



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
OF
POWER NICKEL INC.
TO BE HELD AT 11:00 A.M. (EASTERN TIME)
on NOVEMBER 22, 2024
TO BE HELD AT
202 - 82 RICHMOND STREET EAST,
TORONTO, ONTARIO M5C 1P1
DATED : OCTOBER 21, 2024**

Letter to the Shareholders of Power Nickel Inc.

October 21, 2024

Dear Shareholders:

You are invited to attend an annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of Power Nickel Inc. (“**Power Nickel**”, or the “**Company**”) to be held at the Company’s office located at 202 - 82 Richmond Street East, Toronto, Ontario M5C 1P1, on November 22, 2024 commencing at 11:00 a.m. (Eastern time).

At the Meeting, you will be asked to consider and vote upon regular annual general meeting matters, as well as a special matter, being a statutory plan of arrangement.

Plan of Arrangement – Spin-out of Golden Ivan property and Chilean exploration assets and liabilities to Chilean Metals Inc.

At the Meeting, you will be asked to consider and vote upon a proposed statutory plan of arrangement of the Company (the “**Arrangement**”). The Arrangement is described in detail in the attached Notice of Meeting and the accompanying Management Information Circular dated October 21, 2024 (the “**Circular**”).

The Arrangement involves, among other things, a distribution of common shares (each, a “**Spinco Share**” and collectively, the “**Spinco Shares**”) in the authorized capital of Chilean Metals Inc. (“**Spinco**”), a wholly owned subsidiary of the Company, to the Shareholders such that each Shareholder will receive, for every common share of Power Nickel (each, a “**Power Nickel Share**”) held by the Shareholder as at the Share Distribution Record Date (as such term is defined in the Circular), one New Power Nickel Share and 0.05 of a Spinco Share in exchange for each Power Nickel Share.

Upon completion of the Arrangement and pursuant an internal reorganization of the Company to be completed prior to the Arrangement, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company which holds Power Nickel’s interests in the Golden Ivan property along with certain Chilean exploration assets and liabilities; (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares.

In order for the Arrangement to become effective, the Arrangement must be approved by a special resolution passed by at least a two-thirds majority of the votes cast by Shareholders at the Meeting and present in person or by proxy. Completion of the Arrangement is also subject to receipt of certain required regulatory approvals, including the approval of the Supreme Court of British Columbia (the “**Court**”) and the TSX Venture Exchange (the “**TSXV**”), and other customary closing conditions, all of which are described in more detail in the accompanying Circular.

The board of directors of Power Nickel (the “**Board**”) has unanimously determined that the Arrangement is fair and is in the best interests of Power Nickel. **Accordingly, the Board recommends that the Shareholders vote FOR the Arrangement.**

Voting at the Meeting

If you are not registered as the holder of your Power Nickel Shares and hold your Power Nickel Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your Power Nickel Shares. Please see the section in the accompanying Circular entitled “*General Proxy Information – Advice to Non-Registered Shareholders*” for further information on how to vote your Power Nickel Shares.

If you are a registered Shareholder, you must deliver the completed form of proxy to the office of Power Nickel’s registrar and transfer agent, Endeavor Trust Corporation 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4 Attention Proxy Dept by mail or fax to 1(604) 559-8908 or e-mail

proxy@endeavortrust.com or toll free number indicated on the proxy form (in Canada and United States) or go to the website indicated on the proxy form and follow the instructions on the form, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment. The Chair of the Meeting may waive the proxy cut-off time at their discretion without notice. Please vote as soon as possible. Voting by proxy will not prevent you from voting in person if you attend the Meeting and revoke your proxy, but will ensure that your vote will be counted if you are unable to attend.

* * * * *

While certain matters, such as the timing of the receipt of Court approval, are beyond the control of the Company, if the resolution approving the Arrangement is passed by the requisite majority of Shareholders at the Meeting, it is anticipated that the Arrangement will be completed and become effective on or about December 4, 2024 or shortly thereafter.

The TSXV has neither reviewed nor approved the disclosure in this letter nor the accompanying Notice of Meeting and Circular.

Sincerely,

(signed) "*Terry Lynch*"

Terry Lynch, CEO and Director

FREQUENTLY ASKED QUESTIONS ABOUT THE ARRANGEMENT AND THE MEETING

Below are some of the questions that you, as a Shareholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in the Circular. You are urged to read the Circular in its entirety before making a decision related to your Power Nickel Shares. Capitalized terms used in this letter but not otherwise defined have the meanings ascribed to such term in the Glossary of Terms in the Circular.

Q: What am I voting on?

A: You are voting on regular annual general meeting items, such as the election of directors of Power Nickel, renewal of the Power Nickel Stock Option Plan, and the appointment of Power Nickel's auditors.

You are also being asked to consider and, if deemed advisable, to vote **FOR** the Arrangement Resolution, which provides for, among other things, a distribution of Spinco Shares to the Shareholders, such that Shareholders will receive one New Power Nickel Share and 0.05 of a Spinco Share in exchange for each Power Nickel Share held by the Shareholder as of the Share Distribution Record Date. Upon completion of the Arrangement, Power Nickel will retain 50% of the issued and outstanding Spinco Shares and Shareholders will own the remaining 50% of the issued and outstanding Spinco Shares.

Shareholders are also being asked to approve the Spinco Stock Option Plan. Spinco has adopted the Spinco Stock Option Plan in order to provide incentive compensation to directors, officers, employees and consultants of Spinco as well as to assist Spinco in attracting, motivating and retaining qualified directors, management personnel and consultants. The purpose of the Spinco Stock Option Plan is to provide additional incentive for participants' efforts to promote the growth and success of the business of Spinco.

Q: When and where is the Meeting?

A: The Meeting will take place on November 22, 2024 at 11:00 a.m. (Eastern time), at the Company's office located at 202 - 82 Richmond Street East, Toronto, Ontario M5C 1P1.

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by management of the Company. This Circular is furnished in connection with that solicitation. The solicitation of proxies for the Meeting will be made primarily by mail, and the officers, directors and employees of the Company may, without receiving special compensation, contact Shareholders by telephone, electronic means or other personal contact.

Q: Who can attend and vote at the Meeting and what is the quorum for the Meeting?

A: Only Shareholders of record as of the close of business on September 24, 2024, the Record Date for the Meeting, are entitled to receive notice of and to attend, and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

The quorum for the transaction of business at the Meeting will be one or more persons present and being, or representing by proxy, two or more Shareholders entitled to attend and vote at the Meeting.

Q: How many Power Nickel Shares are entitled to vote?

A: As of September 24, 2024, there were 191,455,494 Power Nickel Shares issued and outstanding and entitled to vote at the Meeting. On a vote by a show of hands, every person who is a Shareholder or proxy holder and entitled to vote on the matter has one vote, and on a poll, every Shareholder entitled to vote on the matter has one vote for each Power Nickel Share that you own and that vote may be exercised either in person or by proxy.

Q: What will I receive in the Arrangement?

A: If the Arrangement is completed, Shareholders will be entitled to receive one New Power Nickel Share and 0.05 of a Spinco Share in exchange for each Power Nickel Share held on the Share Distribution Record Date.

Q: What vote is required at the Meeting to approve the resolutions?

A: The Arrangement Resolution must be passed by the affirmative vote of at least two-thirds of the votes cast at the Meeting by Shareholders present in person or by proxy.

All other resolutions at the Meeting must be approved by a simple majority of the Shareholders present in person or by proxy.

Q: How do I vote?

A: Registered Shareholders can vote in the following ways:

- **Mail:** To the offices of Endeavor Trust Corporation, 702-777 Hornby Street, Vancouver, BC V6Z 1S4 Attention Proxy Dept; or
- **Fax:** Endeavor Trust Corporation: Fax: 604-559-8908; or
- **Online:** Go to the website indicated on the proxy form and follow the instructions on the form or e-mail to proxy@endeavortrust.com; or
- **Phone:** Call the toll-free number indicated on the proxy form (in Canada and United States) and follow the voice instructions; or
- **In Person:** Present yourself to a representative of Endeavor Trust Corporation at the Meeting.

Non-Registered Shareholders are either “objecting beneficial owners” or “**OBOs**”, who object to intermediaries disclosing information about their identity and ownership in the Company or “non-objecting beneficial owners” or “**NOBOs**”, who do not object to such disclosure.

Canadian NOBOs may vote in the following ways:

- **Mail:** To the offices of Endeavor Trust Corporation, 702-777 Hornby Street, Vancouver, BC V6Z 1S4 Attention Proxy Dept; or
- **Fax:** Endeavor Trust Corporation: Fax: 604-559-8908; or
- **Online:** Go to the website indicated on the proxy form and follow the instructions on the form; or
- **Phone:** Call the toll-free number indicated on the proxy form (in Canada and United States) and follow the voice instructions.

U.S. NOBOs and Canadian and U.S. OBOs will have received this Circular from their Intermediary, together with a form of proxy or a voting instruction form (VIF). If that is the case, it is important that you comply strictly with the instructions that have been given to you by your Intermediary on the VIF.

Q: What if I return my proxy but do not mark it to show how I wish to vote?

A: If you have specified a choice on any matter to be acted on at the Meeting, your shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your shares will be voted in favour of all matters. The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting.

Q: When is the cut-off time for delivery of proxies?

A: Proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. In this case, assuming no adjournment, the proxy-cut off time is 11:00 a.m. (Eastern time) on November 20, 2024. The Chair of the Meeting may waive the proxy cut-off time at their discretion without notice.

Q: Can I change my vote?

A: Yes. If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Meeting and voting in person if you were a Registered Shareholder at the Record Date; (b) voting again online; (c) signing and returning a proxy bearing a later date; (d) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the Registered Office of Power Nickel at Suite 2501 – 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, Attention: Kathy Tang before 11:00 a.m. (Eastern time) on November 20, 2024; or, (e) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. (Eastern time) on the last Business Day before the day of the Meeting, or is delivered to the person presiding at the Meeting before it commences. Registered Shareholders that revoke their proxy and do not replace it with another that is deposited with us before the deadline, can still vote their shares, but to do so they must attend the Meeting in person.

Q: What are the recommendations of the Board on the Arrangement?

A: After taking into consideration, among other things, the Fairness Opinion of RwE Growth Partners, Inc. regarding the fairness of the Arrangement (based on the Plan of Arrangement and Arrangement Agreement), the Board has concluded that the Arrangement is in the best interests of Power Nickel and is fair to the Shareholders and recommend that Shareholders vote **FOR** the Arrangement Resolution to approve the Arrangement.

Q: Why is the Board making this recommendation?

A: In reaching their conclusion that the Arrangement is fair to Shareholders and that it is in the best interests of Power Nickel, the Board considered and relied upon a number of factors, including those described under the heading “*The Arrangement – Reasons for the Arrangement*” in this Circular.

Q: In addition to the approval of Shareholders, are there any other approvals required for the Arrangement?

A: Yes, the Arrangement requires the approval of the Court and the approval of the TSXV. See “*The Arrangement – Court Approval of the Arrangement*” and “*The Arrangement – Regulatory Approvals*” in this Circular.

Q: Do any directors or executive officers of Power Nickel have any interests in the Arrangement that are different from, or in addition to, those of the Shareholders?

A: In considering the recommendation of the Board to vote in favour of the matters discussed in this Circular, Shareholders should note that the directors and executive officers of Power Nickel, to the extent that they hold Power Nickel Shares, have interests in the Arrangement that are generally the same as interests of other Shareholders.

Q: Do I need to send in my Power Nickel Share certificates?

A: No. You are not required to send the certificates representing your Power Nickel Shares to validly cast your vote in respect of the Arrangement Resolution.

Q: When can I expect to receive my New Power Nickel Shares and Spinco Shares?

A: Assuming completion of the Arrangement, in the case of Registered Shareholders the Company will cause the Depository to mail the Letter of Transmittal to the Registered Shareholders concurrently with the mailing of the Circular, which will be used to exchange their share certificate(s) or DRS Advice(s) representing the Power Nickel Shares for a share certificates or DRS Advices representing New Power Nickel Shares and the Spinco Shares to which the Registered Shareholder is entitled.

In many cases, Power Nickel Shares beneficially owned by a Non-Registered Shareholder are registered either (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depository, such as CDS & Co., of which the Intermediary is a participant. In the case of Non-Registered Shareholders, the New Power Nickel Shares and the Spinco Shares to which a Non-Registered Shareholder is entitled will be delivered to their Intermediary through the procedures in place for such purposes between CDS & Co., the Depository Trust Company (DTC) or similar entities and such Intermediaries. After completion of such procedures, the Company will also cause the Depository to contact the Intermediaries in order to exchange any Spinco Shares registered in such Intermediaries’ name for share certificates or DRS Advices registered in the name of the Non-Registered Shareholders for the Spinco Shares to which each such Non-Registered Shareholders is entitled. In order for Non-Registered Shareholders to receive the Spinco Shares to which they are entitled, their Intermediary must exchange its certificate(s) or DRS Advice(s) representing its registered ownership of Spinco Shares, on behalf of the Non-Registered Shareholders, for share certificates or DRS Advices registered in the name of each respective Non-Registered Shareholders evidencing the Spinco Shares to which each such Non-Registered Shareholders is entitled to receive as a result of the Arrangement. Accordingly, the Spinco Shares beneficially owned by a Non-Registered Shareholder will be re-registered in the Non-Registered Shareholder’s name.

If you hold your Power Nickel Shares through an Intermediary, you should contact the Depository or your Intermediary if you have questions regarding this process.

See “*The Arrangement – Procedure for Distribution of Certificates*” in this Circular.

Q: How will the votes be counted?

A: Endeavor Trust Corporation, Power Nickel's transfer agent, counts and tabulates the proxies. Proxies are counted and tabulated by the transfer agent in such a manner as to preserve the confidentiality of the voting instructions of Registered Shareholders, subject to a limited number of exceptions.

Q: How will I know when the Arrangement will be implemented?

A: The Effective Date of the Arrangement will occur upon satisfaction or waiver of all of the conditions to the completion of the Arrangement. If the requisite level of Shareholder approval is obtained at the Meeting and all other conditions are satisfied, the Effective Date is expected to occur on or about December 4, 2024 or shortly thereafter. On the Effective Date of the Arrangement, Power Nickel will publicly announce that the conditions are satisfied or waived and that the Arrangement has been implemented.

Q: Are there risks I should consider in deciding whether to vote for the Arrangement Resolution?

A: Yes. Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks include, but are not limited to: (i) the Arrangement Agreement may be terminated at the discretion of the directors of Power Nickel or Spinco; (ii) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (iii) Power Nickel will incur costs even if the Arrangement is not completed; (iv) directors and executive officers of Power Nickel may develop interests in the Arrangement that are different from those of the Shareholders; (v) there is no guarantee that the Spinco Shares will be listed on an exchange or that a market for such shares will develop; (vi) the market price for Power Nickel Shares and Spinco Shares (if Spinco Shares are listed) may decline; and (vii) Spinco Shares may not become qualified investments under the Tax Act or a trust governed by a Registered Plan.

For more information, please see "*The Arrangement – Risks Associated with the Arrangement*" in this Circular.

Q: What are the Canadian income tax consequences of the Arrangement?

A: For a summary of certain material Canadian income tax consequences of the Arrangement, please see "*Certain Canadian Federal Income Tax Considerations*". Such summary is not intended to be legal or tax advice to any particular Shareholder. Shareholders should consult their own tax and investment advisors with respect to their particular circumstances.

Q: Am I entitled to Dissent Rights?

A: Yes, Shareholders will have the right to dissent in respect of the Arrangement Resolution. For more information, please see "*The Arrangement – Dissent Rights*" in this Circular.

Q: What will happen to the Power Nickel Shares that I currently own after completion of the Arrangement?

A: Concurrently with the mailing of the Circular, Power Nickel will cause the Depositary to mail the Letter of Transmittal to the Registered Shareholders, which will be used to exchange their certificate(s) or DRS Advice(s) representing their Power Nickel Shares for a share certificate or DRS Advice representing their New Power Nickel Shares to which they are entitled. Further details are set out in the Letter of Transmittal.

POWER NICKEL INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 22, 2024

NOTICE IS GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Power Nickel Inc. (the “**Company**” or “**Power Nickel**”) will be held at the Company’s office located at 202 - 82 Richmond Street East, Toronto, Ontario M5C 1P1, on November 22, 2024 at 11:00 a.m. (Eastern time) for the following purposes:

1. to receive and consider Power Nickel’s audited financial statements, together with the notes thereto and the auditor’s report thereon, for the financial year ended December 31, 2023;
2. to appoint DNTW Toronto LLP, Chartered Professional Accountants, as Power Nickel’s auditor for the ensuing fiscal year and to authorize the directors of the Company to fix the auditor’s remuneration;
3. to set the number of directors of Power Nickel at five (5);
4. to elect the directors of Power Nickel to hold office until the next annual meeting of Shareholders;
5. to consider and if thought fit, pass an ordinary resolution ratifying and confirming the Company’s “up to 10% rolling” stock option plan;
6. to consider pursuant to an Interim Order of the Supreme Court of British Columbia dated October 21, 2024 (the “**Interim Order**”) and, if thought advisable, to pass, with or without amendment, a special resolution (the “**Arrangement Resolution**”) approving an arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia), the full text of which resolution is set forth in Appendix A to the accompanying Management Information Circular dated October 21, 2024 (the “**Circular**”), which involves, among other things, the distribution to the Shareholders of, for each common share of Power Nickel held, one newly authorized common share in the capital of Power Nickel and 0.05 of a common share in the capital of Chilean Metals Inc. (“**Spinco**”), all as described in more detail in the Circular;
7. subject to the approval of the Arrangement Resolution, to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to approve a stock option plan for Spinco, in the form attached as Appendix B to and as more particularly described in the Circular; and
8. to transact such further or other business as may properly come before the Meeting or any adjournments thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Shareholders are advised to review the Circular before voting. Copies of the Arrangement Resolution, the Plan of Arrangement, the Interim Order of the Supreme Court of British Columbia dated October 21, 2024 and the Notice of Petition for the Final Order are attached to the Circular as Appendix A, Appendix C, Appendix D and Appendix E respectively. The dissent rights of the Shareholders are described in the accompanying Circular under the heading “*The Arrangement – Dissent Rights*” and are attached to the Circular as Appendix F. Shareholders should carefully read the section of this Circular entitled “*The Arrangement – Dissent Rights*” and consult with their advisors if they wish to exercise dissent rights, as any failure to fully comply with the dissent procedures described therein, as modified by the plan of arrangement and the

orders of the Supreme Court of British Columbia in respect of the Arrangement, may result in a loss of dissent rights.

Although no other matters are contemplated, the Meeting may also consider the transaction of such other business, and any permitted amendment to or variation of any matter identified in this Notice, as may properly come before the Meeting or any adjournment thereof. Accompanying this Notice and Circular is a: (i) form of proxy or voting instruction form – please follow the voting instructions detailed therein; and (ii) financial statements request form.

The board of directors of the Company has fixed the close of business on September 24, 2024 as the record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of, and to vote at, the Meeting. Only Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting.

Registered Shareholders are entitled to vote at the Meeting either in person or by proxy. Registered Shareholders who are unable to attend the Meeting in person are encouraged to read, complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular. In order to be valid for use at the Meeting, proxies must be received by Endeavor Trust Corporation, 702-777 Hornby Street, Vancouver, BC V6Z 1S4 Attention Proxy Dept or fax to 1(604) 559-8908 or e-mail proxy@endeavortrust.com or call the toll-free number indicated on the proxy form (in Canada and United States) or go to the website indicated on the proxy form and follow the instructions on the form and follow the voice instructions, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment. The Chair of the Meeting may waive the proxy cut-off time at their discretion without notice. Please advise Power Nickel of any change in your mailing address.

If you are a non-registered Shareholder, please refer to the section in the Circular entitled “*General Proxy Information – Advice to Non-Registered Shareholders*” for information on how to vote your Power Nickel Shares.

The TSXV has neither reviewed nor approved the disclosure in this Notice or the accompanying Circular.

DATED at Toronto, Ontario this 21st day of October, 2024.

