

BUCKO LAKE MINE

CLASS 1 NICKEL SULFIDE MINE IN THE HEART OF CANADA



The Bucko Lake nickel sulfide mine and surrounding deposits is located near Wabowden, Manitoba, Canada. From 2009–2012, nearly 450,000 tonnes of mineralized material was mined to produce 6.9 million pounds of nickel before the mine was placed on care and maintenance due to low nickel prices.

With the global transition to green energy well underway, a new Preliminary Economic Assessment on the Bucko Lake Mine was released in early 2023 showing robust project economics with an **after-tax NPV_(6%) of C\$169 Million and IRR of 30%**, using a base case nickel price of US\$9.84/lb. Initial capital requirements are estimated at **C\$87 million with payback in 3.3 years**.

THE BUCKO LAKE MINE REPRESENTS ONE OF THE MOST ADVANCED NICKEL SULFIDE PROJECTS IN NORTH AMERICA TODAY



**ADVANCED NICKEL SULFIDE
PROJECT IN NORTH AMERICA**



**SATELLITE DEPOSITS WITH
EXPANSION POTENTIAL**



**6.9MLB PAST
NICKEL PRODUCTION**



**EXISTING 1,000 TPD
PROCESSING FACILITY**



**SIGNIFICANT RESOURCES
GRADING ~1.2% NI**



**YEAR-ROUND
24/7 OPERATIONS**

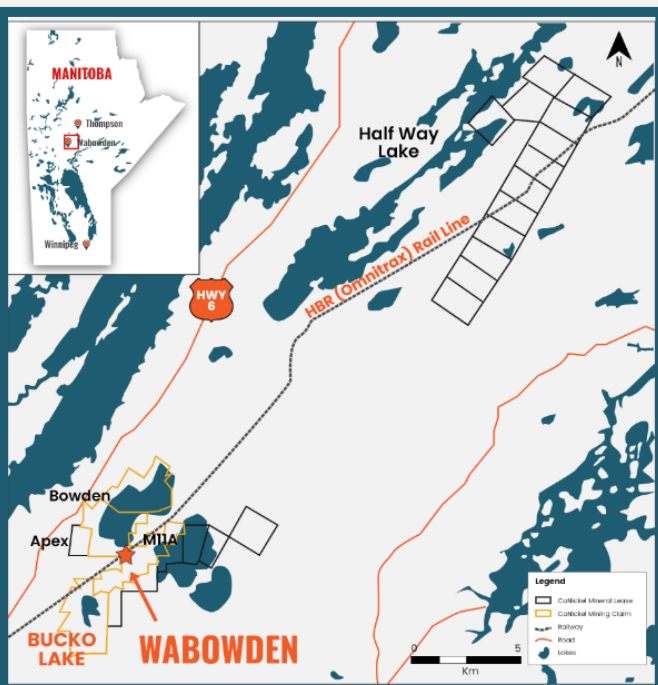


**LOW CAPEX TO
PRODUCTION**



**INCREASING DEMAND
FROM EV BATTERIES**

BUCKO LAKE MINE OVERVIEW



Location & Access

The Bucko Lake mine is located 2 km outside of Wabowden, MB (106 km SSW of Thompson and 650 km N of Winnipeg). The project is accessed from Provincial Hwy 6 and all-weather gravel roads. The project area is also transected by the HBR (Omnitrax) Rail Line to Churchill, MB, and a major hydro electric transmission line heading south along Hwy 6.

Infrastructure

Existing 1,000 tpd processing facility, new backfill paste plant (installed in 2012 for C\$5.9M), Tailings Management Facility (upgraded in 2012 for C\$4.3M), 100-person camp and full grid power.

Labour

Town of Wabowden has ~400 permanent residents with all necessary utilities, phone and internet.

Seasonality

24/7 all-weather operation.

Offtake

During previous operations, nickel concentrate was shipped to Glencore's Sudbury, ON smelter under a 2007 offtake agreement that remains in effect today.

Metallurgy

Based on historical metallurgical testwork, average nickel recovery is estimated to be 79% with an average 13% Ni concentrate.

