zone of the Nisk Project was demonstrated.
- The geometrical and structural constraints imposed by the new litho-structural model provided valuable insights to create the mineralized zone model.
- The new mineralized zone wireframe/domain model constrained the interpolation of the mineralized zones.
- The combined estimated Indicated Resources is 2.6 million tonnes grading 1.20 %NiEq, using a base case cut-off grade of 0.33 %NiEq for open pit constrained resources and a base case cut-off grade of 0.91 %NiEq for underground constrained resources.
- The combined estimated Inferred Resources is 1.4 million tonnes grading 1.29 %NiEq, using a base case cut-off grade of 0.33 %NiEq for open pit constrained resources and a base case cut-off grade of 0.91 %NiEq for underground constrained resources.
- Additional diamond drilling on the Nisk Main Zone could increase the Inferred Resources (due to the open nature of the ore body) and allow the conversion of some of the Inferred Resources to Indicated Resources.
- There is also the potential for upgrading some of the Indicated Resources to Measured Resources through detailed geological mapping, infill drilling and systematic channel sampling on surface outcrops.

Kenneth Williamson, P.Geo, concludes that the current 2022 MRE allows the Nisk Project to advance towards further conversion and exploration drilling, as well as a Pre-Feasibility (PFS) stage, but that advancing to a PFS stage is conditional to further exploration work which should be completed in preparation of the study.

Kenneth Williamson, P.Geo, considers the present Mineral Resource Estimate to be reliable and thorough, and based on quality data, reasonable hypotheses and parameters compliant with NI 43-101 and CIM standards regarding mineral resource estimations.

Risks and Opportunities

Risks

The risks related to the estimation of the mineral resource of the Nisk Project are mainly related to the grade and thickness variability as well as changes in the orientation of the deposit related to a post-ore deformation event. This could impact the estimated grade value, grade continuity and tonnage within some portions of the mineralized zone.

Table 25.1 identifies other significant internal risks, potential impacts and possible risk mitigation measures that could affect the economic outcome of the Project. The list does not include the external risks that apply to all mining projects (e.g., changes in metal prices, exchange rates, availability of investment capital, change in government regulations, etc.).

Opportunities

3DGS believes there are several opportunities to add additional resources to the Nisk Project and / or to convert existing resources to a higher rank category. The following list presents these opportunities as a description of the main target areas defined by 3DGS:

- **Target 1**: Infill drilling the periphery of the current mineralized main zone to upgrade resources from inferred to indicated.
- **Target 2**: Testing the lateral and vertical continuity of the mineralized main zone towards the west, east, and at depth.
- **Target 3**: Regional investigation of the west and northeast magnetic anomalies also referred to as “Wildcat” targets.

Significant other opportunities that could improve the economics, timing and permitting of the Project are identified in Table 25.2. Further information and studying are required before these opportunities can be included in the project economics.

Table 25.1 - Risks of the Nisk Project

RISK	Potential Impact	Possible Risk Mitigation
Poor social acceptability	• Possibility that portions or the entirety of the Nisk Project could not be explored or exploited.	• Develop a pro-active and transparent strategy to identify all stakeholders and develop a communication plan. Organize information sessions, publish information on the mining project, and meet with host communities.
Metallurgical recoveries below expectation	• Recovery might differ from what is currently being assumed.	• Further variability testing of the deposit to confirm metallurgical conditions and efficiencies.
Limited test work to determine whether waste rock would be potentially acid generating (PAG)	• Additional capital may be required to prepare a storage site for PAG waste.	• Further testing to confirm whether the waste is PAG or non-acid generating (NAG).
Surface and/or underground geotechnical evaluations not available	• The minimum mining width used for the resource estimate might need to be adjusted if assumptions differ from reality.	• Geotechnical assessments at a larger scale to confirm rock quality (underground and at surface) to validate assumptions.
No lateral and/or vertical (at depth) continuity of the mineralized zone for tonnage expansion	• Mineralized zone limits reached and cannot be increased.	• Step-out to new targets, such as the “wildcat” anomalies.

Table 25.2 - Opportunities of the Nisk Project

OPPORTUNITIES	Explanation	Potential benefit
Surface definition diamond drilling (Targets 1 to 3)	• Potential to upgrade some inferred resources to the indicated category. • Potential to expand the mineralized zone	• Adding indicated resources increases the economic value of the mining project. • Addition of inferred resources, which can then be upgraded to the indicated category.
Open Pit bulk sample	• Test mining and metallurgical assumptions, validate the resource model. • The bulk could be “sold” to a current producer.	• Could potentially lead to a prefeasibility study, further de-risking the project. • Could provide cash flow required for any future geological work.
Positive PFS results on the current resources	• Potential to upgrade confidence in the economic potential of the project.	• Could potentially lead to a Feasibility study.