**BY ORDER OF THE BOARD OF DIRECTORS OF
POWER NICKEL INC.**

“*Terry Lynch*”
CEO and Director

TABLE OF CONTENTS

	Page
INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR	1
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS	1
NOTE TO UNITED STATES SECURITYHOLDERS	2
CURRENCY AND EXCHANGE RATES.....	5
REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES	5
NOTICE-AND-ACCESS.....	5
TECHNICAL INFORMATION	5
GLOSSARY OF TERMS.....	6
SUMMARY	16
The Meeting.....	16
Record Date	16
Purpose of the Meeting	16
The Arrangement	16
Dissent Rights	21
Income Tax Considerations	22
Court Approval of the Arrangement	23
Regulatory Law Matters and Securities Law Matters	23
Risk Factors.....	24
GENERAL PROXY INFORMATION.....	26
Appointment of Proxy Holder	26
Voting by Proxy	26
Return of Proxy	27
Advice to Non-Registered Shareholders.....	27
Revocation of Proxy	28
Interest of Certain Persons in Matters to be Acted Upon	28
Voting Shares and Principal Shareholders	28
POWER NICKEL ANNUAL GENERAL AND SPECIAL MEETING ITEMS OTHER THAN THE ARRANGEMENT	29
Election of Directors	29
Executive Compensation	31
Securities Authorized for Issuance under Equity Compensation Plans	34
Indebtedness of Directors and Executive Officers.....	35
Interest of Informed Persons in Material Fundamental Changes	35
Audit Committee.....	35
Appointment of Auditor.....	38
Corporate Governance.....	38
Management Contracts.....	40
PARTICULARS OF OTHER MATTERS TO BE ACTED UPON.....	40
Shareholder Approval of Power Nickel Stock Option Plan	40
Shareholder Approval of Spinco Stock Option Plan	42
THE ARRANGEMENT	44
Background to the Arrangement	44
Fairness Opinion	44
Voting on the Arrangement	45
Principal Steps of the Arrangement	45
Authority of the Board.....	47
Recommendation of the Board	48
Reasons for the Arrangement	48
Approval of the Arrangement Resolution	49

The Arrangement Agreement.....	49
Completion of the Arrangement	50
Procedure for Distribution of Certificates	51
Effects of the Arrangement on Shareholders' Rights	52
Court Approval of the Arrangement	52
Regulatory Approvals	53
Regulatory Law Matters and Securities Law Matters	53
Interests of Certain Persons in the Arrangement.....	56
Risks Associated with the Arrangement	56
Dissent Rights	58
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS	61
Residents of Canada.....	62
Non-Residents of Canada.....	66
UNITED STATES TAX CONSIDERATIONS.....	69
INFORMATION CONCERNING SPINCO	69
INTEREST OF EXPERTS	69
ADDITIONAL INFORMATION	70
OTHER MATERIAL FACTS.....	70
APPROVAL OF DIRECTORS	70

APPENDICES

APPENDIX A	ARRANGEMENT RESOLUTION	A-1
APPENDIX B	SPINCO STOCK OPTION PLAN	B-1
APPENDIX C	PLAN OF ARRANGEMENT	C-1
APPENDIX D	INTERIM ORDER	D-1
APPENDIX E	NOTICE OF PETITION	E-1
APPENDIX F	DISSENT PROVISIONS.....	F-1
APPENDIX G	INFORMATION CONCERNING SPINCO	G-1
APPENDIX H	FAIRNESS OPINION SUMMARY	H-1
APPENDIX I	PRO FORMA FINANCIAL STATEMENTS OF POWER NICKEL	I-1
APPENDIX J	GOLDEN IVAN AND CHILEAN PROPERTIES CARVE-OUT FINANCIAL STATEMENTS	J-1
APPENDIX K	MD&A (OF THE CARVE-OUT FINANCIALS) FOR THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND YEAR ENDED DECEMBER 31, 2023	K-1
APPENDIX L	CHANGE OF AUDITOR PACKAGE	L-1

INFORMATION CONTAINED IN THIS INFORMATION CIRCULAR

The information contained in this Circular, unless otherwise indicated, is given as of October 21, 2024.

No person has been authorized to give any information or to make any representation in connection with the matters being considered herein other than those contained in this Circular and, if given or made, such information or representation should be considered or relied upon as not having been authorized. This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer of proxy solicitation. Neither the delivery of this Circular nor any distribution of securities referred to herein shall, under any circumstances, create any implication that there has been no change in the information set forth herein since the date of this Circular.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisors in connection with the matters considered in this Circular.

The Arrangement has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Arrangement or upon the accuracy or adequacy of the information contained in this Circular and any representation to the contrary is unlawful.

The TSXV has neither reviewed nor approved the disclosure in this Circular. The application for listing of Spinco's Shares on the TSXV or another stock exchange, if any, will be subject to Spinco meeting the initial listing requirements of the TSXV or such other stock exchange.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS

This Circular and the documents incorporated into this Circular by reference, contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of the applicable Canadian securities legislation (forward-looking information and forward-looking statements being collectively herein after referred to as "forward-looking statements") that are based on expectations, estimates and projections as at the date of this Circular or the dates of the documents incorporated herein by reference, as applicable. These forward-looking statements include but are not limited to statements and information concerning the Arrangement; the timing for the implementation of the Arrangement and the potential benefits of the Arrangement; the likelihood of the Arrangement being completed; steps of the Arrangement; statements relating to the business and future activities of, and developments related to, Power Nickel and Spinco after the date of this Circular and prior to the Effective Time and of Power Nickel and Spinco after the Effective Time; receipt of Shareholder approval, Court approval or TSXV approval of the Arrangement; market position, and future financial or operating performance of Spinco; the listing of Spinco Shares on the TSXV; and, other events or conditions of the Company or Spinco relate to or that may occur in the future.

Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might", or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements, which include statements

relating to, among other things, the ability of Power Nickel or Spinco to successfully compete in the market.

These forward-looking statements are based on the beliefs of Power Nickel's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, there can be no assurance that the forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions of the Arrangement including the approval of the Arrangement and fairness by the Court, and the receipt of the required approvals and consents of any Governmental Entity.

By their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Power Nickel or Spinco to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: (i) the Arrangement Agreement may be terminated at the discretion of the board of directors of Power Nickel or Spinco; (ii) general business, economic, competitive, political, regulatory and social uncertainties; (iii) uncertainty related to mineral exploration properties risks related to instability in the global economic climate; (iv) dilutive effects to Shareholders; (v) risks related to the ability to complete acquisitions; (vi) risks related to the ability of Power Nickel and Spinco to find appropriate joint venture partners; (vii) environmental risks; and (viii) community and non-governmental actions and regulatory risks.

This list is not exhaustive of the factors that may affect any of forward-looking statements of Power Nickel and Spinco. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Circular generally and certain economic and business factors, some of which may be beyond the control of Power Nickel and Spinco. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading "*The Arrangement – Risks Associated with the Arrangement*" and in Appendix G to this Circular under the heading "*Risk Factors*". Power Nickel and Spinco do not intend, and do not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, Shareholders should not place undue reliance on forward-looking statements.

NOTE TO UNITED STATES SECURITYHOLDERS

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The New Power Nickel Shares, the Spinco Shares, the Power Nickel Replacement Options and the Spinco Options to be issued to Shareholders in the United States pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in the Section 3(a)(10) thereunder on the basis of the approval of the Court, and corresponding exemptions under the securities laws of each state of the United States in which Shareholders in the United States are domiciled. The exemption from registration under Section 3(a)(10) of the U.S. Securities Act exempts from registration the issuance of any securities

issued in exchange for one or more bona fide outstanding securities where, among other things, the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing at which the fairness of the terms and conditions of such exchange are approved at which all persons to whom it is proposed to issue securities in such exchange have the right to appear and receive timely and adequate notice thereof. The Court issued the Interim Order on October 21, 2024 and, subject to the approval of the Arrangement by the Shareholders, a hearing for the Final Order approving the Arrangement will be held at 9:45 a.m. (Pacific time) on November 27, 2024 (or as soon thereafter as legal counsel can be heard) at 800 Smithe Street, Vancouver, British Columbia, Canada. All Shareholders are entitled to appear and be heard at this hearing. Accordingly, the Final Order, if granted by the Court after the Court considers the substantive and procedural fairness and reasonableness of the Arrangement to the Shareholders, will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereunder with respect to the New Power Nickel Shares and the Spinco Shares to be issued in connection with the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. For more information, please see "*The Arrangement – Court Approval of the Arrangement – Final Order*".

The New Power Nickel Shares and the Spinco Shares to be issued to Shareholders in the United States under the Arrangement will be freely transferable under U.S. federal Securities Laws, except that the U.S. Securities Act imposes restrictions on the resale of securities received pursuant to the Arrangement by persons who: (a) are, or within the 90 days immediately before such resale were, "affiliates" (as such term is defined under U.S. Securities Laws) of Power Nickel or Spinco, as applicable; or (b) were "affiliates" of Power Nickel or Spinco within 90 days prior to the Effective Date. Persons who may be deemed to be "affiliates" of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such New Power Nickel Shares or Spinco Shares by such an affiliate (or former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Shareholders in the United States who are affiliates of Power Nickel or Spinco solely by their status as an officer or director of Power Nickel or Spinco may sell their New Power Nickel Shares or Spinco Shares outside of the United States in compliance with Regulation S under the U.S. Securities Act. For more information, please see "*The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*".

Shareholders should be aware that the acquisition by Shareholders of the Spinco Shares pursuant to the Arrangement described herein may have tax consequences both in Canada and the United States. Such consequences for Shareholders may not be described fully herein. Shareholders who are resident in Canada are advised to review the summary contained in this Circular under the heading "*Certain Canadian Federal Income Tax Considerations*", and all Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the Laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Power Nickel is a company existing under the laws of British Columbia, Canada. The solicitation of Power Nickel proxies is being made and the transactions contemplated herein is undertaken by a Canadian issuer in accordance with Canadian corporate and Securities Laws and is not subject to the requirements of Section 14(a) of the U.S. Exchange Act by virtue of an exemption applicable to proxy solicitations by "foreign private issuers" (as defined in Rule 3b-4 under the U.S. Exchange Act). Accordingly, this Circular has been prepared in accordance with the applicable disclosure requirements in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and Securities Laws, which are different from the requirements applicable to proxy solicitations under the U.S. Exchange Act. Shareholders should be aware that disclosure requirements under such Canadian

laws are different from requirements under United States corporate and Securities Laws relating to issuers organized under United States laws, and this Circular has not been filed with or approved by the SEC or the securities regulatory authority of any state within the United States.

The enforcement by Shareholders in the United States of civil liabilities under United States federal Securities Laws may be affected adversely by the fact that each of Power Nickel and Spinco are incorporated in jurisdictions outside the United States, certain of their directors and executive officers are residents of Canada and all of their assets and the assets of such persons are located outside the United States. Shareholders in the United States may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal Securities Laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon Power Nickel, Spinco, their respective officers or directors or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal Securities Laws of the United States or “blue sky” laws of any state within the United States. In addition, Shareholders resident in the United States should not assume that Canadian courts: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the Securities Laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the Securities Laws of the United States or “blue sky” laws of any state within the United States.

The financial statements of Spinco included herein have been prepared in accordance with IFRS and are subject to Canadian auditing and auditor independence standards. As a result, such financial statements and financial information of Spinco may not be comparable to and may differ in material ways to financial statements prepared in accordance with U.S. generally accepted accounting principles and United States auditing and auditor independence standards. **Shareholders should consult with their own professional advisors for an understanding of the differences between IFRS and U.S. generally accepted accounting principles, and of how those differences might affect the financial information presented herein.**

Information concerning the Golden Ivan property that is publicly available and filed on SEDAR+ by Power Nickel uses terms that comply with reporting standards in Canada, which differ from the requirements of U.S. Securities Laws. Mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the current requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by United States companies.

Information concerning descriptions of mineralization and resources publicly available and filed on SEDAR+ by Power Nickel, may not be comparable to information made public by companies subject to the current reporting and disclosure requirements of the SEC under Regulation S-K 1300 under the U.S. Exchange Act. Although Regulation S-K 1300 under the U.S. Exchange Act and NI 43-101 have similar goals in terms of conveying an appropriate level of confidence in the disclosures being reported, they at times embody different approaches or definitions. Consequently, Shareholders are cautioned that information prepared in accordance with NI 43-101 may not be comparable to similar information made public by companies subject to S-K 1300 and the other reporting and disclosure requirements under the U.S. federal Securities Laws.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by Power Nickel.

CURRENCY AND EXCHANGE RATES

Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars.

REPORTING CURRENCIES AND ACCOUNTING PRINCIPLES

The financial statements of Power Nickel and Spinco in this Circular are reported in Canadian dollars and have been prepared in accordance with IFRS.

NOTICE-AND-ACCESS

The Company is not relying on the “**Notice and Access**” delivery procedures outlined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (“**NI 54-101**”), to distribute copies of proxy-related materials in connection with the Meeting. **However, the Company is electronically delivering proxy-related materials to Shareholders who have requested such delivery method and encourages Shareholders to sign up for electronic delivery (e-Delivery) of all future proxy materials.** The proxy materials for the Meeting can be found under the Company’s profile on SEDAR+, the Canadian Securities Administrators’ national system that all market participants use for filings and disclosure, at www.sedarplus.ca and on the Company’s website at www.powernickel.com.

TECHNICAL INFORMATION

Kenneth Williamson, Geo, M.Sc., VP Exploration at Power Nickel is a Qualified Person under NI 43-101 who has reviewed and approved the technical disclosure contained in this Information Circular.

GLOSSARY OF TERMS

In this Circular and accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms will have the respective meanings set out below, words importing the singular number will include the plural and vice versa and words importing any gender will include all genders.

“ACB”	means “adjusted cost base” as defined in the Tax Act.
“Advance Notice Policy”	means the advance notice policy adopted by the Board on October 4, 2018, as may be amended from time to time.
“affiliate”	has the meaning ascribed to that term in the National Instrument 45-106 – <i>Prospectus Exemptions</i> .
“Arrangement”	means the arrangement of Power Nickel under Section 288 of the <i>BCBCA</i> on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 6.1 of the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment or variation is acceptable to both Spinco and Power Nickel, each acting reasonably).
“Arrangement Agreement”	means the arrangement agreement dated as of October 15, 2024 between Power Nickel and Spinco, including all exhibits, as amended or restated by the parties thereto from time to time.
“Arrangement Provisions”	means Part 9, Division 5 of the <i>BCBCA</i> .
“Arrangement Resolution”	means the special resolution of the Shareholders approving the Plan of Arrangement which is to be considered at the Meeting, substantially in the form and content of Appendix A attached hereto.
“Articles”	means articles of incorporation of Power Nickel, as amended and restated from time to time.
“BCBCA”	means the <i>Business Corporations Act</i> (British Columbia) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.
“BCSC”	means the British Columbia Securities Commission.
“Board”	means the board of directors of Power Nickel as constituted from time to time.
“Business Day”	means any day that is not a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia.
“Canadian Securities Administrators”	means the voluntary umbrella organization of Canada’s provincial and territorial securities regulators.

“Canadian Securities Laws”	means the Securities Act, together with all other applicable federal and provincial Securities Laws and the rules and regulations and published policies of the securities authorities thereunder, as now in effect and as they may be promulgated or amended from time to time, and includes the rules and policies of the TSXV.
“Circular”	means, collectively, the Notice of Annual General and Special Meeting and this Management Information Circular of the Company, including all appendices hereto, sent to Shareholders in connection with the Meeting.
“Closing”	means December 4, 2024 or such other date as the Arrangement closes.
“Court”	means the Supreme Court of British Columbia.
“CRA”	means the Canada Revenue Agency.
“Depository”	means Endeavour Trust Corporation in its capacity as Depository under the Plan of Arrangement, or such other depository as the Company may determine.
“Direct Registration System”	means the direct registration system maintained which allows registered securities of the Company or Spinco to be held in electronic format without a physical certificate issued as evidence of ownership.
“Dissent Procedures”	has the meaning given to it under the heading “ <i>The Arrangement – Dissent Rights</i> ”.
“Dissent Rights”	means the right of Registered Shareholders to exercise a right of dissent under the <i>BCBCA</i> in strict compliance with the Dissent Procedures.
“Dissent Shares”	means the Power Nickel Shares held by Dissenting Shareholders in respect of which such Dissenting Shareholders have validly exercised his, her or its Dissent Rights and delivered a Notice of Dissent.
“Dissenting Shareholder”	mean a Registered Shareholder who exercises Dissent Rights in respect of the Arrangement in strict compliance with the <i>BCBCA</i> , as modified or supplemented by the Interim Order, Plan of Arrangement or any other order(s) of the Court and who has not withdrawn or has been deemed to have withdrawn such exercise of such Dissent Rights.
“DRS Advice”	means the Direct Registration System advice-statements issued as evidence of ownership of securities in the Company or Spinco, as the context requires.
“Effective Date”	means the date upon which the Arrangement becomes effective.
“Effective Time”	means 12:01 a.m. (Eastern time) on the Effective Date or such

other time on the Effective Date as may be agreed to in writing by Power Nickel and Spinco.

- “Fairness Opinion”** means the opinion dated October 15, 2024 delivered by RWE Growth Partners, Inc. to the Board in respect of the fairness of the Arrangement.
- “Fairness Opinion Summary”** means the summary of the Fairness Opinion, a full copy of which is attached as Appendix H.
- “FHSA”** means a “first home savings account” as defined in the Tax Act.
- “Final Order”** means the final order of the Court pursuant to Section 291(4) of the *BCBCA*, after being informed of the intention of Spinco and Power Nickel to rely upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereunder in connection with the issuance of the New Power Nickel Shares and the Spinco Shares to Shareholders in the United States, in a form acceptable to Spinco and Power Nickel, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with consent of both Spinco and Power Nickel, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the parties, each acting reasonably) on appeal.
- “Governmental Entity”** means: (a) any multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, bureau, board or authority of any of the foregoing; (c) any quasi- governmental or private body, including any tribunal, commission, regulatory agency or self- regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) any stock exchange, including the Exchange.
- “IFRS”** means International Financial Reporting Standards, as adopted by the International Accounting Standards Board.
- “In the Money Amount”** means at a particular time, with respect to a Power Nickel Option, Power Nickel Replacement Option or Spinco Option, the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time.
- “Interim Order”** means the interim order of the Court made pursuant to Section 291(2) of the *BCBCA*, after being informed of the intention of Spinco and Power Nickel to rely upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereunder in connection with the issuance of the New Power Nickel Shares and the Spinco Shares to Shareholders in the United States, in a form acceptable to Spinco and Power

Nickel, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be amended by the Court with the consent of Spinco and Power Nickel, each acting reasonably, a copy of which is attached as Appendix D.

“Intermediary”	means an intermediary with which a Non-Registered Shareholder may deal, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans (each, as defined in the Tax Act) and similar plans, and their Intermediaries.
“Internal Reorganization”	means the internal reorganization to be completed by Power Nickel prior to the Arrangement, pursuant to which the following will occur: (i) Power Nickel will transfer its shares of Consolidated Gold and Copper Inc. (a directly wholly owned subsidiary of Power Nickel) to Spinco in exchange for Spinco Shares; and (ii) Power Nickel will subscribe for \$1 million worth of further Spinco Shares for cash.
“Law” or “Laws”	means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any permit of or from any Governmental Entity or self-regulatory authority (including the TSXV), and the term “applicable” with respect to such Laws and in a context that refers to a party, means such Laws as are applicable to such party and/or its subsidiaries or their business, undertaking, property or securities and emanate from a person having jurisdiction over the party and/or its subsidiaries or its or their business, undertaking, property or securities.
“Letter of Transmittal”	means the letter of transmittal with respect to the Arrangement sent to the Shareholders together with the Circular.
“MD&A”	means management’s discussion and analysis of financial statements.
“Meeting”	means the annual and special meeting of Shareholders to be held November 22, 2024, and any adjournment(s) or postponement(s) thereof, held in order to, among other things, consider and, if thought fit, approve the Arrangement in accordance with the Interim Order.
“Meeting Materials”	means this Circular and the accompanying Notice of Meeting and form of proxy.
“Named Executive Officer” or “NEO”	has the meaning given to it under the heading “ <i>Executive Compensation – Definitions</i> ”.
“New Power Nickel Shares”	means the newly created class of common shares in the authorized capital of Power Nickel issued in exchange for the

	Power Nickel Class A Common Shares in accordance with the Arrangement.
“NI 43-101”	means National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> of the Canadian Securities Administrators.
“NI 45-102”	means National Instrument 45-102 – <i>Resale of Securities</i> of the Canadian Securities Administrators.
“NI 52-110”	means National Instrument 52-110 - <i>Audit Committees</i> of the Canadian Securities Administrators.
“NI 54-101”	means National Instrument 54-101 - <i>Communication with Beneficial Owners of Securities of a Reporting Issuer</i> of the Canadian Securities Administrators.
“NI 58-101”	means National Instrument 58-101 - <i>Disclosure of Corporate Governance Practices</i> of the Canadian Securities Administrators.
“NI 58-101”	means National Instrument 58-101 - <i>Disclosure of Corporate Governance Practices</i> of the Canadian Securities Administrators.
“Non-Registered Shareholder”	means a Shareholder who is not a Registered Shareholder.
“Non-Resident Shareholders”	has the meaning attributed to that term in this Circular under <i>“Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada”</i> .
“Notice of Dissent”	has the meaning given to it under the heading <i>“The Arrangement – Dissent Rights”</i> .
“Notice of Meeting”	means the notice to the Shareholders which accompanies this Circular.
“Notice of Petition”	means the Notice of Petition for the Final Order, a copy of which is attached as Appendix E.
“Notice Shares”	has the meaning given to it under the heading <i>“The Arrangement – Dissent Rights”</i> .
“NP 58-201”	means National Policy 58-201 – <i>Corporate Governance Guidelines of the Canadian Securities Administrators</i> .
“OBOs”	means Non-Registered Shareholders who have objected to their Intermediary disclosing certain ownership information about themselves.
“paid-up capital”	has the meaning ascribed to such term for the purposes of the Tax Act.
“Person” or “person”	includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative,

government (including any Governmental Entity) or any other entity, whether or not having legal status.