FOR MORE INFORMATION, VISIT WWW.CANICKEL.COM OR CONTACT SHIRLEY ANTHONY AT SHIRLEY@CANICKEL.COM

2023 BUCKO LAKE RESOURCES

2023 NI43-101 Compliant Bucko Lake Mine Mineral Resource Estimate at 0.7% Ni Cut-Off⁽¹⁻⁶⁾

Classification	Tonnes (k)	Ni (%)	Ni (Mlb)	Cu (%)	Cu (Mlb)
Measured	1,753	1.25	48.32	0.09	3.4
Indicated	3,975	1.23	107.94	0.11	9.99
Measured + Indicated	5,727	1.24	156.26	0.11	13.39
Inferred	10,587	1.18	275.58	0.13	31.15

Notes:

1. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
2. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
3. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource. While an Inferred Mineral Resource must not be considered to be, or converted into, a Mineral Reserve, it is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

4. The Mineral Resources in this report were estimated using 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.

5. Mined areas and barren pegmatite dykes were depleted from the estimate.

6. The 0.70% Ni cut-off grade was based on an underground long-hole method mining cost of \$60/t, processing cost of \$33/t, G&A cost of \$12/t, Ni price of US\$8.75/lb, 79% process recovery, 90% smelter payable, 16% mass pull, \$276/t smelter treatment charge, \$105/t concentrate freight cost, 2.5% NSR royalty, \$1/t penalty charge and \$3/t price participation cost.

2023 PEA HIGHLIGHTS

- 2023 PEA indicates that the project could be rehabilitated and placed into operations to produce **101 million pounds of payable nickel over a 13-year mine life**.
- Low initial CAPEX of **C\$87 million (including C\$11 million contingency)** due to bulk of project infrastructure already in place - majority of costs relate to underground mine rehabilitation, pre-production development, and process plant capacity upgrades.
- Using a base case future life-of-mine (LOM) nickel price assumption of US\$9.84/lb, the Project generates:
 - Pre-tax NPV6% of \$205 million and IRR of 32%
 - After-tax NPV6% of \$169 million and IRR of 30%
- Average cash costs of US\$4.91/lb Ni and AISC of US\$6.48/lb Ni.

Source: NI43-101 Technical Report titled: "Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Bucko Lake Nickel Project, Wabowden, Manitoba" dated February 28, 2023, by P&E Mining Consultants Inc.

Cautionary Statement: The Bucko Lake PEA was prepared in accordance with NI43-101 Standard of Disclosure for Mineral Projects. Readers are cautioned that the PEA is preliminary in nature. It includes inferred Minerals Resources that are considered too speculative geologically to have economic considerations applied to them that enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA outcome will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

General	
Nickel Price (US\$/lb)	9.84
Exchange Rate (US\$/CDN\$)	0.77
LOM (Years)	13
Production	
Total Ni Production (Mlb)	100.9
Average Annual Ni Production (Mlb)	7.8
Operating Cost	
Mining Cost (\$/t Processed)	66.04
Processing Cost (\$/t Mined)	17.73
G&A Cost (\$/t Processed)	9.97
Total Operating Cost (\$/t Processed)	93.74
NSR Royalty to Glencore (%)	2.50
Cash Cost (US\$/lb Ni)	4.91
AISC (US\$/lb Ni)	6.48
Capital Cost	
Initial Capital (\$M)	86.7
Sustaining Capital (\$M)	191.8
Closure Cost (\$M)	14.0

SATELLITE DEPOSITS

Historical resources exist at **FOUR** satellite deposits located 4-30 km from Bucko Lake: Bowden Lake, M11A, Halfway Lake and Apex. All satellite deposits hold significant resource expansion potential with future exploration.

HISTORICAL RESOURCES – FOR REFERENCE ONLY					
2012 NI43-101 Technical Report on Reserves and Resources for Satellite Deposits					
Resource/ Reserve Category	Cut-off Grade Ni%	Tonnes	Ni % Grade	Contained Nickel (lb)	Contained Nickel (kg)
Bowden Lake					
Total Inferred Resources	1.00	2,044,000	1.16	52,281,000	23,715,000
M11A					
Total Indicated Resources	1.00	800,000	1.17	20,639,000	9,362,000
Total Inferred Resources	1.00	525,000	1.11	12,850,000	5,829,000
Halfway Lake					
Total Inferred Resources	1.00	900,000	1.20	23,814,000	10,802,000
Apex					
Total Inferred Resources	1.00	41,000	1.19	1,076,000	488,000
Total Satellite Deposit Inferred Resources	1.00	3,510,000	1.16	90,021,000	40,834,000

Source: October 2012 NI43-101 Technical Report Regarding Update to Reserves and Resources, by Lane A. Griffin, P. Geo., B.S. Geo.; Paul L. Martin, P. Eng., B.S. Mining Eng.; and Chris C. Broili, P. Geo., MS Geo.

FOR MORE INFORMATION, VISIT WWW.CANICKEL.COM OR CONTACT SHIRLEY ANTHONY AT SHIRLEY@CANICKEL.COM