26. RECOMMENDATIONS

Based on the results and conclusions of the 2022 Mineral Resource Estimate, 3DGS recommends that the Nisk Project be advanced towards the next development phase, which would be a Pre-Feasibility Study (PFS).

3DGS is of the opinion that prior to commencing such PFS, more exploration work and a subsequent MRE update, should be completed.

3DGS recommends further exploration and conversion in-fill drilling within the Nisk Project to increase inferred and indicated resources. Further drilling laterally and at depth has the potential to expand the main mineralized zone in all directions. Stepping out to the east and west has the potential to add new mineralized zones and/or lenses, either stacked, or along strike. Drilling at depth of the main zone has the potential to increase tonnage, continuity and grade of the deposit. Conversion drilling has the ability to add tonnage to an updated mineral resource estimate, helping to increase potential economics.

3DGS recommends to continue gathering more density data from each assay sample and from selected portions of "waste" from the potential open pit scenario. Density data has a direct impact on the calculated tonnage of the resources, and processing, and therefore on the final economics.

3DGS recommends mechanical stripping of the outcrop (if possible). Exposing mineralization on surface is likely the most efficient way to better document the geometry and cross-cutting relationships of the mineralized zones network.

3DGS recommends further geophysical studies. This includes budgeting for high resolution electro-magnetics (EM) and Induced-Polarization (IP) surveys. Down-hole EM surveys could be done on targets such as the west zone and the "wildcat" targets.

3DGS recommends metallurgical studies. Determining and understanding the metallurgy and overall recovery of the deposit is critical for the mining economics and any future feasibility studies.

3DGS recommends geochemical studies. Further understanding of the litho-geochemistry will aid in the overall understanding of the deposit and for exploration purposes. 3DGS recommends the use of quartered core, if possible, preserving the other half of the core in core boxes for any future referencing.

3DGS also recommends to include provisions for environmental and hydrogeological characterization studies in future Nisk Project budget planning exercises.

If additional work proves to have a positive impact on the project, **3DGS recommends that the current resource estimate should be updated**, which would include compiled and validated historical drill holes, future drill holes, and updated 3D modelling of mineralized zone(s).

In summary, 3DGS recommends a two-phase work program as follows:

- **Phase 1:**
  - Continue surface in-fill and step-out exploration drilling
  - Density program – continue collecting density data
  - Metallurgical Study on drill core
  - Mechanical stripping and channel sampling (if possible)
  - Geological mapping
  - Geophysical Surveys (EM and IP)
  - Baseline environmental study
  - Update the Mineral Resource Estimation
- **Phase 2:**
  - Continue surface in-fill and step-out exploration drilling
  - Continue density program
  - Update the Mineral Resource Estimation
  - Prefeasibility study (PFS) on updated Mineral Resource Estimate

3DGS has prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the project. The budget for the proposed program is presented in Table 26.1.

Expenditures for Phase 1 are estimated at C$1,679,000 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$2,771,500 (incl. 15% for contingencies). The grand total is C$4,450,500 (incl. 15% for contingencies).

3DGS is of the opinion that the recommended two-phase work program and proposed expenditures are appropriate and well thought out, and that the character of the Project is of sufficient merit to justify the recommended program. 3DGS believes that the proposed budget reasonably reflects the type and amount of the contemplated activities.

Table 26.1 - Estimated costs for the recommended work program

Phase 1 - Work Program		Budget	
		Units	Cost ($)
1a	Surface exploration drilling (Conversion and Exploration)	5,000 m	1,000,000
1b	Density program	~500 m	10,000
1c	Metallurgical study		100,000
1d	Mechanical stripping and/or geologic mapping		50,000
1e	Geophysical surveys		100,000
1f	Baseline Environmental study		100,000
1g	Update the Mineral Resource Estimation		100,000
	Contingency (15%)		**219,000**
	Total		**1,679,000**

Phase 2 - Work Program		Budget	
		Units	Cost ($)
2a	Surface exploration drilling (Conversion and Exploration)	10,000 m	2,000,000
2b	Density program	~500 m	10,000
2c	Update the Mineral Resource Estimation		100,000
2d	PFS on updated MRE		300,000
	Contingency (15%)		**361,500**
	Total		**2,771,500**

Total Phase 1 and Phase 2	**4,450,500**

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