“Plan of Arrangement”

means the plan of arrangement of Power Nickel and Spinco, and any amendments or variations thereto made in accordance with the Plan of Arrangement or upon the direction of the Court in the Final Order with the consent of Spinco and Power Nickel, each acting reasonably.

“Policy 4.4”

means TSXV Policy 4.4 – *Securities Based Compensation*.

“Power Nickel”

means Power Nickel Inc., a company existing under the laws of British Columbia.

“Power Nickel Class A Common Shares”

means the shares of Power Nickel resulting from the alteration of Power Nickel’s authorized share capital and Articles by the renaming and redesignation of all the issued and unissued common shares of Power Nickel.

“Power Nickel Optionholder”

means the holder of a Power Nickel Option.

“Power Nickel Options”

means options to acquire Power Nickel Shares granted under the Power Nickel Stock Option Plan or otherwise, including options under the terms of which are deemed exercisable for Power Nickel Shares, that are outstanding immediately prior to the Effective Time.

“Power Nickel Replacement Option”

means an option to acquire a New Power Nickel Share to be issued by Power Nickel to a holder of a Power Nickel Option pursuant to Section 3.1(d) of the Plan of Arrangement.

“Power Nickel Shares”

means the issued and outstanding common shares of Power Nickel and, following the renaming and redesignation of such common shares as Power Nickel Class A Common Shares in accordance with the Plan of Arrangement, means the Power Nickel Class A Common Shares.

“Power Nickel Stock Option Plan”

means the existing stock option plan of Power Nickel, as updated and amended from time to time.

“Power Nickel Warrants”

means the share purchase warrants of Power Nickel exercisable to acquire Power Nickel Shares, including warrants under the terms of which are deemed exercisable for Power Nickel Shares, that are outstanding immediately prior to the Effective Time.

“RDSP”

means a “registered disability savings plan” as defined in the Tax Act.

“Record Date”

means September 24, 2024.

“Registered Plan”

means an RDSP, RRSP, RRIF, RESP, TFSA, FHSA or deferred profit sharing plan.

“Registered Shareholder”	means a registered holder of Power Nickel Shares.
“Registrar”	means the Registrar of Companies under the <i>BCBCA</i> .
“Regulatory Approvals”	means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities.
“Resident Shareholders”	has the meaning attributed to that term in this Circular under <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada”</i> .
“RESP”	means a “registered education savings plan” as defined in the Tax Act.
“RRIF”	means a “registered retirement income fund” as defined in the Tax Act.
“RRSP”	means a “registered retirement savings plan” as defined in the Tax Act.
“SEC”	means the United States Securities and Exchange Commission.
“Securities Act”	means the <i>Securities Act</i> (British Columbia) and the regulations made thereunder.
“Securities Laws”	means the Canadian Securities Laws and U.S. Securities Laws and all applicable stock exchange rules and listing standards.
“Securityholder”	means the Shareholders and Power Nickel Optionholders.
“SEDAR+”	means the system for the transmission of documents known as the System for Electronic Data Analysis and Retrieval +, as outlined in National Instrument 13-103 – <i>System for Electronic Data Analysis and Retrieval +</i> , which can be accessed online at www.sedarplus.ca .
“SEDI”	means the means the online computer system providing for the transmission, receipt, review and dissemination of insider reports and related information filed electronically, which is known as the System for Electronic Disclosure by Insiders, as outlined in National Instrument 55-102 – <i>System for Electronic Disclosure by Insiders</i> .
“Share Distribution Record Date”	means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Shareholders entitled to receive New Power Nickel Shares and Spinco Shares pursuant to the Plan of Arrangement or such other date as the Board may select.

“Shareholders”	means the holders of Power Nickel Shares and the New Power Nickel Shares, as the case may be.
“Spinco”	means Chilean Metals Inc., a wholly owned subsidiary of Power Nickel existing under the <i>BCBCA</i> .
“Spinco Advance Notice Provisions”	has the meaning given to it under the heading “ <i>Directors and Officers – Period of Service of Directors</i> ” in Appendix G.
“Spinco Audit Committee”	means the audit committee of Spinco.
“Spinco Audit Committee Charter”	means the audit committee charter of Spinco.
“Spinco Board”	means the board of directors of Spinco, as constituted from time to time.
“Spinco Options”	means options to purchase Spinco Shares granted under the Arrangement or the Spinco Stock Option Plan, as the case may be.
“Spinco Projects”	means the Tierra de Oro Project (Chile), Palo Negro (Chile) and Hornitos Project (Chile), and Golden Ivan Project (BC).
“Spinco Property”	means all of the issued and outstanding common shares in the authorized capital of Consolidated Gold and Copper Inc. which includes a 100% interest in the Spinco Projects, indirectly through its wholly owned subsidiaries.
“Spinco Shareholders”	means holders of Spinco Shares.
“Spinco Shares”	means the common shares without par value in the authorized capital of Spinco.
“Spinco Stock Option Plan”	means the stock option plan of Spinco on substantially the same terms and conditions as the Power Nickel Stock Option Plan.
“Spinout Assets”	means all direct and indirect right, title and interest of Power Nickel in and to the Spinco Property and all business, corporate, legal and accounting books, records and documents used in the conduct of the foregoing properties and related undertakings.
“Spinout Liabilities”	means: <ul style="list-style-type: none"> (i) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for taxes) in respect (but only in respect) of the Spinout Assets (including the operations or activities in connection therewith); (ii) all liabilities or obligations for taxes payable to any Governmental Entity arising from, or in connection with the Spinout Assets; and (iii) all liabilities or obligations for taxes payable but not yet paid or reflected in the contingencies or commitments in the Annual Financial Statements of Power Nickel to any Governmental Entity and imposed on, or is in respect of, the Spinout Assets and/or any liabilities or obligations

referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carry-forwards) with respect to the Spinout Assets.

“Stock Option Resolutions”	means the ordinary resolutions of the Shareholders approving each of the Power Nickel Stock Option Plan and the Spinco Stock Option Plan, each of which is to be considered at the Meeting.
“taxable capital gain”	has the meaning attributed to that term in this Circular under <i>“Certain Canadian Federal Income Tax Considerations – Residents of Canada – Taxation of Capital Gains and Capital Losses”</i> .
“Tax Act”	means the <i>Income Tax Act</i> (Canada), as amended from time to time.
“Tax Regulations”	has the meaning attributed to that term in this Circular under <i>“Certain Canadian Federal Income Tax Considerations”</i> .
“TFSA”	means a “tax-free savings account” as defined in the Tax Act.
“TSXV” or “Exchange”	means the TSX Venture Exchange.
“United States” or “U.S.”	means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.
“U.S. Exchange Act”	means the United States Exchange Securities Act of 1934, as amended and the rules and regulations promulgated thereunder.
“U.S. Holder”	means a beneficial owner of a Power Nickel Share or Spinco Share, as the case may be, who is, for U.S. federal income tax purposes: <ul style="list-style-type: none"> (i) an individual citizen or resident of the United States; (ii) a corporation or other entity classified as a corporation created or organized in or under the laws of the United States or any political subdivision thereof; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if: (i) a court within the United States can exercise primary supervision over it, and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.
“U.S. Securities Act”	means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

“U.S. Securities Laws”

means all applicable securities legislation in the United States, including the U.S. Securities Act, the U.S. Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, including judicial and administrative interpretations thereof, and the securities laws of the states of the United States.

SUMMARY

This summary is qualified in its entirety by the more detailed information appearing elsewhere in this Circular, including the Appendices which are incorporated into and form part of this Circular. Capitalized terms used in this summary but not otherwise defined have the meaning ascribed to such term in the Glossary of Terms immediately preceding this summary.

The Meeting

The Meeting will be held at the Company's office located at 202 - 82 Richmond Street East, Toronto, Ontario M5C 1P1, on Friday November 22, 2024 commencing at 11:00 a.m. (Eastern time).

Record Date

Only Shareholders of record at the close of business on September 24, 2024 will be entitled to receive notice of and vote at the Meeting, or any adjournment or postponement thereof.

Purpose of the Meeting

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, the Arrangement Resolution approving the Plan of Arrangement. The full text of the Arrangement Resolution is set out in Appendix A to this Circular. In order to implement the Arrangement, the Arrangement Resolution must be approved, with or without amendment, by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders, in person or represented by proxy at the Meeting. For more information, please see "*The Arrangement – Approval of the Arrangement Resolution*".

Shareholders will also be asked at the Meeting to consider and, if deemed advisable, to pass an ordinary resolution approving the Power Nickel Stock Option Plan and the Spinco Stock Option Plan.

The Arrangement

The Arrangement will constitute the Plan of Arrangement of the Company and Spinco. In order for the Arrangement to be effective, it must be approved by a special resolution passed by the Shareholders holding a majority of not less than two-thirds of the Power Nickel Shares represented in person or by proxy at the Meeting that voted on the resolution. The disclosure of the principal features of the Arrangement, as summarized below and as disclosed in more detail elsewhere in this Circular, is qualified in its entirety by reference to the full text of the Arrangement Agreement.

Prior to the Arrangement becoming effective and pursuant to the Internal Reorganization, Power Nickel will be issued common shares of Spinco (the "**Spinco Shares**"), to then be distributed to the Shareholders by Power Nickel under the Arrangement, in consideration for the transfer by Power Nickel to Spinco of:

- (a) the Spinco Property (as defined herein), all business, corporate, legal and accounting books, records and documents related to the Spinco Property, all equipment, hardware, software, office supplies, fixtures, and other tangible property owned, leased or held by or on behalf of Power Nickel, (collectively, the "**Spinout Assets**"); and
- (b) all liabilities or obligations of any type whatsoever (including contingent or absolute obligations, and future obligations) of Power Nickel, including all liabilities or obligations for taxes payable arising from or in connection with the Spinout Assets (collectively, the "**Spinout Liabilities**").

In addition, Power Nickel will subscribe for up to \$1,000,000 Spinco Shares.

The principal business of Power Nickel has been natural resource exploration with a focus on the investment in and exploration, development and advancement of exploration properties in Canada and Chile. Power Nickel will continue this business; however, the purpose of the Internal Reorganization and the Arrangement is to allow Power Nickel to spin out the Spinco Property, which includes the Spinout Projects (e.g., Golden Ivan Project) to Spinco.

Pursuant to the Plan of Arrangement, there will be a reorganization of Power Nickel's share capital which includes an alteration to its existing authorized share structure and the exchange of Power Nickel Shares held by Shareholders for New Power Nickel Shares and Spinco Shares held by Power Nickel. Immediately following completion of the Plan of Arrangement, Shareholders who receive Spinco Shares will continue to hold an interest in each part of the current business of Power Nickel through the continued ownership of their New Power Nickel Shares and the ownership of Spinco Shares distributed to them. **Shareholders should refer to Appendix G for detailed information about Spinco post-Arrangement and Appendix I for pro-forma financial statements of Power Nickel post-Arrangement as of December 31, 2023.**

The Arrangement Agreement

Pursuant to the Arrangement Agreement, the Arrangement provides that at or after 12:01 AM (Vancouver time) (the "**Effective Time**") on the date upon which the Arrangement becomes effective (the "**Effective Date**") there will be:

- (a) an alteration to the share capital structure whereby:
 - (i) there will be a renaming and redesignating all of the issued and unissued Power Nickel Shares as "Class A common shares without par value" and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the "**Power Nickel Class A Common Shares**";
 - (ii) the creation of a new class of shares consisting of an unlimited number of "common shares without par value" with terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the Effective Time, being the "**New Power Nickel Shares**"; and,
- (b) each issued and outstanding Power Nickel Class A Common Share outstanding on the Share Distribution Record Date will be exchanged for:
 - (i) one New Power Nickel Share;
 - (ii) 0.05 of a Spinco Share held by Power Nickel; and
- (c) the authorized share capital of Power Nickel will be further amended to delete each Power Nickel Class A Common Share.

In addition, each Power Nickel Option then outstanding to acquire one Power Nickel Share will be transferred and exchanged for:

- (a) one Power Nickel Replacement Option to acquire one New Power Nickel Share having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of a New Power Nickel Share at the Effective Time divided by the total of the fair market value of a New Power Nickel Share and the fair market value of 0.05 of a Spinco Share at the Effective Time; and

- (b) one Spinco Option to acquire 0.05 of a Spinco Share, each Spinco Option having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of 0.05 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Power Nickel Share and 0.05 of a Spinco Share at the Effective Time.

Upon completion of the Arrangement and pursuant to the terms of the Arrangement Agreement, the total number of outstanding Spinco Shares will be equal to 0.05 of the total number of Power Nickel Shares issued and outstanding immediately prior to the Effective Time, as Power Nickel will retain a portion of the Spinco Shares.

Power Nickel and Spinco have agreed to implement the Arrangement in accordance with the Arrangement Agreement and the Plan of Arrangement. As at the date of this Circular, Power Nickel has obtained the Interim Order providing for, among other things, the calling and holding of the Meeting. If the Arrangement Resolution is approved at the Meeting, Power Nickel will on or about November 27, 2024 apply to the Court for the Final Order. If the Final Order is obtained, subject to the satisfaction or waiver of any conditions contained in the Arrangement Agreement, the Arrangement will become effective in accordance with the Final Order.

Reasons for the Arrangement and Recommendation of Board

After careful consideration, the Board has unanimously determined that the Plan of Arrangement is fair and in the best interests of Power Nickel and the Shareholders. Accordingly, the Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.

In the course of its evaluation of the Plan of Arrangement, the Board considered a number of factors, including among others, the following:

- (a) *Fairness Opinion.* The Fairness Opinion to the effect that, as of October 15, 2024 subject to the assumptions, limitations and qualifications contained therein, the Arrangement (based on the Plan of Arrangement and Arrangement Agreement) is fair, from a financial point of view, to the Shareholders.
- (b) *Continued Participation by Shareholders in the Spinco Property Through Spinco.* Shareholders, through their ownership of Spinco Shares, will also participate in the Spinco Property. The Shareholders will hold 50% of the issued Spinco Shares upon completion of the Arrangement. Prior to the Arrangement, as part of the Internal Reorganization, the Company will subscribe for up to \$1,000,000 worth of Spinco Shares in cash to provide Spinco with working capital to, amongst other things, pursue exploration and development of the Spinco Projects and general corporate purposes. It is expected that certain of the current management of Power Nickel will also participate as management of Spinco.
- (c) *Continued Participation by Optionholders Through Power Nickel Replacement Options.* Each Power Nickel Optionholder at the Effective Time will receive the same proportionate interest in Power Nickel and Spinco that such Securityholder held in Power Nickel immediately prior to the Arrangement, as they will receive one Power Nickel Replacement Option and one Spinco Option.
- (d) *Mineral Property Diversification.* The creation of two separate companies dedicated to the pursuit of their respective businesses will provide Shareholders with diversification for their investment portfolios, as they will hold a direct interest in two companies, each of which is focused on different mineral exploration assets.

- (e) *Approval of Shareholders, the Court and the TSXV are required.* The following required approvals protect the rights of Shareholders: (i) the Arrangement must be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders, present in person or represented by proxy, at the Meeting; (ii) the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Shareholders; and (iii) the Arrangement must be approved by the TSXV.
- (f) *Dissent Rights.* Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, have the ability to exercise Dissent Rights under the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement.

The foregoing discussion summarizes the material information and factors considered by the Board in their consideration of the Plan of Arrangement. The Board collectively reached its unanimous decision with respect to the Plan of Arrangement in light of the factors described above and other factors that each member of the Board felt were appropriate. In view of the wide variety of factors and the quality and amount of information considered, the Board did not find it useful or practicable to, and did not make specific assessments of, quantify, rank or otherwise assign relative weights to the specific factors considered in reaching its determination. Individual members of the Board may have given different weight to different factors.

For further information on the reasons for the Arrangement, please see “*The Arrangement – Reasons for the Arrangement*” in this Circular.

Fairness Opinion

RwE Growth Partners, Inc. have provided the Fairness Opinion to the Board in respect of the fairness of the terms of the Arrangement, from a financial point of view, to the Shareholders. Based upon its review and such other matters as RwE Growth Partners, Inc. have considered relevant, and subject to the limitations stated in the Fairness Opinion, it is its opinion that, as of October 15, 2024 the Arrangement (based on the Plan of Arrangement and Arrangement Agreement) is fair, from a financial point of view, to the Shareholders.

In the course of its evaluation of the Plan of Arrangement, RwE Growth Partners, Inc. considered a number of factors and tested the fairness of the Arrangement by considering, including among other matters, the following:

- (a) the latest available technical and financial data related to the Spinco Projects and the financial data of Power Nickel;
- (b) the cost to have in place the findings at the Spinco Projects based on historical work undertaken based on Power Nickel’s disclosures and possible market comparisons;
- (c) calculating the fair value of the Spinco Projects;
- (d) calculating the fair market value of Spinco prior to the Arrangement;
- (e) the terms and conditions of the Arrangement Agreement and the steps of the Plan of Arrangement; and
- (f) considering qualitative factors, such as synergies, that may result from the Arrangement.

For further information, please see the Fairness Opinion Summary attached to this Circular as Appendix H and the section entitled “*The Arrangement – Fairness Opinion*” in this Circular.

Conditions to Arrangement Becoming Effective

In addition to the information noted immediately below under “*Court Approval of the Arrangement*” and “*Exchange Approval*”, the Arrangement is subject to a number of specified conditions, including among others:

- the Interim Order and Final Order will have been obtained from the Court on terms acceptable to each of the parties and will not have been set aside or modified in a manner unacceptable to either of the parties, on appeal or otherwise;
- Power Nickel and Spinco will have received all required approvals, including approval by Shareholders of the Arrangement at the Meeting, approval by their respective boards of directors to the Arrangement, and approval of the TSXV to the Arrangement (as it relates to Power Nickel), subject only to compliance with the usual conditions of that approval, if any;
- the issuance of the New Power Nickel Shares and the Spinco Shares to the Shareholders in the United States pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) of the U.S. Securities Act;
- Power Nickel will have received confirmation from counsel that the delivery of the Spinco Shares to the Shareholders pursuant to the Arrangement will be exempt from the registration and prospectus requirements in each of the provinces and territories of Canada in which Shareholders are resident in Canada;
- there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by this Arrangement Agreement or the Plan of Arrangement;
- none of the consents, orders, regulations or approvals contemplated by this Arrangement Agreement will contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by either of the parties hereto, acting reasonably;
- no Law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Power Nickel, the Shareholders or Spinco if the Arrangement is completed;
- Notices of Dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by Shareholders holding greater than 5% of the outstanding Power Nickel Shares;
- the Arrangement Agreement will not have been previously terminated; and
- the obligation of each party to complete the Arrangement is subject to the further condition that the covenants of the other parties will have been duly performed.

These conditions may be waived in accordance with the Arrangement Agreement.

Court Approval of the Arrangement

Under the *BCBCA*, Power Nickel is allowed to apply for the Interim Order and is required to apply for the Final Order to obtain the approval of the Court to the calling of the Meeting and to the Arrangement. On October 21, 2024, Power Nickel obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order is attached as Appendix D to the Circular.

The Court hearing to obtain the Final Order approving the Arrangement is scheduled at 9:45 a.m., Vancouver time, on November 27, 2024, subject to the approval of the Arrangement Resolution at the Meeting. A copy of the Notice of Petition approving the Arrangement is attached as Appendix E to the Circular.

Shareholders who wish to participate in or be represented at the Court hearing should consult with their legal advisors as to the necessary requirements.

Exchange Approval

The issued and outstanding Power Nickel Shares are listed for trading on the TSXV. Power Nickel has not received conditional approval from the TSXV for the Arrangement. There can be no guarantee that TSXV conditional approval will be obtained.

Spinco has not applied to list the Spinco Shares on any stock exchange and there are no immediate plans to apply for listing of the Spinco Shares on any stock exchange. Until the Spinco Shares are listed on a stock exchange, the holders of Spinco Shares may not be able to sell their Spinco Shares. Even if a listing is obtained, the holding of Spinco Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity of their investment.

The disclosure in this Circular has not been approved by the TSXV, though Power Nickel has made its filing with the TSXV on October 18, 2024 in respect of the Arrangement under TSXV Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets*.

For more information, please see “*The Arrangement – Regulatory Approvals*” in the Circular.

Dissent Rights

The Interim Order provides that each Registered Shareholder may exercise Dissent Rights in accordance with section 237 to 247 of the *BCBCA* as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement. Each Dissenting Shareholder is entitled to be paid the fair value of all, but not less than all, of the holder’s Power Nickel Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

To exercise Dissent Rights, Registered Shareholders must provide written notice to Power Nickel, c/o Cozen O’Connor LLP, Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5, Attention: Kathy Tang at or before 11:00 a.m. (Vancouver time) on November 20, 2024 (or on the Business Day that is two Business Days immediately preceding any adjourned or postponed Meeting) in the manner described under the heading “*The Arrangement – Dissent Rights*” in this Circular. If a Registered Shareholder exercises Dissent Rights in strict compliance with the *BCBCA* and Interim Order and the Arrangement is completed, such Dissenting Shareholder is entitled to be paid the “fair value” of the Power Nickel Shares with respect to which Dissent Rights were exercised, as calculated immediately before the passing of the Arrangement Resolution. Only Registered Shareholders are entitled to exercise Dissent Rights. Non-Registered Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their Power Nickel Shares to deliver the required Notice of Dissent or, alternatively, make arrangements to become Registered Shareholders. Shareholders should carefully read the section of this Circular entitled “*The Arrangement – Dissent Rights*” and consult with their advisors if they wish to exercise Dissent Rights. Any failure to fully comply with the provisions of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement, may result in a loss of that holder’s Dissent Rights.

Income Tax Considerations

Summary of Certain Canadian Income Tax Considerations

There will be no tax consequences on the renaming and redesignation of Power Nickel Shares to Power Nickel Class A Common Shares.

Shareholders will be considered to have disposed of their Power Nickel Class A Common Shares on the exchange of their Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares.

Resident Shareholders will generally be deemed for purposes of the Tax Act to receive a dividend from Power Nickel on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, to the extent that the fair market value of the Spinco Shares received by the Resident Shareholder exceeds the paid-up capital (as determined for the purposes of the Tax Act) of the Power Nickel Class A Common Shares exchanged. The cost of the New Power Nickel Shares will be deemed to be equal to the amount, if any, by which the ACB of the Power Nickel Class A Common Shares exceeds the fair market value of the Spinco Shares received. Power Nickel expects the fair market value of all Spinco Shares distributed under the Arrangement will not exceed the paid-up capital of the Power Nickel Class A Common Shares.

On the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, a capital gain (or capital loss) may also be realized by a Resident Shareholder equal to the amount by which (a) the aggregate of the cost of the Spinco Shares and of the New Power Nickel Shares received less the amount of any dividend deemed to be received on the exchange exceeds (or is less than) (b) the aggregate of the ACB of the Power Nickel Class A Common Shares exchanged and any reasonable costs of disposition. Shareholders should consult with their own tax advisors regarding the ACB of their Power Nickel Class A Common Shares since the ACB will depend on the circumstances in which their Power Nickel Class A Common Shares were issued to them.

As set out above, if the aggregate fair market value of the Spinco Shares, at the time they are distributed on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, exceeds the aggregate paid-up capital of the Power Nickel Shares, a dividend will be deemed to be paid by Power Nickel to Shareholders to the extent of such excess. In the case of Non-Resident Shareholders, the deemed dividend will be subject to Canadian withholding tax under Part XIII of the Tax Act equal to 25% (subject to reduction under an applicable income tax treaty) of the deemed dividend. Power Nickel will take such actions as may be reasonably necessary in order to meet Power Nickel's withholding tax obligations arising as a result of any deemed dividend.

Non-Resident Shareholders will generally not be taxed in Canada with respect to any capital gains realized on the disposition of Power Nickel Class A Common Shares pursuant to the Arrangement provided such shares do not constitute "taxable Canadian property" as defined in the Tax Act.

Non-Resident Shareholders should consult with their tax advisors.

A summary of certain Canadian federal income tax considerations in respect of the proposed Arrangement is included under "*Certain Canadian Federal Income Tax Considerations*" and the foregoing is qualified in full by the information in such section.

United States Tax Law Matters

Each U.S. Holder of Power Nickel Shares should consult its own tax advisor as to the particular tax consequences to it of the receipt of Spinco Shares and New Power Nickel Shares pursuant to the Arrangement and the ownership and disposition of the Spinco Shares and New Power Nickel Shares received, including the effects of applicable U.S. federal, state and local tax laws and non-U.S. tax

laws and possible changes in tax laws.

Court Approval of the Arrangement

The Arrangement requires Court approval under the *BCBCA*. In addition to this approval, the Court will be asked for a declaration following a Court hearing that the Arrangement is fair to the Shareholders. Prior to the mailing of this Circular, Power Nickel submitted, along with other materials, a copy of the Circular to the Court and subsequently obtained the Interim Order providing for the calling and holding of the Meeting, the Dissent Rights and certain other procedural matters. Following receipt of Shareholders' approval of the Arrangement Resolution, Power Nickel intends to make an application to the Court for the Final Order at 9:45 a.m. (Pacific time), or as soon thereafter as counsel may be heard, on November 27, 2024 at 800 Smithe Street, Vancouver, British Columbia, Canada, or at any other date and time as the Court may direct. Cozen O'Connor LLP, counsel to Power Nickel, has advised that, in deciding whether to grant the Final Order, the Court will consider, among other things, the fairness of the Arrangement to Shareholders.

Any Shareholder who wishes to appear or be represented and to present evidence or arguments at that hearing must file and serve a response to the petition no later than 2:00 p.m. (Pacific time) on November 26, 2024 along with any other documents required, all as set out in the Interim Order and Notice of Petition, the text of which are set out in Appendix D and Appendix E to this Circular, respectively, and satisfy any other requirements of the Court. Such Persons should consult with their legal advisors as to the necessary requirements.

The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, and subject to compliance with such terms and conditions, if any, as the Court sees fit. The Court will be advised, prior to the hearing, that the Court's approval of the Arrangement (including the fairness thereof) will form a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Spinco Shares to be received by Shareholders pursuant to the Arrangement. For more information, please see "*The Arrangement – Court Approval of the Arrangement*" and "*The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*".

Regulatory Law Matters and Securities Law Matters

Canadian Securities Law Matters

The issuance pursuant to the Arrangement of the New Power Nickel Shares and the Spinco Shares, as well as all other issuances, trades and exchanges of securities under the Arrangement, will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable Canadian provincial securities legislation or, where required, exemption orders or rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident. Power Nickel is currently a "reporting issuer" under the applicable securities legislation in the provinces of British Columbia and Alberta. Under NI 45-102 (and if required, orders and rulings from various securities regulatory authorities in the provinces and territories of Canada where Shareholders are resident), the New Power Nickel Shares and Spinco Shares received by Shareholders pursuant to the Arrangement may be resold through registered dealers in Canadian provinces or territories without any "restriction period"; provided that, (i) the trade is not a "control distribution" (as defined in NI 45-102), (ii) no unusual effort is made to prepare the market or create a demand for these securities, (iii) no extraordinary commission or consideration is paid in respect of the sale and, (iv) if the seller is an insider or officer of the Company, the seller has no reasonable grounds to believe that the Company is in default of securities legislation. Resales of New Power Nickel Shares and Spinco Shares will, however, be subject to resale restrictions where the sale is made from the holdings of any Person or combination of Persons holding a sufficient number of New Power Nickel Shares or Spinco Shares, as the case may be, to affect materially the control of Power

Nickel or Spinco, respectively.

For more information, please see “*The Arrangement – Regulatory Law Matters and Securities Law Matters – Canadian Securities Law Matters*”.

U.S. Securities Law Matters

A general overview of certain requirements of U.S. Securities Laws that may be applicable to Shareholders is described in this Circular under the heading “*The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*.” Each Shareholder is urged to consult such holder’s professional advisors to determine the conditions and restrictions applicable to trades in the New Power Nickel Shares and the Spinco Shares issuable pursuant to the Arrangement under U.S. Securities Laws. The New Power Nickel Shares, the Spinco Shares, the Power Nickel Replacement Options and the Spinco Options to be issued to Shareholders under the Arrangement have not been and are not expected to be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and similar exemptions under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all Persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. On October 21, 2024, prior to the mailing of this Circular, the Interim Order was issued. Subject to the approval of the Arrangement by the Shareholders, a hearing for the Final Order approving the Arrangement is currently expected to take place on November 27, 2024. All Shareholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Final Order of the Court will, if granted, constitute the basis for the Section 3(a)(10) exemption with respect to the New Power Nickel Shares and the Spinco Shares.

For more information, please see “*The Arrangement – Regulatory Law Matters and Securities Law Matters – United States Securities Law Matters*”.

Risk Factors

Shareholders should carefully consider the risk factors relating to the Arrangement. Some of these risks include, but are not limited to: (i) the Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having a material adverse effect on the business of either Power Nickel or Spinco; (ii) there can be no certainty that all conditions precedent to the Arrangement will be satisfied; (iii) Power Nickel will incur costs even if the Arrangement is not completed; (iv) directors and executive officers of Power Nickel may develop interests in the Arrangement that are different to those of the Shareholders; (v) the market price for New Power Nickel Shares and Spinco Shares (if Spinco Shares are listed) may decline; (vi) Power Nickel and any relevant Intermediary may sell Spinco Shares on behalf of a Shareholder to meet Power Nickel’s withholding tax obligations (including any applicable interest and penalties) arising as a result of any deemed dividend and any such sales may negatively impact the trading price of the Spinco Shares (if listed); (vii) there is no guarantee that the Spinco Shares will be listed on a recognized exchange or that a market for Spinco Shares will develop; (viii) Spinco Shares may not be qualified investments under the Tax Act for a Registered Plan; and (ix) the issue of New Power Nickel Shares under the Arrangement and their subsequent sale may cause the market price of New Power Nickel Shares to decline from current or anticipated levels. For more information, please see “*The Arrangement - Risks Associated with the Arrangement*”.

Additional risks and uncertainties, including those currently unknown or considered immaterial by Power Nickel, may also adversely affect the Power Nickel Shares, the Spinco Shares, and/or the businesses of Power Nickel and Spinco following the Arrangement. Shareholders should also carefully consider the risk factors associated with the businesses of Power Nickel and Spinco included in this Circular, including the documents incorporated by reference therein. Please see Appendix G – under the heading “*Risk Factors*”, for a description of these risks.

POWER NICKEL INC.
202 – 82 Richmond Street East
Toronto, Ontario
M5C 1P1

MANAGEMENT INFORMATION CIRCULAR

as of October 21, 2024 (unless otherwise noted)

GENERAL PROXY INFORMATION

This Management Information Circular is furnished to you in connection with the solicitation of proxies by management of Power Nickel Inc. (“Power Nickel”, “we”, “us” or the “Company”) for use at the Annual General and Special Meeting (the “Meeting”) of Shareholders of the Company (the “Shareholders”) to be held on Friday November 22, 2024 at 11:00 a.m. at 202 – 82 Richmond Street East Toronto, Ontario M5C 1P1 and at any adjournment of the Meeting. The Company will conduct its solicitation by mail and our officers, directors and employees may, without receiving special compensation, contact Shareholders by telephone, electronic means or other personal contact. We will not specifically engage employees or soliciting agents to solicit proxies. We do not reimburse Shareholders, Intermediaries, nominees or agents (including brokers holding shares on behalf of clients) for their costs of obtaining authorization from their principals to sign forms of proxy. We will pay the expenses of this solicitation.

Appointment of Proxy Holder

The persons named as proxy holders in the enclosed form of proxy are the Company’s directors or officers. **As a Shareholder, you have the right to appoint a person (who need not be a Shareholder) in place of the persons named in the form of proxy to attend and act on your behalf at the Meeting. To exercise this right, you must either insert the name of your representative in the blank space provided in the form of proxy and strike out the other names or complete and deliver another appropriate form of proxy.**

A proxy will not be valid unless it is dated and signed by you or your attorney duly authorized in writing or, if you are a corporation, by an authorized director, officer, or attorney of the corporation.

Voting by Proxy

The persons named in the accompanying form of proxy will vote or withhold from voting the Power Nickel Shares represented by the proxy in accordance with your instructions, provided your instructions are clear. If you have specified a choice on any matter to be acted on at the Meeting, your Power Nickel Shares will be voted or withheld from voting accordingly. If you do not specify a choice or where you specify both choices for any matter to be acted on, your Power Nickel Shares will be voted in favour of all matters.

The enclosed form of proxy gives the persons named as proxy holders discretionary authority regarding amendments or variations to matters identified in the Notice of Meeting and any other matter that may properly come before the Meeting. As of the date of this Circular, management is not aware of any such amendment, variation or other matter proposed or likely to come before the Meeting. However, if any amendment, variation or other matter properly comes before the Meeting, the persons named in the form of proxy intend to vote on such other business in accordance with their judgement.

You may indicate the manner in which the persons named in the enclosed proxy are to vote on any matter by marking an “X” in the appropriate space. If you wish to give the persons named in the proxy a discretionary authority on any matter described in the proxy, then you should leave the space blank. **In that case, the proxy holders nominated by management will vote the shares represented by your proxy in accordance with their judgment.**

At the Meeting, Shareholders will be asked, among other things, to consider and to vote to approve the Arrangement Resolution approving the Arrangement. To be effective, the Arrangement must be approved by a resolution passed by not less than two-thirds of the votes cast by Shareholders, voting in person or by proxy, at the Meeting. Among other things, Shareholders will also be asked at the Meeting to consider and, if deemed advisable, to pass ordinary resolutions approving each of the Power Nickel Stock Option Plan and the Spinco Stock Option Plan. **If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote FOR the Arrangement Resolution and FOR the Stock Option Resolutions.**

Return of Proxy

You must deliver the completed form of proxy to the office of the Company’s registrar and transfer agent, Endeavor Trust Corporation, 702 – 777 Hornby Street, Vancouver, BC V6Z 1S4, via fax at 604-559-8908 or via scan or e-mail to proxy@endeavortrust.com or to the Company’s head office at the address listed on the cover page of this Circular, not less than 48 hours (excluding Saturdays, Sundays, and holidays) before the scheduled time of the Meeting or any adjournment.

Advice to Non-Registered Shareholders

Only a Registered Shareholder or validly appointed proxy holders are permitted to vote at the Meeting. Most of our Shareholders are “Non-Registered Shareholders” because their Power Nickel Shares are registered in the name of a nominee or Intermediary, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. If you purchased your Power Nickel Shares through a broker, you are likely a Non-Registered Shareholder.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to us are referred to as “**NOBOs**”. Those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to us are referred to as “**OBOs**”.

In accordance with Canadian Securities Laws, we will have distributed copies of the Meeting Materials indirectly to NOBOs and to the Intermediaries for onward distribution to OBOs. **The Company does not intend to pay for an Intermediary to deliver to OBOs, therefore an OBO will not receive the Meeting Materials unless the OBO’s Intermediary assumes the costs of delivery.**

Intermediaries are required to forward the Meeting Materials to each NOBO unless the NOBO has waived the right to receive them. Power Nickel Shares held by Intermediaries can only be voted in accordance with the instructions of the Non-Registered Shareholders. Meeting Materials sent to Non-Registered Shareholders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “**VIF**”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Shareholder is able to instruct the Registered Shareholder (or Intermediary) how to vote on behalf of the Non-Registered Shareholders. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Power Nickel Shares which they beneficially own. **Should a Non-Registered Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Shareholder may request (in writing) to the Company or its Intermediary, as applicable, without expense to the Non-Registered Shareholder, that the Non-**

Registered Shareholder or his/her nominee be appointed as proxyholder and have the right to attend and vote at the Meeting. Non-Registered Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

Revocation of Proxy

If you are a Registered Shareholder who has returned a proxy, you may revoke your proxy at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by either:

- (a) signing a proxy bearing a later date; or
- (b) signing a written notice of revocation in the same manner as the form of proxy is required to be signed as set out in the notes to the proxy.

Your proxy will only be revoked if a revocation is received by 4:00 p.m. (Eastern time) on the last Business Day before the day of the Meeting. The later proxy or the notice of revocation must be delivered to the office of the Company's registrar and transfer agent or to the Company's head office at any time up to and including 4:00 p.m. (Eastern time) on the last Business Day before the scheduled time of the Meeting or any adjournment, or to the Chairman of the Meeting on the day of the Meeting or any adjournment.

If you are a Non-Registered Shareholder who wishes to revoke a VIF or to revoke a waiver of your right to receive Meeting Materials and to give voting instructions, you must give written instructions to your Intermediary at least seven days before the Meeting.

Interest of Certain Persons in Matters to be Acted Upon

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the adoption of the Power Nickel Stock Option Plan and the Spinco Stock Option Plan, approval of which will be sought at the Meeting. Directors and executive officers of the Company and Spinco may participate in the Power Nickel Stock Option Plan, and if the Arrangement is approved by the Shareholders, the directors and executive officers of Spinco may participate in the Spinco Stock Option Plan. Accordingly, the directors and officers of Power Nickel and Spinco have an interest in the approval of the Stock Option Resolutions.

Voting Shares and Principal Shareholders

The Company is authorized to issue an unlimited number of common shares without par value, of which 191,455,494 common shares are issued and outstanding as of September 24, 2024. There is only one class of voting shares. The Company is also authorized to issue non-voting Class A preference shares with a par value of \$1.00 and Class B preference shares with a par value of \$5.00. There are no Class A or Class B preference shares issued and outstanding.

Persons who are Registered Shareholders at the close of business on September 24, 2024 will be entitled to receive notice of, attend, and vote at the Meeting. On a show of hands, every Shareholder present in person or represented by proxy will have one vote and, on a poll, every Shareholder present in person or represented by proxy will have one vote for each share held. In order to approve a motion proposed at the Meeting, a majority of more than 50% of the votes cast will be required to pass an ordinary resolution, and a majority of at least two thirds of the votes cast will be required to pass a special resolution.

To the knowledge of our directors and executive officers, there are no persons or companies that beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of all voting rights as of the Record Date or as at October 21, 2024.

It is important that your Power Nickel Shares be represented at the Meeting regardless of the number of Power Nickel Shares you hold. If you will not be attending the Meeting in person, we encourage you to complete, date, sign and return your form of proxy as soon as possible so that your Power Nickel Shares will be represented.

POWER NICKEL ANNUAL GENERAL AND SPECIAL MEETING ITEMS OTHER THAN THE ARRANGEMENT

Election of Directors

Directors of Power Nickel are elected at each annual general meeting and hold office until the next annual general meeting or until that person sooner ceases to be a director. The Shareholders will be asked to pass an ordinary resolution to set the number of directors of Power Nickel at five (5) for the next year, subject to any increases permitted by Power Nickel's Articles.

On October 4, 2018 the Board adopted the Advance Notice Policy which provides for advance notice to Power Nickel in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *BCBCA*; or (ii) a shareholder proposal made pursuant to the provisions of the *BCBCA*.

Among other things, the Advance Notice Policy fixes a deadline by which Shareholders must submit director nominations to Power Nickel prior to any annual general or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to Power Nickel for the notice to be valid and effective. The Company has not received notice of a nomination in compliance with the Advance Notice Policy and, as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of Power Nickel will be disregarded at the Meeting.

Unless you provide other instructions, the enclosed proxy will be voted FOR the nominees listed below. Management does not expect that any of the nominees will be unable to serve as a director. If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the proxy will exercise his or her discretionary authority to vote Power Nickel Shares represented by the proxy for the election of any other person or persons as directors.

Management proposes to nominate the persons named in the table below for election as director of Power Nickel. The information concerning the proposed nominees has been furnished by each of them:

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Terry Lynch Nassau The Bahamas President, CEO and Director	June 20, 2012	9,650,000	Business Executive
Peter Kent⁽²⁾ Ontario Canada	October 25, 2012	1,461,851	Retired Lawyer

Name, Province or State and Country of Residence and Present Office Held	Periods Served as Director	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised ⁽¹⁾	Principal Occupation and, if Not Previously Elected, Principal Occupation during the Past Five Years
Chairman and Director			
Greg McKenzie ⁽²⁾ Ontario Canada Director	November 10, 2016	250,000	Business Executive
Les Mallard ⁽²⁾ Nova Scotia Canada Director	October 17, 2017	3,355,023 ⁽³⁾	Business Executive
Stephen Beresford Western Australia, Australia Director	July 29, 2024	250,000	Business Executive

Notes:

- (1) The Company has relied on information filed on SEDI as at October 21, 2024.
- (2) Denotes a member of the Audit Committee.
- (3) 1,338,726 Power Nickel Shares are owned directly by Mr. Kent, and the remaining balance of the Power Nickel Shares are owned by relatives of Mr. Kent over which he exercises control or direction.
- (4) 1,435,513 Power Nickel Shares are owned directly by Mr. Mallard, 950,000 Power Nickel Shares are owned indirectly through Mallard Produce Solutions, a company controlled by Mr. Mallard, and the remaining balance of the Power Nickel Shares are owned by relatives of Mr. Mallard over which he exercises control or direction.

No proposed director of Power Nickel is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

No proposed director of Power Nickel has, within the past 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of Power Nickel, no nominee for director of Power Nickel has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

No proposed director of Power Nickel is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person

ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Executive Compensation

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*.

Definitions

The following persons are considered the “**Named Executive Officers**” or “**NEOs**” for the purposes of this disclosure:

- (c) Power Nickel’s chief executive officer;
- (d) Power Nickel’s chief financial officer;
- (e) each of Power Nickel’s most highly compensated executive officers, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the period of incorporation to the financial year ended December 31, 2023; and
- (f) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was neither an executive officer, nor acting in a similar capacity at period of Incorporation to the financial year ended December 31, 2023.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiaries of the Company to each Named Executive Officer and director of the Company during the Company’s two most recent financial years ended December 31, 2022 and December 31, 2023.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
Terry Lynch President, CEO, and Director ⁽²⁾	2023	225,000	nil	25,000	nil	nil	250,000
	2022	225,000	nil	25,000	nil	nil	250,000
Robert Suttie CFO ⁽³⁾	2023	70,552	nil	nil	nil	nil	70,552
	2022	43,601	nil	nil	nil	nil	43,601
Peter Kent Chairman and Director	2023	50,000 ⁽⁴⁾	nil	29,500	nil	nil	79,500
	2022	Nil	nil	29,500	nil	nil	29,500
Greg	2023	Nil	nil	25,000	nil	nil	25,000

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites ⁽¹⁾ (\$)	Value of all other compensation (\$)	Total compensation (\$)
McKenzie Director	2022	Nil	nil	25,000	nil	nil	25,000
Les Mallard Director	2023	Nil	nil	25,000	nil	nil	25,000
	2022	Nil	nil	25,000	nil	nil	25,000

Notes:

- (1) The value of perquisites and benefits, if any, was less than \$15,000.
- (2) This amount, plus applicable HST, was for executive services provided to the Company.
- (3) This amount, plus applicable HST, was paid to Marrelli Support Services Inc. for accounting and CFO services provided to the Company during the applicable financial year.
- (4) This is in respect of consulting fees paid to Mr. Kent during the applicable financial year.

Stock Options and Other Compensation Securities

Compensation securities were issued to Named Executive Officers or directors during the financial year ended December 31, 2023. The following table discloses all compensation securities issued and remaining outstanding as of the end of financial year ended December 31, 2023 to each Named Executive Officer and director for services provided or to be provided, directly or indirectly, to the Company or its subsidiaries. Footnotes to the table disclose compensation securities held at the financial year end, but granted during previous financial years.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Terry Lynch President, CEO and Director	Stock option ⁽¹⁾	1,000,000	June 15, 2023	0.25	0.23	0.23	June 15, 2028
Peter Kent Chairman and Director	Stock option ⁽²⁾	200,000	June 15, 2023	0.25	0.23	0.23	June 15, 2028
Greg McKenzie Director	Stock option ⁽³⁾	200,000	June 15, 2023	0.25	0.23	0.23	June 15, 2028
Les Mallard Director	Stock option ⁽⁴⁾	200,000	June 15, 2023	0.25	0.23	0.23	June 15, 2028

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Rob Suttie CFO	N/A ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) At December 31, 2023, Terry Lynch also held 1,600,000 stock options exercisable at \$0.31 until February 25, 2026 and 200,000 stock options exercisable at \$0.14 until February 1, 2027.
- (2) At December 31, 2023, Peter Kent also held 1,050,000 stock options exercisable at \$0.31 until February 25, 2026, 200,000 stock options exercisable at \$0.14 until February 1, 2027, and 150,000 stock options exercisable at \$0.20 until November 28, 2027.
- (3) At December 31, 2023, Greg McKenzie also held 600,000 stock options exercisable at \$0.31 until February 25, 2026, 200,000 stock options exercisable at \$0.14 until February 1, 2027, and 100,000 stock options exercisable at \$0.20 until November 28, 2027.
- (4) At December 31, 2023, Les Mallard also held 600,000 stock options exercisable at \$0.31 until February 25, 2026, 200,000 stock options exercisable at \$0.14 until February 1, 2027, and 100,000 stock options exercisable at \$0.20 until November 28, 2027.
- (5) At December 31, 2023, Rob Suttie also held 600,000 stock options exercisable at \$0.31 until February 25, 2026 and 100,000 stock options exercisable at \$0.20 until November 28, 2027.

Exercise of Compensation Securities by Directors and NEOs

There were no exercises of compensation securities by any Named Executive Officers and directors of the Company for the financial year ended December 31, 2023.

Employment, Consulting and Management agreements

None of the management members has a consulting agreement in place, other than Terry Lynch. He is paid \$225,000 annually for his service to the Company as President and CEO and during the financial year ended December 31, 2023 received \$250,000 (December 31, 2022 - \$250,000), of which \$25,000 (December 31, 2022 - \$25,000) was in the capacity of a director.

Oversight and Description of Director and Named Executive Officer Compensation***Director compensation***

The Company currently pays directors who are not employees or officers of the Company for attending directors meetings and for serving on committees. The Company's general arrangement is \$25,000 per director for the most recently completed financial year, with Peter Kent receiving \$29,500 (for consulting services and serving as Chair of the Board) (December 31, 2022 - \$29,500).

The Company has a stock option plan for the granting of incentive stock options to the officers, employees and Directors. The purpose of granting options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the Shareholders.

The Company granted stock options to the Directors during the most recently completed financial year as set out in the table above.

Named Executive Officer Compensation

The Board is responsible for ensuring that the Company's compensation strategy is aligned with performance and Shareholder interests. The main objectives the Company hopes to achieve through its compensation policies are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Executive compensation is comprised of short-term fee compensation and long-term ownership through the Power Nickel Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term shareholder value.

During the financial year ended December 31, 2023, Mr. Lynch's compensation as CEO consisted of \$225,000 (December 31, 2022 - \$225,000) and CFO compensation consisted of \$70,552 (December 31, 2022 - \$43,601). The CFO amount was paid to Marrelli Support Services Inc. ("**Marrelli**") and Mr. Suttie, the CFO of the Company, was compensated by Marrelli.

Securities Authorized for Issuance under Equity Compensation Plans

Power Nickel has an incentive stock option plan under which stock options are granted. Stock options have been determined by Power Nickel's directors and are only granted in compliance with applicable laws and regulatory policy. The policies of the TSXV limit the granting of stock options to employees, officers, directors and consultants of Power Nickel and provide limits on the length of term, number and exercise price of such options. Power Nickel received Shareholder approval of its stock option plan at the last annual general meeting held on December 20, 2023.

The following table sets out equity compensation plan information as of December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options⁽¹⁾ (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽²⁾ (c)
Equity compensation plans approved by securityholders	12,475,000	\$0.25	6,670,549
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	12,475,000	\$0.25	6,670,549

Notes:

(1) Assuming outstanding options are fully vested.

(2) Excluding the number of shares issuable on exercise of the outstanding options shown in the second column.

Indebtedness of Directors and Executive Officers

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to Power Nickel or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Circular.

Interest of Informed Persons in Material Fundamental Changes

No informed person of Power Nickel, no proposed nominee for election as a director of Power Nickel, and no associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since the commencement of our last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect Power Nickel or any of our subsidiaries.

An “informed person” means:

- (a) a director or executive officer of Power Nickel;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of Power Nickel;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of Power Nickel or who exercises control or direction over voting securities of Power Nickel or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of Power Nickel other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) Power Nickel if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

Audit Committee

Under this heading, the Company is including the disclosure required by Form 52-110F2 – *Disclosure by Venture Issuers of National Instrument 52-110 Audit Committees* (“NI 52-110”).

Audit Committee Charter

The purpose of the Company’s Audit Committee is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

The Audit Committee Charter was adopted by the Company’s Audit Committee and the Board of Directors. The full text of the Company’s Audit Committee Charter was attached as Schedule “A” to the Company’s information circular dated September 15, 2016 for a previous annual general meeting of shareholders, and can be viewed under the Company’s profile on the SEDAR+ website at www.sedarplus.ca

Composition of the Audit Committee

As of the date of this Circular, the following are the members of the Audit Committee:

Name of Member	Independent⁽¹⁾	Financially Literate⁽¹⁾
Les Mallard	Independent	Financially Literate

Name of Member	Independent⁽¹⁾	Financially Literate⁽¹⁾
Greg McKenzie	Independent	Financially Literate
Peter Kent	Not Independent ⁽²⁾	Financially Literate

Notes:

(1) As that term is defined in NI 52-110.

(2) Peter Kent is Chairman of Power Nickel and is therefore not considered independent under NI 52-110.

NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment. Les Mallard and Greg McKenzie are considered “independent” within the meaning of NI 52-110. Peter Kent is not considered to be independent due to his position as an executive officer of the Company. As the Company is a venture issuer, in compliance with NI 52-110, a majority of the members of the Company’s Audit Committee are not executive officers, employees or control persons of the Company or of an affiliate of the Company.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. All of the members of the Company’s Audit Committee are financially literate as that term is defined in NI 52-110.

Relevant Education and Experience of Audit Committee Members

The education and experience of each member of the Audit Committee relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by Power Nickel to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Power Nickel’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting, are as follows:

Les Mallard – Les is a graduate from The University of Prince Edward Island with a BA in Economics. He has spent 30+ years in the Canadian Produce Industry employed in various capacities with Chiquita Canada and Chiquita Brands North America. Retiring from Chiquita in 2017, he has started Mallard Produce Solutions, a produce consulting company focused on providing North American and Latin American clients business solutions to expand their market potential. Mr. Mallard is a Past Chair of the Canadian Produce Marketing Association.

Greg McKenzie – Greg McKenzie is a senior investment banker with more than 20 years of experience in financing, M&A, financial advisory, valuation, and strategic advice to mid-cap companies. Mr. McKenzie has been involved in transactions valued in excess of \$18 billion. Mr. McKenzie has held positions with Morgan Stanley, CIBC World Markets and Haywood Securities. Mr. McKenzie worked on Wall Street and also practiced law with a leading Canadian securities and M&A law firm.

Peter Kent - Formerly with the TecSyn Group of Companies where he was Vice President general Counsel and Corporate Secretary. Peter brings over 25 years of business experience regarding complex business and legal affairs. In addition to his time at Tecsyn, Peter also was a corporate commercial lawyer at Bassel Sullivan, a Toronto based boutique law firm.

Audit Committee Oversight

Since the commencement of Power Nickel's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

Reliance on Exemptions in NI 52-110 regarding De Minimis Non-audit Services or on a Regulatory Order Generally

Since the commencement of Power Nickel's most recently completed financial year, Power Nickel has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by Power Nickel's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to Power Nickel, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit), the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), the exemption in subsection 6.1.1(5) (*Events Outside of Control of Member*), the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Company by the Company's external auditor. Aside from the above, the Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two financial years:

Financial Year Ending	Audit Fees⁽¹⁾	Audit-Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2023	\$40,000	\$33,000	Nil	Nil
December 31, 2022	\$58,000	Nil	\$6,000	Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and if applicable, quarterly reviews of Power Nickels' consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. These fees relate to preparing and filing the Company's (and relevant subsidiaries') Canadian tax returns and related schedules.
- (4) "All Other Fees" includes all other non-audit services.

Reliance on Exemptions in NI 52-110 regarding Audit Committee Composition & Reporting Obligations

Since Power Nickel is a venture issuer, it relies on the exemption contained in section 6.1 of NI 52-110 from the requirements of Part 3 Composition of the Audit Committee (as described in the section “*Composition of the Audit Committee*” above) and Part 5 Reporting Obligations of NI 52-110 (which requires certain prescribed disclosure about the Audit Committee in this Circular).

Appointment of Auditor

Shareholders will be requested to appoint **DNTW Toronto LLP**, Chartered Professional Accountants, of Toronto, Ontario as auditors of Power Nickel to hold office until the next annual meeting of the Shareholders and to authorize the directors of Power Nickel to fix their remuneration and the terms of their engagement. DNTW Toronto have been auditors of Power Nickel since January 2024. The change of auditor reporting package that Power Nickel filed on SEDAR+ on January 25, 2024 is included as Appendix L to this Circular.

Power Nickel’s Audit Committee recommends the appointment of DNTW Toronto LLP as Power Nickel’s auditor to hold office until Power Nickel’s next annual general meeting. The Audit Committee proposes that the Board of Directors be authorized to fix the remuneration to be paid to the auditor.

Unless otherwise instructed, the proxies solicited by management will be voted FOR the appointment of DNTW Toronto LLP, Chartered Professional Accountants, as Power Nickel’s auditor.

Corporate Governance

National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators requires Power Nickel to annually disclose certain information regarding its corporate governance practices. Under this heading, Power Nickel is providing the disclosure required by Form 58-101F2.

Board of Directors

The mandate of the Board, as prescribed by the *BCBCA*, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly.

The Board has responsibility for the stewardship of Power Nickel including responsibility for strategic planning, identification of the principal risks of Power Nickel’s business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of Power Nickel’s internal control and management information systems.

The Board sets long term goals and objectives for Power Nickel and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of Power Nickel to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to Power Nickel and its business. The Board is responsible for protecting the Shareholders’ interests and ensuring that the incentives of the Shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in Power Nickel’s business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by Law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of Power Nickel is authorized to act without board approval, on all ordinary course matters relating to Power Nickel's business.

The Board also monitors Power Nickel's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of Power Nickel, other than interests and relationships arising from shareholding: Les Mallard, Greg McKenzie and Stephen Beresford. The Board considers that Terry Lunch, the CEO of Power Nickel, and Peter Kent, Chairman of Power Nickel, are not independent because each is a member of management.

Directorships

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction, as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Terry Lynch	N/A
Peter Kent	N/A
Greg McKenzie	Silver Storm Mining Ltd. (TSXV:SVRS)
	Greenhawk Resources Inc. (CSE: GRHK)
Les Mallard	N/A
Stephen Beresford	N/A

Orientation and Continuing Education

The Board is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of Power Nickel's business will be necessary and relevant to each new director. Power Nickel provides continuing education for its directors as the need arises and encourages open discussion at all meetings, which format encourages learning by the directors.

Ethical Business Conduct

The Board relies on the fiduciary duties placed on individual directors by Power Nickel's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of Power Nickel. The Board has found that these, combined with the conflict of interest provisions of the *BCBCA*, as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to

the Shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee. The Board is responsible for recruiting new members to the Board and planning for the succession of directors.

Compensation

The Board is responsible for determining all forms of compensation, including long-term incentive in the form of stock options, to be granted to the CEO and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. For more information, please see "*Executive Compensation*".

Other Board Committees

The Board has no other committees other than the Audit Committee described in this Circular under the heading "*Audit Committee*".

Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions, as necessary. Neither Power Nickel nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for Power Nickel, given its size and operations. Power Nickel's corporate governance practice allows Power Nickel to operate efficiently, with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

Management Contracts

The management functions of the Company are not to any substantial degree performed by any person other than the executive officers and directors of Power Nickel.

The Company has a contract with Marrelli Support Services Inc. to provide accounting and CFO services.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Shareholder Approval of Power Nickel Stock Option Plan

The Exchange's updated Policy 4.4 – *Securities Based Compensation* ("**Policy 4.4**") requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options, and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (called a "**rolling up to 10%**" plan), must be approved and ratified by the Shareholders on an annual basis in accordance with Policy 4.4. The Company last received Shareholder approval for the Power Nickel Stock Option Plan on December 20, 2023. Since the number of common shares reserved for issuance under the Power Nickel Stock Option Plan

increases with the issue of additional common shares of the Company, the Power Nickel Stock Option Plan is considered to be a “rolling up to 10%” plan. Accordingly, the Company is therefore seeking Shareholder approval of the Power Nickel Stock Option Plan in accordance with and subject to Policy 4.4.

The purpose of the Power Nickel Stock Option Plan is to provide incentives to employees, directors, officers, and consultants who provide services to the Company and to influence the cash compensation the Company would otherwise have to pay.

The Power Nickel Stock Option Plan complies with Policy 4.4. Under the Power Nickel Stock Option Plan, a maximum of 10% of the issued and outstanding common shares of the Company are proposed to be reserved at any time for issuance on the exercise of stock options.

Terms of the Power Nickel Stock Option Plan

Shareholders may also obtain copies of the Power Nickel Stock Option Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of Power Nickel Stock Option Plan.

The Power Nickel Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the Exchange’s requirements, grant to directors, officers and consultants to the Company, non-transferable options to purchase common shares. The Power Nickel Stock Option Plan provides that the number of common shares reserved for issuance (under the grant of stock options or any other security based compensation) must not exceed 10% of the common shares of the Company at any the time and grants to insiders must not exceed 10% of the common shares in any 12 month period, calculated at the date of grant, unless, in both cases, the Company has received disinterested Shareholder approval, in accordance with Exchange requirements. Individual stock option grants must comply with the terms of the Power Nickel Stock Option Plan and the policies of the Exchange as they relate to the minimum exercise price (which must be no lower than “Discounted Market Price” as defined in Exchange Policy 1.1), hold periods, vesting and filing requirements.

The Power Nickel Stock Option Plan provides that:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death, if exercised within one year of the optionee’s death;
- (b) options may be exercisable for a maximum of 10 years from the date of grant;
- (c) options to acquire no more than 5% of the issued common shares of the Company (or any other security-based compensation arrangement of the Company) may be granted to any one individual in any 12 month period;
- (d) options to acquire no more than 2% of the issued common shares of the Company (or any other security-based compensation arrangement of the Company) may be granted to any one consultant in any 12 month period;
- (e) options to acquire no more than an aggregate of 2% of the issued common shares of the Company may be granted to persons retained to conduct Investor Relations Activities (as defined in Exchange Policy 1.1), in any 12 month period and options to persons retained to conduct Investor Relations Activities must be vested in stages over a period of not less than 12 months with no more than $\frac{1}{4}$ of the stock options vesting in any three-month period;
- (f) disinterested Shareholder approval must be obtained for any reduction in the exercise price or extending the term of an option if the optionee is an insider of the Company at the time of the proposed amendment;

- (g) for stock options granted to Employees, Consultants or Management Company Employees (as defined in Exchange Policy 4.4), the Company represents that the optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be; and
- (h) for stock options granted to any optionee who is a Director, Employee, Consultant or Management Company Employee, the option must expire within a reasonable period (which must be no longer than 12 months) following the date the option holder ceases to be a Director, Employee, Consultant or Management Company Employee.

Subject to the terms of the Power Nickel Stock Option Plan and any option agreement, stock options granted under the Power Nickel Stock Option Plan may also be purchased by a participant by way of a “cashless exercise method”, whereby the Company may have an arrangement with a brokerage firm pursuant to which the brokerage firm will loan money to a participant to purchase common shares underlying the stock options. The brokerage firm then sells a sufficient number of common shares to cover the exercise price of the stock options in order to repay the loan made to the participant. The brokerage firm receives an equivalent number of common shares from the exercise of the stock options and the participant then receives the balance of common shares or the cash proceeds from the balance of such common shares.

Shareholders will be asked to pass the following, ordinary resolution, approving the Power Nickel Stock Option Plan:

“IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company adopt and confirm its existing stock option plan (the “**Plan**”), including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued common shares of the Company;
2. The Company is authorized to grant stock options under the Plan, in accordance with its terms;
3. The Company is authorized to prepare such disclosure documents and make such submissions and filings as the Company may be required to make with the Exchange to obtain Exchange acceptance of the Plan; and
4. Authority is granted to the Board of Directors of the Company to make such amendments to the Plan as are required by the Exchange to obtain Exchange acceptance of the Plan.”

Recommendation of the Board

The Board has reviewed and considered all facts respecting the approval of the Plan. **The Board unanimously recommends that the Shareholders vote FOR ratifying and approving the Power Nickel Stock Option Plan.**

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Power Nickel Stock Option Plan.**

Shareholder Approval of Spinco Stock Option Plan

As the Power Nickel Stock Option Plan will not carry forward to Spinco, and in contemplation of the Arrangement becoming effective, the Spinco Board has adopted the Spinco Stock Option Plan, the full text of which is attached to this Circular as Appendix B. At the Meeting, Shareholders will be asked to approve and ratify the Spinco Stock Option Plan. The Spinco Stock Option Plan was approved by the Spinco Board on October 15, 2024.

Summary of Spinco Stock Option Plan

Spinco has adopted the Spinco Stock Option Plan in order to provide incentive compensation to directors, officers, employees and consultants of Spinco as well as to assist Spinco in attracting, motivating and retaining qualified directors, management personnel and consultants. The purpose of the Spinco Stock Option Plan is to provide additional incentive for participants' efforts to promote the growth and success of the business of Spinco. The Spinco Stock Option Plan will be administered by Spinco's directors, or committee thereof, which will designate, from time to time, the recipients of grants and the terms and conditions of each grant, in each case in accordance with applicable Securities Laws and stock exchange requirements.

The terms of Spinco Stock Option Plan are substantially the same as those of the Power Nickel Stock Option Plan. For the full text of the Spinco Stock Option Plan or a full description of the Spinco Stock Option Plan, please see Appendix G under the heading "*Options and Other Rights to Purchase Securities – Spinco Stock Options – Summary of Spinco Stock Option Plan*". The description is qualified in its entirety by reference to the full text of the Spinco Stock Option Plan which is attached to this Circular as Appendix B and available for review at the Meeting and prior thereto at Power Nickel's office.

Prior to completion of the Arrangement, no Spinco Options will have been granted under the Spinco Stock Option Plan. If the Spinco Stock Option Plan is approved by Shareholders and the Arrangement is completed, it is expected that approximately 1,950,000 Spinco Options will be available for grant under the Spinco Stock Option Plan, or such other number of Spinco Options which will represent up to 10% of the issued and outstanding Spinco Shares at the time of completion of the Arrangement.

At the Meeting, Shareholders will be asked to pass a resolution in substantially the following form:

"IT IS RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. Chilean Metals Inc. ("**Spinco**") adopt a stock option plan (the "**Spinco Stock Option Plan**"), including the reserving for issuance under the Spinco Stock Option Plan at any time of a maximum of 10% of the issued common shares of Spinco;
2. Spinco is authorized to grant stock options under the Spinco Stock Option Plan, in accordance with its terms;
3. The Board of Directors of Spinco be authorized on behalf of Spinco to make any further amendments to the Spinco Stock Option Plan as may be required by regulatory authorities, without further approval of the shareholders of Spinco, in order to ensure adoption of the Spinco Stock Option Plan;
4. Any one director or officer of Spinco is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

Recommendation of the Board and Spinco Board

The Board and the Spinco Board have reviewed the Spinco Stock Option Plan and concluded that the Spinco Stock Option Plan is fair and reasonable to the Shareholders and in the best interests of Power Nickel and Spinco. **Management of Power Nickel and Spinco unanimously recommend that the Shareholders vote FOR ratifying and approving the Spinco Stock Option Plan.**

An ordinary resolution requires the approval of a simple majority (50% + one vote) of the votes cast at the Meeting, in person or by proxy. **It is the intention of the persons named in the accompanying Proxy, if not expressly directed to the contrary in such Proxy, to vote such proxies FOR the ordinary resolution authorizing the approval of the Spinco Stock Option Plan.**

THE ARRANGEMENT

Background to the Arrangement

The purpose of the Arrangement is to reorganize Power Nickel and its assets and operations into two separate companies: Power Nickel and Spinco. The concepts and general ideas behind the Arrangement were first disclosed to the Shareholders in the Management's Discussion and Analysis dated August 30, 2021. The provisions of the Arrangement Agreement are the result of negotiations between Power Nickel and Spinco. Upon the Arrangement becoming effective, Shareholders of record as of the close of business on the Share Distribution Record Date will become shareholders in both companies and will receive one New Power Nickel Share and 0.05 of a Spinco Share for each Power Nickel Share held by such Shareholder.

RwE Growth Partners, Inc. was retained by Power Nickel to provide the Fairness Opinion, regarding the fairness, from a financial point of view of the Arrangement to the Shareholders.

Upon completion of the Arrangement and pursuant an internal reorganization of the Company to be completed prior to the Arrangement, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company which holds Power Nickel's interests in the Spinco Projects (including the Golden Ivan property); (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares.

After careful consideration, including a thorough review of the information and the Fairness Opinion delivered by RwE Growth Partners, Inc., a thorough review of the terms of the Arrangement Agreement, and taking into account the best interests of Power Nickel and the impact on Power Nickel's stakeholders, and consultation with its professional advisors, the Board unanimously resolved: (i) to accept the advice of its professional advisors; (ii) that the Arrangement is fair, from a financial point of view, to the Shareholders and is in the best interests of Power Nickel; and (iii) to approve the Arrangement and to recommend that Shareholders vote in favour of the Arrangement Resolution.

Power Nickel has chosen to deal with its outstanding holders of Power Nickel Warrants outside of the Arrangement and under contractual adjustment provisions in the warrant certificates for Power Nickel Warrants.

Holders of Power Nickel Options granted under the Power Nickel Stock Option Plan as of the Effective Time will become optionholders in both companies and will receive one Power Nickel Replacement Option and one Spinco Option to acquire 0.05 of a Spinco Share. Accordingly, the Arrangement includes Shareholders and Power Nickel Optionholders.

Fairness Opinion

Based upon and subject to the assumptions, limitations and qualifications set out in the Fairness Opinion, RwE Growth Partners, Inc. is of the opinion that, as of October 15, 2024 the Arrangement is fair, from a financial point of view, to the Shareholders.

In the course of its evaluation of the Plan of Arrangement, RwE Growth Partners, Inc. considered a number of factors and evaluated the fairness of the Arrangement by considering, including among other matters, the following:

- (a) the latest available technical and financial data related to the Spinco Projects and the financial data of Power Nickel;
- (b) the cost to have in place the findings at the Spinco Projects based on historical work undertaken based on Power Nickel's disclosures and possible market comparisons;
- (c) calculating the fair value of the Spinco Projects;

- (d) calculating the fair market value of Spinco prior to the Arrangement;
- (e) the terms and conditions of the Arrangement Agreement and the steps of the Plan of Arrangement; and
- (f) considering qualitative factors, such as synergies, that may result from the Arrangement.

The Fairness Opinion Summary is attached as Appendix H to this Circular. The summary of the Fairness Opinion described in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion Summary.

Voting on the Arrangement

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, the Arrangement Resolution to approve the Arrangement under the *BCBCA* pursuant to the terms of the Arrangement Agreement and the Plan of Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed by Power Nickel under its profile on SEDAR+ at www.sedarplus.ca, and the Plan of Arrangement, which is attached to this Circular as Appendix C.

In order to implement the Arrangement, the Arrangement Resolution must be approved by at least two-thirds of the votes cast by the Shareholders present in person or by proxy. A copy of the Arrangement Resolution is set out in Appendix A of this Circular.

If the Arrangement is approved at the Meeting and the Final Order approving the Arrangement is issued by the Court and the applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (Eastern time)) on the Effective Date (which is expected to be on or about December 4, 2024 or shortly thereafter).

Principal Steps of the Arrangement

Prior to the Arrangement becoming effective and pursuant to the Internal Reorganization, Power Nickel will be issued Spinco Shares, to then be distributed to the Shareholders by Power Nickel under the Arrangement, in consideration for the transfer by Power Nickel to Spinco of the Spinout Assets and the Spinout Liabilities. In addition, Power Nickel will subscribe for up to \$1,000,000 Spinco Shares.

Under the Plan of Arrangement, commencing at the Effective Time, the following principal steps will occur and will be deemed to occur without any further act or formality, in the order and timing set out in the Plan of Arrangement:

- (a) each Dissent Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights will be directly transferred and assigned by such Dissenting Shareholder to Power Nickel, without any further act or formality and free and clear of any liens, charges and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Power Nickel Shares by Power Nickel;
- (b) the authorized share structure of Power Nickel will be altered by:
 - (i) renaming and redesignating all of the issued and unissued Power Nickel Shares as "Class A common shares without par value" and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the "**Power Nickel Class A Common Shares**"; and

- (ii) creating a new class consisting of an unlimited number of “common shares without par value” with terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the Effective Time, being the “**New Power Nickel Shares**”;
- (c) Power Nickel’s Notice of Articles will be amended to reflect the alterations in the above Section (b);
- (d) each Power Nickel Option then outstanding to acquire one Power Nickel Share will be transferred and exchanged for:
 - (i) one Power Nickel Replacement Option to acquire one New Power Nickel Share having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of a New Power Nickel Share at the Effective Time divided by the total of the fair market value of a New Power Nickel Share and the fair market value of 0.05 of a Spinco Share at the Effective Time; and
 - (ii) one Spinco Option to acquire 0.05 of a Spinco Share, each Spinco Option having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of 0.05 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Power Nickel Share and 0.05 of a Spinco Share at the Effective Time,

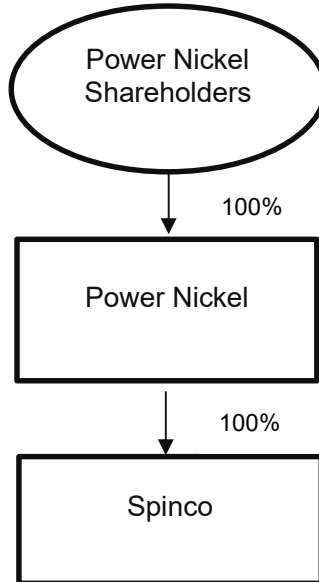
provided that the aforesaid exercise prices will be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Power Nickel Replacement Option and the Spinco Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Power Nickel Option so exchanged and solely with respect to U.S. taxpayers, ensure compliance with applicable provisions of the Internal Revenue Code of 1986, as amended, and it is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Power Nickel Options;

- (e) each issued and outstanding Power Nickel Class A Common Share outstanding on the Share Distribution Record Date will be exchanged for: (i) one New Power Nickel Share; and (ii) 0.05 of a Spinco Share, and the holders of the Power Nickel Class A Common Shares will be removed from the central securities register of Power Nickel as the holders of such and will be added to the central securities register of Power Nickel as the holders of the number of New Power Nickel Shares that they have received on the exchange set forth in this Section (e), and the Spinco Shares transferred to the then holders of the Power Nickel Class A Common Shares will be registered in the name of the former holders of the Power Nickel Class A Common Shares and Power Nickel will provide Spinco and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Spinco;
- (f) all of the issued Power Nickel Class A Common Shares will be cancelled with the appropriate entries being made in the central securities register of Power Nickel, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Power Nickel Shares will be equal to that of the Power Nickel Shares immediately prior to the Effective Time less the fair market value of the Spinco Shares distributed pursuant to Section (e) above; and
- (g) the authorized share structure of Power Nickel will be changed by eliminating the Power Nickel Class A Common Shares, and the Notice of Articles of Power Nickel will be amended to reflect such alteration.

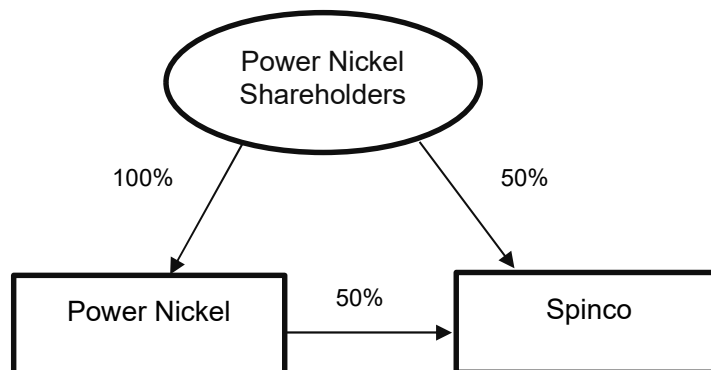
No fractional Spinco Shares will be distributed to the Shareholders and no fractional Spinco Options will be distributed to the Power Nickel Optionholders, and, as a result, all fractional amounts arising under the Arrangement will be rounded down to the next whole number without any compensation therefor. Any Spinco Shares not distributed as a result of so rounding down will be cancelled by Spinco.

The effect of the Arrangement can be summarized by the following diagrams (which excludes certain direct and indirect subsidiaries of Power Nickel and Spinco):

- (a) The ownership structure of Power Nickel and Spinco immediately prior to the Arrangement is as follows:



- (b) The ownership structure of Power Nickel and Spinco immediately after the Arrangement is as follows (with Power Nickel holding the other 50% of the Spinco Shares):



Authority of the Board

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board to use its judgment to proceed with and cause Power Nickel to complete the Arrangement or to abandon the Arrangement without any requirement to seek or obtain any further approval of the Shareholders.

The Arrangement Resolution also provides that the terms of the Plan of Arrangement may be amended by the Board before or after the Meeting without further notice to Shareholders, unless directed by the Court. Although the Board has no current intention to amend the terms of the Plan of Arrangement, it is possible that the Board may determine that certain amendments are appropriate, necessary or desirable.

Recommendation of the Board

After taking into consideration, among other things, the Fairness Opinion of RWE Growth Partners, Inc. regarding the fairness, from a financial point of view, of the Arrangement (based on the Plan of Arrangement and Arrangement Agreement) to the Shareholders and the reasons set forth under the heading “*Reasons for the Arrangement*” immediately below, the Board has concluded that the Arrangement is in the best interests of Power Nickel and is fair to the Shareholders. **Accordingly, the Board recommends that Shareholders vote FOR the Arrangement Resolution.**

All directors of Power Nickel and the senior officers of Power Nickel intend to vote all of their Power Nickel Shares in favour of the Arrangement Resolution, subject to the terms of the Arrangement Agreement.

Reasons for the Arrangement

The Board has reviewed and considered an amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from Power Nickel’s senior management and its financial and legal advisors. The following is a summary of the principal reasons for the recommendation of the Board that Shareholders vote **FOR** the Arrangement Resolution:

- (a) *Fairness Opinion.* The Fairness Opinion to the effect that, as of October 15, 2024 subject to the assumptions, limitations and qualifications contained therein, the Arrangement (based on the Plan of Arrangement and Arrangement Agreement) is fair, from a financial point of view, to the Shareholders.
- (b) *Continued Participation by Shareholders in the Spinco Property Through Spinco.* Shareholders, through their ownership of Spinco Shares, will also participate in the Spinco Property. The Shareholders will hold 50% of the issued and outstanding Spinco Shares upon completion of the Arrangement, and Power Nickel will retain the remaining 50%. Prior to the Arrangement, as part of the Internal Reorganization, Power Nickel will subscribe for up to \$1,000,000 worth of Spinco Shares in cash to provide Spinco with working capital to pursue exploration and development of the Spinco Projects. It is expected that certain of the current management of Power Nickel will also participate as management of Spinco.
- (c) *Continued Participation by Optionholders Through Power Nickel Replacement Options.* Each Power Nickel Optionholder at the Effective Time will receive the same proportionate interest in Power Nickel and Spinco that such Securityholder held in Power Nickel immediately prior to the Arrangement, as they will receive one Power Nickel Replacement Option and one Spinco Option.
- (d) *Mineral Property Diversification.* The creation of two separate companies dedicated to the pursuit of their respective businesses will provide Shareholders with diversification for their investment portfolios, as they will hold a direct interest in two companies, each of which is focused on different mineral exploration assets.
- (e) *Approval of Shareholders, the Court and the TSXV are required.* The following required approvals protect the rights of Shareholders: (i) the Arrangement must be approved by at least two-thirds of the votes cast in respect of the Arrangement Resolution by Shareholders, present in person or represented by proxy at the Meeting; (ii) the Arrangement must also be sanctioned by the Court, which will consider the fairness of the Arrangement to Shareholders; and (iii) the Arrangement must be approved by the TSXV.
- (f) *Dissent Rights.* Shareholders who are opposed to the Arrangement, upon compliance with certain conditions, have the ability to exercise Dissent Rights under the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order in respect of the Arrangement.

In view of the wide variety of factors and information considered in connection with their evaluation of the Arrangement, the Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In addition, individual members of the Board may have given different weights to different factors or items of information.

Approval of the Arrangement Resolution

At the Meeting, the Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Appendix A to this Circular. In order for the Arrangement to become effective, as provided in the Interim Order and by the BCBCA, the Arrangement Resolution must be approved by at least two-thirds of the votes cast on the Arrangement Resolution by Shareholders present in person or by proxy. Should Shareholders fail to approve the Arrangement Resolution by the requisite majority, the Arrangement will not be completed.

The Board has approved the terms and conditions of the Arrangement Agreement and the Plan of Arrangement and recommends that the Shareholders vote FOR the Arrangement Resolution. Please see “*The Arrangement - Recommendation of the Board*” above.

The Arrangement Agreement

The description of the Arrangement Agreement, both below and elsewhere in this Circular, is a summary only, is not exhaustive and is qualified in its entirety by reference to the terms and conditions of the Arrangement Agreement, which is incorporated by reference herein and may be found under Power Nickel’s profile on SEDAR+ at www.sedarplus.ca.

Effective Date and Conditions of the Arrangement

If the Arrangement Resolution is passed, the Final Order of the Court is obtained approving the Arrangement, the TSXV conditional approval is obtained, and every requirement of the Arrangement Provisions has been complied with and all other conditions disclosed under “*The Arrangement – The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*” are met or waived, the Arrangement will become effective at 12:01 a.m. (Eastern time) on the Effective Date. It is currently expected that the Effective Date of the Arrangement will be on or about December 4, 2024 or shortly thereafter.

Conditions to the Arrangement Becoming Effective

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

Mutual Conditions

The obligations of Power Nickel and Spinco to complete the Arrangement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived with the mutual consent of the parties:

- (a) the Interim Order will have been granted in form and substance satisfactory to Power Nickel;
- (b) the Arrangement Resolutions, with or without amendment, will have been approved and adopted at the Meeting in accordance with the Arrangement Provisions, the Articles of Power Nickel, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order will have been obtained in form and substance satisfactory to each of Power Nickel and Spinco;
- (d) the TSXV will have conditionally approved the Arrangement, including the listing of the Power

Nickel Class A Common Shares in substitution for the Power Nickel Shares, the delisting of the Power Nickel Class A Common Shares and, in substitution therefor, the listing of the New Power Nickel Shares issuable under the Arrangement, as of the Effective Date, subject to compliance with the requirements of the TSXV;

- (e) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the Arrangement and the Plan of Arrangement will have been obtained or received from the Governmental Entities having jurisdiction in the circumstances each in form acceptable to Power Nickel and Spinco;
- (f) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement;
- (g) no Law, regulation or policy will have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Power Nickel, the Shareholders or Spinco if the Arrangement is completed;
- (h) Notices of Dissent pursuant to Article 5 of the Plan of Arrangement will not have been delivered by Shareholders holding greater than 5% of the outstanding Power Nickel Shares; and
- (i) the Arrangement Agreement will not have been previously terminated.

Certain of these conditions may be waived subject to and in accordance with the Arrangement Agreement.

Termination

The Arrangement Agreement may be terminated at any time before or after the holding of the Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the Board without further action on the part of Shareholders, or the Spinco Board, and nothing expressed or implied herein or in the Plan of Arrangement will be construed as fettering the absolute discretion of the Board to terminate the Arrangement Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

Completion of the Arrangement

The Arrangement will become effective at 12:01 a.m. (Eastern time) on the date upon which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the filings required under the *BCBCA* have been filed with the Registrar. Completion of the Arrangement is expected to occur on or about December 4, 2024; however, it is possible that completion may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis.

The anticipated timetable for the completion of the Arrangement and the key dates proposed are as follows:

Annual and special meeting:	November 22, 2024
Final Court approval:	November 27, 2024
Share Distribution Record Date:	December 2, 2024
Effective Date:	December 4, 2024

Mailing of share certificates:	On or about December 11, 2024
--------------------------------	-------------------------------

Notice of the actual Share Distribution Record Date and Effective Date will be made through one or more news releases issued by Power Nickel. The Power Nickel Board will determine each of the Share Distribution Record Date and Effective Date upon satisfaction or waiver of the conditions to the Arrangement.

Procedure for Distribution of Certificates

Share Certificates or DRS Advice

Concurrently with the mailing of the Circular, Power Nickel will mail the Letter of Transmittal to Registered Shareholders, which will be used to exchange their share certificate(s) or DRS Advice(s) representing Power Nickel Shares for a share certificate or DRS Advice representing their New Power Nickel Shares and a share certificate or DRS Advice representing their Spinco Shares. Until exchanged, each share certificate or DRS Advice representing Power Nickel Shares will, after the Effective Time, represent only the right to receive, upon surrender, share certificates or DRS Advices representing the requisite numbers of New Power Nickel Shares and Spinco Shares.

As soon as practicable following the Effective Date, such Registered Shareholder must submit his/her/its Power Nickel Shares to Endeavor with a duly completed Letter of Transmittal. Thereafter, Endeavor and Spinco's transfer agent will cause to be delivered to Shareholders as of the Effective Date in accordance with the terms hereof and as described in the Letter of Transmittal, share certificate(s) or DRS Advice(s) representing the aggregate New Power Nickel Shares and Spinco Shares to which such Shareholders are entitled following the Arrangement.

In many cases, Power Nickel Shares beneficially owned by a Non-Registered Shareholder are registered either (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depository, such as CDS & Co., of which the Intermediary is a participant. In the case of Non-Registered Shareholders, the New Power Nickel Shares and the Spinco Shares to which a Non-Registered Shareholder is entitled will be delivered to their Intermediary through the procedures in place for such purposes between CDS & Co., the Depository Trust Company (DTC) or similar entities and such Intermediaries. After completion of such procedures, the Company will also cause the Depository to contact the Intermediaries in order to exchange any Spinco Shares registered in such Intermediaries' name for share certificates or DRS Advices registered in the name of the Non-Registered Shareholders for the Spinco Shares to which each such Non-Registered Shareholders is entitled. In order for Non-Registered Shareholders to receive the Spinco Shares to which they are entitled, their Intermediary must exchange its certificate(s) or DRS Advice(s) representing its registered ownership of Spinco Shares, on behalf of the Non-Registered Shareholders, for share certificates or DRS Advices registered in the name of each respective Non-Registered Shareholders evidencing the Spinco Shares to which each such Non-Registered Shareholders is entitled to receive as a result of the Arrangement. Accordingly, the Spinco Shares beneficially owned by a Non-Registered Shareholder will be re-registered in the Non-Registered Shareholder's name.

As soon as practicable following the Effective Date, the Depository and Spinco's transfer agent will cause to be delivered to Non-Registered Shareholders the share certificate(s) or DRS Advice(s) representing the aggregate Spinco Shares to which such Non-Registered Shareholders are entitled following the Arrangement.

Fractional Shares

Shareholders will not receive any fractional Spinco Shares. Any fractional Spinco Shares will be rounded down to the nearest whole number and Shareholders will not receive any compensation in lieu thereof.

Effects of the Arrangement on Shareholders' Rights

Shareholders receiving New Power Nickel Shares and Spinco Shares under the Arrangement will remain Shareholders of Power Nickel and will also become shareholders of Spinco. Spinco, like Power Nickel, is a company governed by the *BCBCA*.

Any certificate which immediately prior to the Effective Time represented Power Nickel Shares and which has not been surrendered with all other documents required by the Depositary, on or prior to the sixth anniversary of the Effective Date, will cease to represent any claim against or interest of any kind or nature in either Power Nickel or Spinco. **Accordingly, persons who tender certificates for Power Nickel Shares after the sixth anniversary of the Effective Date will not receive New Power Nickel Shares or Spinco Shares, will not own any interest in Power Nickel or Spinco and will not be paid any cash or other compensation in lieu thereof.**

Court Approval of the Arrangement

An arrangement under the *BCBCA* requires Court approval.

Interim Order

On October 21, 2024, Power Nickel obtained the Interim Order providing for the calling and holding of the Meeting and certain other procedural matters. The text of the Interim Order is set out in Appendix D to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by Shareholders at the Meeting in the manner required by the Interim Order, Power Nickel intends to make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is currently scheduled for November 27, 2024 at 9:45 a.m. (Pacific time), or as soon thereafter as counsel may be heard, at 800 Smithe Street, Vancouver, British Columbia, Canada, or at any other date and time as the Court may direct. Any Shareholder or any other interested party who wishes to appear or be represented and to present evidence or arguments at that hearing of the application for the Final Order must file and serve a response to petition no later than 2:00 p.m. (Pacific time) on November 26, 2024 along with any other documents required, all as set out in the Interim Order and the Notice of Petition, the text of which are set out in Appendix D and Appendix E to this Circular, respectively, and satisfy any other requirements of the Court. Such Persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those Persons having previously filed and served a response to petition will be given notice of the adjournment.

The Court has broad discretion under the *BCBCA* when making orders with respect to the Arrangement. The Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, on the terms presented or substantially on those terms. Depending upon the nature of any required amendments, Power Nickel or Spinco may determine not to proceed with the Arrangement.

The New Power Nickel Shares, the Spinco Shares, the Power Nickel Replacement Options and the Spinco Options to be issued to Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued and exchanged in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each state of the United States in which Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding

securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all Persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court will be advised prior to the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the New Power Nickel Shares and the Spinco Shares to be received by Shareholders pursuant to the Arrangement will not require registration under the U.S. Securities Act pursuant to Section 3(a)(10) thereunder. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the New Power Nickel Shares and the Spinco Shares in exchange for the Power Nickel Shares pursuant to the Arrangement. For more information, please see “*Regulatory Law Matters and Securities Law Matters*” below.

For further information regarding the Court hearing and your rights in connection with the Court hearing, please see the form of Notice of Petition attached as Appendix E to this Circular. The Notice of Petition constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

Regulatory Approvals

The Power Nickel Shares are listed and posted for trading on the TSXV. It is a condition of the Arrangement that the TSXV conditional approval is obtained for the Arrangement. There is no current plan to list the Spinco Shares on any stock exchange. Any such listing will be subject to Spinco meeting the listing requirements of that stock exchange.

Regulatory Law Matters and Securities Law Matters

Other than the Final Order and the approval of the TSXV, Power Nickel is not aware of any material approval, consent or other action by any Governmental Entity that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, and such approvals or consents are determined to be in the best interests of the Company or Spinco, then such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, Power Nickel currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the Shareholders’ approval of the Arrangement Resolution at the Meeting, receipt of the TSXV approval, receipt of the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to be on or about December 4, 2024 or shortly thereafter.

Canadian Securities Law Matters

Each Shareholder is urged to consult such Shareholder’s professional advisors to determine the Canadian conditions and restrictions applicable to trades in the New Power Nickel Shares or Spinco Shares.

Status under Canadian Securities Laws

Power Nickel is a reporting issuer in British Columbia and Alberta and its shares currently trade on the TSXV. Upon completion of the Arrangement, Spinco will be a reporting issuer in British Columbia and Alberta.

Distribution and Resale of New Power Nickel Shares and Spinco Shares under Canadian Securities Laws

The distribution of the New Power Nickel Shares and Spinco Shares pursuant to the Arrangement, as well as all other issuances, trades and exchanges of securities under the Arrangement, will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Laws. The New Power Nickel Shares and Spinco Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (i) the trade is not a “control distribution” as defined NI 45-102, (ii) no unusual effort is made to prepare the market or to create a demand for the New Power Nickel Shares or the Spinco Shares, as the case may be, (iii) no extraordinary commission or consideration is paid to a Person or company in respect of such sale, and (iv) if the selling security holder is an insider or officer of Power Nickel or Spinco, as the case may be, the selling security holder has no reasonable grounds to believe that Power Nickel or Spinco, as the case may be, is in default of applicable Canadian Securities Laws. Resales of New Power Nickel Shares and Spinco Shares will, however, be subject to resale restrictions where the sale is made from the holdings of any Person or combination of Persons holding a sufficient number of New Power Nickel Shares or Spinco Shares, as the case may be, to affect materially the control of Power Nickel or Spinco, respectively.

United States Securities Law Matters

The following is only a general overview of certain requirements of U.S. Securities Laws relating to the Arrangement that may be applicable to holders of the New Power Nickel Shares, the Spinco Shares, the Power Nickel Replacement Options and the Spinco Options. Each Shareholder is urged to consult such Shareholder’s professional advisors to determine the U.S. conditions and restrictions applicable under U.S. Securities Law to trades in the New Power Nickel Shares and Spinco Shares.

Exemption from U.S. Registration

The New Power Nickel Shares, the Spinco Shares, the Power Nickel Replacement Options and the Spinco Options to be issued to Shareholders under the Arrangement have not been and are not expected to be registered under the U.S. Securities Act or the securities laws of any state of the United States and will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and similar exemptions under applicable state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all Persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. On October 21, 2024, prior to the mailing of this Circular, the Interim Order was issued. Subject to the approval of the Arrangement by the Shareholders, a hearing for the Final Order approving the Arrangement is currently expected to take place on November 27, 2024. All Shareholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Final Order of the Court will, if granted, constitute the basis for the Section 3(a)(10) exemption with respect to the New Power Nickel Shares and the Spinco Shares.

Section 3(a)(10) of the U.S. Securities Act will not be available for the New Power Nickel Shares or the Spinco Shares that are issuable upon exercise of the Power Nickel Replacement Options or the Spinco Options, respectively. Therefore, the New Power Nickel Shares and the Spinco Shares issuable upon the exercise of the Power Nickel Replacement Options and the Spinco Options will be “restricted securities” within the meaning of Rule 144 under the U.S. Securities Act, and may be issued only pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws or following registration under such laws.

The New Power Nickel Shares and the Spinco Shares to be issued at the Effective Time of the

Arrangement will be freely transferable under U.S. federal Securities Laws, except that the U.S. Securities Act imposes restrictions on the resale of New Power Nickel Shares and Spinco Shares received by Persons who are, or within 90 days of the Effective Time become, “affiliates” of Power Nickel or Spinco.

Non-Affiliates

Shareholders in the United States who are not “affiliates” (as defined under the U.S. Securities Act) of Power Nickel or Spinco at the time of, or within 90 days before, their resale of New Power Nickel Shares or Spinco Shares, respectively, and who were not “affiliates” of Power Nickel or Spinco within 90 days prior to the Effective Date, may generally resell New Power Nickel Shares or Spinco Shares, respectively, without restriction under the U.S. Securities Act. Pursuant to the U.S. Securities Act, an “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. “Control” means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its “affiliates”.

Affiliates

Shareholders in the United States who are affiliates of Power Nickel or Spinco at the time of, or within 90 days before, their resale of New Power Nickel Shares or Spinco Shares, respectively, or who were affiliates of Power Nickel or Spinco within 90 days prior to the Effective Date, will be subject to restrictions on resale imposed by the U.S. Securities Act with respect to the New Power Nickel Shares and the Spinco Shares. These Shareholders may not resell their New Power Nickel Shares or Spinco Shares unless such securities are registered under the U.S. Securities Act or an exemption from registration is available, such as pursuant to Regulation S or Rule 144, if available, as follows:

- *Resale Pursuant to Regulation S.* In general, under Regulation S, persons who are affiliates of Power Nickel or Spinco at the time of their resale of New Power Nickel Shares or Spinco Shares solely by virtue of their status as an officer or director of Power Nickel or Spinco may sell New Power Nickel Shares or Spinco Shares outside of the United States in an “offshore transaction” (which would include a sale through the TSX, TSXV or CSE, if applicable) if neither the seller nor any person acting on its behalf engages in “directed selling efforts” in the United States and no selling commission, fee or other remuneration is paid in connection with such sale other than a usual and customary broker’s commission. For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the sale transaction. Certain additional restrictions are applicable to a holder of New Power Nickel Shares or Spinco Shares who is an affiliate of Power Nickel or Spinco at the time of their resale of New Power Nickel Shares or Spinco Shares other than by virtue of his or her status as an officer or director of Power Nickel or Spinco.
- *Resale Pursuant to Rule 144.* In general, under Rule 144 under the U.S. Securities Act, if available, persons who are affiliates of Power Nickel or Spinco at the time of, or within 90 days before, their resale of New Power Nickel Shares or Spinco Shares, or who were affiliates of Power Nickel or Spinco within 90 days prior to the Effective Date, will be entitled to sell New Power Nickel Shares or Spinco Shares in the United States, provided that during any three-month period, the number of such New Power Nickel Shares or Spinco Shares sold does not exceed the greater of one percent of the then outstanding securities of such class or, if such securities are listed on a United States securities exchange, the average weekly trading volume of such securities during the four-week period preceding the date of sale, subject to specified restrictions on manner of sale, notice requirements, aggregation rules and the availability of current public information about Spinco.

This Circular does not cover resales of any New Power Nickel Shares or Spinco Shares received by any Person pursuant to the Arrangement, and no Person is authorized to make any use of this Circular in connection with any resale.

Fees and Expenses

All expenses incurred in connection with the Arrangement and the Arrangement will be paid by the party incurring such expense.

Interests of Certain Persons in the Arrangement

In considering the recommendation of the Board with respect to the Arrangement, Shareholders should be aware that Power Nickel's senior management and the Board will participate in the Arrangement, to the extent they are Shareholders or Power Nickel Optionholders, in the same manner as Shareholders or Power Nickel Optionholders. There are no collateral benefits to be received by the directors or executive officers of Power Nickel as a result of the Arrangement.

Directors

The directors (other than directors who are also executive officers) hold, in the aggregate, 3,855,023 Power Nickel Shares, representing approximately 2.01% of the Power Nickel Shares outstanding on the Record Date. All of the Power Nickel Shares held by the directors will be treated in the same fashion under the Arrangement as Power Nickel Shares held by every other Shareholder.

Executive Officers

The current responsibility for the general management of Power Nickel is held and discharged by a group of executive officers. The executive officers of Power Nickel are as follows:

Name	Position	Power Nickel Shares⁽¹⁾
Terry Lynch	President and CEO	9,650,000
Robert Suttie	CFO	584,000
Peter Kent	Chairman	1,461,851

Notes:

(1) The Company has relied on information filed on SEDI as at October 21, 2024.

The executive officers of Power Nickel hold, in the aggregate 11,695,851 Power Nickel Shares representing approximately 6.11% of the Power Nickel Shares as of the Record Date. All of the Power Nickel Shares held by the executive officers of Power Nickel will be treated in the same fashion under the Arrangement as Power Nickel Shares held by every other Shareholder.

Risks Associated with the Arrangement

In evaluating the Arrangement, Shareholders should carefully consider the following risk factors relating to the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement. Additional risks and uncertainties, including those currently unknown or considered immaterial by Power Nickel, may also adversely affect the trading price of the New Power Nickel Shares, the Spinco Shares and/or the businesses of Power Nickel and Spinco following the Arrangement. In addition to the risk factors relating to the Arrangement set out below, Shareholders should also carefully consider the risk factors associated with the businesses of Power Nickel and Spinco included in this Circular, the Appendices to this Circular and in the documents incorporated by reference herein. If any of the risk factors materialize, the expectations, and the predictions based on them, may need to be re-evaluated. The risks associated with the Arrangement include:

The Arrangement Agreement may be terminated in certain circumstances, including in the event of a change having an adverse material effect on Power Nickel, the Shareholders or

Spinco.

Each of Power Nickel and Spinco has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can Power Nickel provide any assurance, that the Arrangement Agreement will not be terminated by either Power Nickel or Spinco before the completion of the Arrangement. For example, Spinco has the right, in certain circumstances, to terminate the Arrangement Agreement if changes occur that, in the aggregate, have an adverse material effect on Power Nickel. Although an adverse material effect excludes certain events that are beyond the control of Power Nickel (such as general changes in the global economy or changes that affect the mining industry generally and which do not have a materially disproportionate effect on Power Nickel), there is no assurance that a change having an adverse material effect on Power Nickel will not occur before the Effective Date, in which case Spinco could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

There can be no certainty that all conditions precedent to the Arrangement will be satisfied.

The completion of the Arrangement is subject to a number of conditions precedent, certain of which are outside the control of Power Nickel, including for example the receipt of the Final Order by the Court and TSXV approval of the Arrangement. There can be no certainty, nor can Power Nickel provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Power Nickel will incur costs even if the Arrangement is not completed.

Certain costs related to the Arrangement, such as legal, accounting and Fairness Opinion fees, must be paid by Power Nickel even if the Arrangement is not completed. Power Nickel is liable for its costs incurred in connection with the Arrangement. For more information, please see “*The Arrangement – The Arrangement Agreement – Termination*”.

The market price for the Power Nickel Share may decline.

If the Arrangement is not approved by the Shareholders, the market price of the Power Nickel Shares may decline to the extent that the current market price of the Power Nickel Shares reflects a market assumption that the Arrangement will be completed. If the Arrangement Resolution is not approved and the Board decides to seek another merger or arrangement, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the total consideration to be paid pursuant to the Arrangement.

Power Nickel may sell Spinco Shares on behalf of Shareholders to meet Power Nickel's withholding tax obligations (including any applicable interest and penalties) arising as a result of any deemed dividend under the Arrangement. Any such sales may negatively impact the trading price of the Spinco Shares (if listed on an exchange).

If Power Nickel determines that a deemed dividend arose as a consequence of the Arrangement, Power Nickel will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Shareholder (including the Spinco Shares) such amounts as Power Nickel is required or permitted to deduct and withhold under the Tax Act. To the extent that Power Nickel is required to deduct and withhold from consideration, including the Spinco Shares, Power Nickel is entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations (including any applicable interest and penalties). Any such sales may negatively impact the trading price of the Spinco Shares (if listed on an exchange). For more information, please see “*The Arrangement – Certain Canadian Federal Income Tax Considerations*”.

Spinco Shares are not listed on a stock exchange.

There is no assurance when, or if, the Spinco Shares will be listed on the TSXV or on any other stock exchange, and there is no current plan to list the Spinco Shares on any stock exchange. Until the Spinco Shares are listed on a stock exchange, Spinco Shareholders may not be able to sell their

Spinco Shares and may experience lack of liquidity. Even if a listing is obtained, the holding of Spinco Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity of their investment.

Spinco Shares may not be qualified investments under the Tax Act for a Registered Plan.

If the Spinco Shares are not listed on a “designated stock exchange”, as defined in the Tax Act, or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a “public corporation” before the due date for Spinco’s first income tax return and/or does not make the election in its first income tax return to be deemed to be a public corporation from the beginning of such year, the Spinco Shares will not be considered to be a “qualified investment” under the Tax Act for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax. For more information, please see “*The Arrangement – Certain Canadian Federal Income Tax Considerations – Residents of Canada – Eligibility for Investment*”.

Dissent Rights.

Registered Shareholders have the right to exercise Dissent Rights and demand payment equal to the fair value of their Power Nickel Shares in cash. If Dissent Rights are exercised in respect of a significant number of Power Nickel Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on Power Nickel’s financial condition and cash resources. Power Nickel may elect, in its sole discretion, not to complete the Arrangement if a significant number of Shareholders exercise Dissent Rights. For more information, please see “*The Arrangement – Dissent Rights*”.

Spinco has limited financial resources.

Spinco may not have sufficient financial resources to undertake all of its currently planned activities beyond completion of the Arrangement, other than the \$1,000,000 that will be paid by Power Nickel on completion of the Internal Reorganization. In the event that the Arrangement is completed, Spinco may need to obtain further financing, whether through debt financing, equity financing or other means. There can be no assurance that Spinco will be able to raise the balance of the financing required or that such financing can be obtained without substantial dilution to its shareholders. Failure to obtain additional financing on a timely basis could cause Spinco to reduce or terminate its operations.

Income Tax.

The Arrangement may give rise to adverse tax consequences to Shareholders, and each Shareholder is urged to consult with his, her or its own tax advisor

Power Nickel and Spinco will incur their own expenses going forward.

As a result of the Arrangement, each of Power Nickel and Spinco will incur their own general and administrative costs to operate Power Nickel’s current mineral assets. These additional costs may negatively impact the financial performance of each of Power Nickel and Spinco.

Dissent Rights

The following is a summary of the provisions of the *BCBCA* relating to a Shareholder’s dissent and appraisal rights in respect of the Arrangement Resolution. This summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Power Nickel Shares and is qualified in its entirety by reference to the full text of

sections 237 to 247 of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order (collectively, the “**Dissent Procedures**”).

The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Shareholders should seek independent legal advice, as failure to comply strictly with the provisions of sections 237 to 247 of the *BCBCA*, which is attached to this Circular as Appendix H, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of all Dissent Rights.

The Interim Order expressly provides Registered Shareholders with the right to dissent with respect to the Arrangement Resolution. Each Dissenting Shareholder is entitled to be paid the fair value (determined as of the close of business on the day before the Effective Date of all but not less than all, of the Shareholder’s Power Nickel Shares), provided that the Shareholder duly dissents to the Arrangement Resolution and the Arrangement becomes effective.

In many cases, Power Nickel Shares beneficially owned by a Non-Registered Shareholder are registered either (a) in the name of an Intermediary that the Non-Registered Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depositary, such as CDS & Co., of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the Power Nickel Shares are re-registered in the Non-Registered Shareholder’s name).

With respect to Power Nickel Shares in connection to the Arrangement, pursuant to the Interim Order, a Registered Shareholder may exercise rights of dissent under Division 2 of Part 8 of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order, provided that, notwithstanding section 242(2) of the *BCBCA*, the written objection to the Arrangement Resolution must be sent to Power Nickel Inc., c/o Cozen O’Connor LLP, Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5, Attention: Kathy Tang, by not later than 11:00 a.m. (Vancouver time) on November 20, 2024, or two Business Days prior to any adjournment or postponement of the Meeting.

To exercise Dissent Rights, a Shareholder must dissent with respect to all Power Nickel Shares of which it is the registered and beneficial owner. A Registered Shareholder who wishes to dissent must deliver written notice of dissent (a “**Notice of Dissent**”) to Power Nickel as set forth above and such Notice of Dissent must strictly comply with the requirements of section 242 of the *BCBCA*. Any failure by a Shareholder to fully comply with the provisions of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order, may result in the loss of that Shareholder’s Dissent Rights. Non-Registered Shareholders who wish to exercise Dissent Rights must cause each Registered Shareholder holding their Power Nickel Shares to deliver the Notice of Dissent, or, alternatively, make arrangements to become a Registered Shareholder.

To exercise Dissent Rights, a Registered Shareholder must prepare a separate Notice of Dissent for himself, herself or itself, if dissenting on his, her or its own behalf, and for each other Non-Registered Shareholder who beneficially owns Power Nickel Shares registered in the Shareholder’s name and on whose behalf the Shareholder is dissenting; and must dissent with respect to all of the Power Nickel Shares registered in his, her or its name or if dissenting on behalf of a Non-Registered Shareholder, with respect to all of the Power Nickel Shares registered in his, her or its name and beneficially owned by the Non-Registered Shareholder on whose behalf the Shareholder is dissenting. The Notice of Dissent must set out the number of Power Nickel Shares in respect of which the Dissent Rights are being exercised (the “**Notice Shares**”) and: (a) if such Power Nickel Shares constitute all of the Power Nickel Shares of which the Shareholder is the registered and beneficial owner and the Shareholder owns no other Power Nickel Shares beneficially, a statement to that effect; (b) if such Power Nickel Shares constitute all of the Power Nickel Shares of which the Shareholder is both the registered and beneficial owner, but the Shareholder owns additional Power Nickel Shares beneficially, a statement to that effect and the names of the Registered Shareholders, the number of Power Nickel Shares held by each such Registered Shareholder and a statement that written Notices of Dissent are being or

have been sent with respect to such other Power Nickel Shares; or (c) if the Dissent Rights are being exercised by a Registered Shareholder who is not the beneficial owner of such Power Nickel Shares, a statement to that effect and the name of the Non-Registered Shareholder and a statement that the Registered Shareholder is dissenting with respect to all Power Nickel Shares of the Non-Registered Shareholder registered in such registered holder's name.

If the Arrangement Resolution is approved by Shareholders, and Power Nickel notifies a Registered Shareholder of Notice Shares of Power Nickel's intention to act upon the Arrangement Resolution pursuant to section 243 of the *BCBCA*, in order to exercise Dissent Rights such Shareholder must, within one month after Power Nickel gives such notice, send to Power Nickel a written notice that such Shareholder requires the purchase of all of the Notice Shares in respect of which such Shareholder has given a Notice of Dissent. Such written notice must be accompanied by the share certificate or certificates representing those Notice Shares (including a written statement prepared in accordance with section 244(1)(c) of the *BCBCA* if the dissent is being exercised by the Shareholder on behalf of a Non-Registered Shareholder), whereupon, subject to the provisions of the *BCBCA* relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell and Power Nickel is bound to purchase those Power Nickel Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Division 2 of Part 8 of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order. A vote against the Arrangement Resolution, an abstention, or the execution of a proxy to vote against the Arrangement Resolution, does not constitute a Notice of Dissent.

Dissenting Shareholders who:

- (a) ultimately are entitled to be paid fair value for their Power Nickel Shares, will be entitled to be paid the fair value of such Power Nickel Shares, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Power Nickel Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Power Nickel Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder of Power Nickel Shares; but in no case will Power Nickel be required to recognize such persons as holding Power Nickel Shares on or after the Effective Date.

If a Dissenting Shareholder is ultimately entitled to be paid for their Dissent Shares, such Dissenting Shareholder may enter into an agreement for the fair value of such Dissent Shares. If such Dissenting Shareholder does not reach an agreement, such Dissenting Shareholder, or Power Nickel, may apply to the Court, and the Court may determine the payout value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Power Nickel to make an application to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the Power Nickel Shares had as of the close of business on the day before the Effective Date. After a determination of the fair value of the Dissent Shares, Power Nickel must then promptly pay that amount to the Dissenting Shareholder.

In no case will Power Nickel, the Depositary or any other person be required to recognize Dissenting Shareholders as Shareholders after the Effective Time, and the names of such Dissenting Shareholders will be deleted as Shareholders from the central securities register of the Company at the Effective Time.

In no circumstances will Power Nickel or any other person be required to recognize a person as a Dissenting Shareholder: (i) unless such person is the holder of the Power Nickel Shares in respect of

which Dissent Rights are purported to be exercised immediately prior to the Effective Time; (ii) if such person has voted or instructed a proxy holder to vote such Notice Shares in favour of the Arrangement Resolution; or (iii) unless such person has strictly complied with the procedures for exercising Dissent Rights set out in Division 2 of Part 8 of the *BCBCA*, as modified by the Plan of Arrangement, the Interim Order and the Final Order and does not withdraw such Notice of Dissent prior to the Effective Time.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Arrangement in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Arrangement Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with Power Nickel's written consent. If any of these events occur, Power Nickel must return the share certificates or DRS Advices representing the Power Nickel Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder.

If you dissent there can be no assurance that the amount you receive as fair value for your Power Nickel Shares will be more than or equal to the consideration under the Arrangement.

Each Shareholder wishing to avail himself, herself or itself of the Dissent Rights should carefully consider and comply with the provisions of the Interim Order and sections 237 to 247 of the *BCBCA*, which are attached to this Circular as Appendix D and Appendix F, respectively, and seek his, her or its own legal advice.

The Arrangement Agreement provides that, unless otherwise waived, it is a condition to the obligations of Power Nickel and Spinco to complete the Arrangement that, on or before the Effective Date, holders of not more than an aggregate of 5% of the issued and outstanding Power Nickel Shares will have exercised Dissent Rights. If the number of outstanding Power Nickel Shares in respect of which Dissent Rights have been exercised exceeds 5%, the Arrangement will not proceed unless Power Nickel waives such condition.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights. For a general summary of certain income tax implications to a Dissenting Shareholder, please see "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Dissenting Resident Shareholders*" and "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada – Dissenting Non-Resident Shareholders*".

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

THE TAX CONSEQUENCES OF THE ARRANGEMENT MAY VARY DEPENDING UPON THE PARTICULAR CIRCUMSTANCES OF EACH SHAREHOLDER AND OTHER FACTORS. ACCORDINGLY, SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ARRANGEMENT.

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Shareholder who, for purposes of the Tax Act, holds Power Nickel Shares, and will hold New Power Nickel Shares and Spinco Shares acquired pursuant to the Arrangement, as capital property, deals at arm's length with each of Power Nickel and Spinco and is not affiliated with Power Nickel or Spinco.

Power Nickel Shares, New Power Nickel Shares and Spinco Shares generally will be considered capital property to a Shareholder for purposes of the Tax Act unless the Shareholder holds such shares in the course of carrying on a business of buying and selling securities or the Shareholder has

acquired or holds them in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the “**Tax Regulations**”) in force on the date hereof, and counsel’s understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). The summary takes into account all specific proposals to amend the Tax Act and the Tax Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that all Tax Proposals will be enacted in the form proposed. However, there is no certainty that the Tax Proposals will be enacted in the form currently proposed, if at all. The summary does not otherwise take into account or anticipate any changes in Law, whether by judicial, governmental or legislative decision or action, or other changes in administrative policies or assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may materially differ from Canadian federal income tax legislation or considerations.

This summary does not apply to Shareholders which are “financial institutions” for the purposes of the market-to-market rules in the Tax Act, “specified financial institutions”, or an interest in which would be a “tax shelter” or a “tax shelter investment” or has entered or will enter into a “derivative forward agreement”, a “synthetic disposition arrangement”, or a “dividend rental arrangement”, each as defined in the Tax Act or a partnership or a trust for Canadian tax purposes. This summary also does not apply to a Shareholder that has made a functional currency reporting election pursuant to the Tax Act. In addition, this summary does not address the tax considerations relevant to Shareholders who acquired their Power Nickel Shares on the exercise of an employee stock option. Such Shareholders should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Shareholder that is a corporation resident in Canada or a corporation that does not deal at arm’s length, for purposes of the Tax Act, with a corporation resident in Canada, and is, or becomes as part of a transaction or event or series of transactions or events, controlled by a non-resident person or group of non-resident persons that do not deal with each other at arm’s length for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Shareholders should consult their tax advisors.

In addition, this summary does not address the income tax considerations to Power Nickel Optionholders in respect of their Power Nickel Options.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal, business or tax advice or representations to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Power Nickel Shares, New Power Nickel Shares or Spinco Shares, including interest, dividends, ACB and proceeds of disposition must be converted into Canadian dollars based on the relevant exchange rate applicable on the Effective Date (as determined in accordance with the Tax Act) of the related acquisition, disposition or recognition of income.

Residents of Canada

This part of the summary is applicable only to Shareholders, who, for the purposes of the Tax Act and at all relevant times, are resident, or deemed to be resident, in Canada (“**Resident Shareholders**”).

In circumstances where Power Nickel Shares, New Power Nickel Shares and Spinco Shares may not

otherwise constitute capital property to a particular holder who is resident in Canada for purposes of the Tax Act, such holder may be entitled to elect that such securities be deemed to be capital property by making an irrevocable election under subsection 39(4) of the Tax Act to deem every “Canadian security” (as defined in the Tax Act) owned by such holder in the taxation year of the election and in each subsequent taxation year to be capital property. Shareholders contemplating such an election should first consult their own tax advisors.

Redesignation of Power Nickel Shares

There will be no tax consequences on the renaming and redesignation of Power Nickel Shares to Power Nickel Class A Common Shares.

Exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares

Resident Shareholders will be considered to have disposed of their Power Nickel Class A Common Shares on the exchange of their Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares.

The cost to a Resident Shareholder of Spinco Shares acquired on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares will be equal to the fair market value of the Spinco Shares at the time of the exchange. The cost to a Resident Shareholder of New Power Nickel Shares acquired on the exchange will be equal to the amount, if any, by which the ACB of the Resident Shareholder’s Power Nickel Class A Common Shares immediately before the exchange exceeds the fair market value of the Spinco Shares received on the exchange. If the aggregate fair market value of the Spinco Shares received by a Resident Shareholder on the exchange exceeds the paid-up capital as determined for purposes of the Tax Act of the Power Nickel Class A Common Shares exchanged then the excess will generally be deemed to be a dividend received by the Resident Shareholder from Power Nickel. Please see “*Dividends on Shares*” below for a general description of the treatment of dividends under the Tax Act including amounts deemed under the Tax Act to be received as dividends. Power Nickel expects the fair market value of all Spinco Shares distributed under the Arrangement will not exceed the paid-up capital of the Power Nickel Class A Common Shares. Accordingly, Power Nickel does not expect that any Resident Shareholder will be deemed to receive a taxable dividend on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares.

On the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, a capital gain (or capital loss) may be realized by a Resident Shareholder equal to the amount, if any, by which (a) the aggregate of the cost of the Spinco Shares and of the New Power Nickel Shares received, determined as described above, less the amount of any dividend deemed to be received on the exchange, exceeds (or is less than) (b) the aggregate of the ACB of the Power Nickel Class A Common Shares exchanged and any reasonable costs of disposition. Resident Shareholders should consult with their own tax advisors regarding the ACB of their Power Nickel Class A Common Shares since the ACB will depend on the circumstances in which their Power Nickel Class A Common Shares were issued to them. For more information, see “*Taxation of Capital Gains and Capital Losses*” below.

Dividends on Shares

A Resident Shareholder who is an individual will be required to include in income any dividends received or deemed to be received on the Resident Shareholder’s Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Power Nickel or Spinco, as the case may be, as “eligible dividends”, as defined in the Tax Act. There may be limitations on the ability of Power Nickel or Spinco to designate dividends as eligible dividends.

A Resident Shareholder that is a corporation will be required to include in income any dividend received or deemed to be received on the Resident Shareholder's Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares, but generally will be entitled to deduct an equivalent amount in computing its taxable income. In the event that a dividend is deemed to have been received on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares under the Arrangement, Resident Shareholders that are corporations may wish to consult their tax advisors on the tax consequences of the deemed receipt of such a dividend, including the potential application of subsection 55(2) of the Tax Act that may result in a portion or all of such deemed dividend being treated as a capital gain, depending on the circumstances.

A "private corporation" or a "subject corporation" (as those terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax on any dividend that it receives or is deemed to receive on Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Disposition of New Power Nickel Shares and Spinco Shares

A Resident Shareholder that disposes or is deemed to dispose of an New Power Nickel Share or a Spinco Share in a taxation year generally will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the New Power Nickel Share or Spinco Share, as the case may be, exceed (or are less than) the sum of the Resident Shareholder's ACB of such New Power Nickel Share or Spinco Share, as the case may be, determined immediately before the disposition and any reasonable costs of disposition. For more information, see "*Taxation of Capital Gains and Capital Losses*" below.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Shareholder will be required to include in computing the Resident Shareholder's income for a taxation year any such capital gain realized by the Resident Shareholder in that year multiplied by the capital gains inclusion rate in effect at the applicable time (a "**taxable capital gain**"). A Resident Shareholder will generally be entitled to deduct any such capital loss realized in a taxation year multiplied by the capital gains inclusion rate in effect at the applicable time (an "**allowable capital loss**") from taxable capital gains realized by the Resident Shareholder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years to the extent and under the circumstances specified in the Tax Act.

The current applicable capital gains inclusion rate is one-half. A Notice of Ways and Means Motion to enact certain provisions of the 2024 Canadian federal budget introduced in Parliament on September 23, 2024, contains amendments to the Tax Act to increase the capital gains inclusion rate from one-half to two-thirds for corporations and trusts, and from one-half to two-thirds on the portion of capital gains realized in a year that exceed \$250,000 for individuals, for capital gains realized on or after June 25, 2024. Corresponding changes are also proposed with respect to the rules calculating allowable capital losses. If adopted, these amendments may affect the computation of the taxable income of a Resident Shareholder. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

Where a Resident Shareholder is a corporation, the amount of any capital loss arising on a disposition or deemed disposition of any Power Nickel Class A Common Shares, New Power Nickel Share or Spinco Share, as the case may be, may be reduced by the amount of dividends received or deemed to have been received by it on such Power Nickel Class A Common Shares, New Power Nickel Share or Spinco Share, as the case may be, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares, as the case may be, or where a trust or partnership of which a corporation is a beneficiary or a member

is a member of a partnership or a beneficiary of a trust that owns such securities.

A Resident Holder that is a “Canadian controlled private corporation” or a “substantive CCPC” (as those terms are defined in the Tax Act) throughout the relevant taxation year may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income”, which includes taxable capital gains realized on the disposition (or deemed disposition) of its Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares, dividend received (or deemed to be received in respect of such underlying shares) that are not deductible under the Tax Act, and interest paid or payable, for an applicable taxation year. Resident Holders should consult their own tax advisors with regard to this additional tax and refund mechanism.

Minimum Tax

A Resident Shareholder who is an individual (including certain trusts) and receives a taxable dividend on, or realizes a capital gain on the disposition of, a share, including a Power Nickel Class A Common Share, New Power Nickel Share or Spinco Share, may thereby be liable for minimum tax to the extent and within the circumstances set out in the Tax Act. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

Dissenting Resident Shareholders

A Resident Shareholder who validly exercises Dissent Rights (a “**Dissenting Resident Shareholder**”) and who consequently transfers or is deemed to transfer Power Nickel Shares to Power Nickel for payment by Power Nickel will be deemed to receive a taxable dividend in the taxation year of payment equal to the amount, if any, by which the payment (excluding interest) exceeds the paid-up capital of the Dissenting Resident Shareholder’s Power Nickel Shares determined immediately before the Arrangement. Any such taxable dividend will be taxable as described above under the heading “*Dividends on Shares*”. The Dissenting Resident Shareholder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding interest), less any such deemed taxable dividend, exceeds (or is exceeded by) the ACB of the Dissenting Resident Shareholder’s Power Nickel Shares determined immediately before the Arrangement. Any such capital gain or loss will generally be taxable or deductible as described above under the heading “*Taxation of Capital Gains and Capital Losses*”.

The Dissenting Resident Shareholder will be required to include any portion of the payment that is on account of interest in income in the year received.

Dissenting Resident Shareholders should consult their own tax advisors.

Eligibility for Investment

The New Power Nickel Shares and the Spinco Shares to be issued pursuant to the Arrangement would, if issued on the date of this Circular, be “qualified investments” under the Tax Act for trusts governed by a Registered Plan, provided such New Power Nickel Shares and Spinco Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which includes the TSXV), or Power Nickel or Spinco, as the case may be, is a “public corporation” as defined in the Tax Act. If the Spinco Shares are not listed on a designated stock exchange at the time they are issued pursuant to the Arrangement, but such Spinco Shares become listed on a designated stock exchange in Canada before the due date for Spinco’s first income tax return and Spinco makes the appropriate election under the Tax Act in that return, such Spinco Shares will be considered qualified investments for Registered Plans from the date of issuance. There can be no assurance as to if, or when, the Spinco Shares will be listed or traded on any stock exchange and, therefore, no assurance Spinco will be able to make the election to be a public corporation.

If the Spinco Shares are not listed on a designated stock exchange before the due date for Spinco’s first income tax return or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a

“public corporation”, the Spinco Shares will not be considered to be a qualified investment for a Registered Plan from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under or the subscriber or holder of the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be deemed to have received income therefrom or be subject to a penalty tax. Resident Shareholders that hold may hold Spinco Shares within a Registered Plan should consult with their own tax advisors in this regard.

Notwithstanding that the New Power Nickel Shares and the Spinco Shares may be a qualified investment for a Registered Plan, the annuitant under a RRSP or RRIF, the subscriber of a RESP, or the holder of a RDSP, TFSA or FHSA, as the case may be, will be subject to a penalty tax if such securities are “prohibited investments” for purposes of the Tax Act for the RRSP, RRIF, RESP, RDSP, TFSA or FHSA, as the case may be. The New Power Nickel Shares and/or Spinco Shares, as the case may be, will not generally be prohibited investments for a RRSP, RRIF, RESP, RDSP, TFSA or FHSA if the annuitant under a RRSP or RRIF, the subscriber of a RESP, or the holder of a RDSP, TFSA or FHSA, as the case may be, deals at arm’s length with Power Nickel and/or Spinco, as the case may be, for the purposes of the Tax Act, and does not have a “significant interest” (as defined in the Tax Act) in Power Nickel and/or Spinco, as the case may be. In addition, New Power Nickel Shares and/or Spinco Shares, as the case may be, will generally not be prohibited investments if such securities are “excluded property” as defined in the Tax Act. Shareholders should consult their own tax advisors as to whether New Power Nickel Shares and/or Spinco Shares will be prohibited investments in their particular circumstances, including with respect to whether the New Power Nickel Shares and/or the Spinco Shares, as the case may be, would be “excluded property”, as defined in the Tax Act.

Non-Residents of Canada

This part of the summary is applicable to Shareholders, who, for purposes of the Tax Act, have not been and will not be resident or deemed to be resident in Canada at any time while they have held or will hold Power Nickel Shares, New Power Nickel Shares or Spinco Shares, and who do not use or hold, will not use or hold and are not and will not be, deemed to use or hold such Power Nickel Shares, New Power Nickel Shares or Spinco Shares, in carrying on a business in Canada (a “**Non-Resident Shareholder**”). Special rules, which are not discussed in this summary, may apply to a non-resident that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act).

Redesignation of Power Nickel Shares

There will be no tax consequences on the renaming and redesignation of Power Nickel Shares to Power Nickel Class A Common Shares.

Exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares

Non-Resident Shareholders will be considered to have disposed of their Power Nickel Class A Common Shares on the exchange of their Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares.

The cost to a Non-Resident Shareholder of Spinco Shares acquired on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares will be equal to the fair market value of the Spinco Shares at the time of the exchange. The cost to a Non-Resident Shareholder of New Power Nickel Shares acquired on the exchange will be equal to the amount, if any, by which the ACB of the Non-Resident Shareholder’s Power Nickel Class A Common Shares immediately before the exchange exceeds the fair market value of the Spinco Shares received on the exchange. If the aggregate fair market value of the Spinco Shares received by a Non-Resident

Shareholder on the exchange exceeds the paid-up capital as determined for purposes of the Tax Act of the Power Nickel Class A Common Shares exchanged then the excess will generally be deemed to be a dividend received by the Non-Resident Shareholder from Power Nickel and subject to withholding tax. Please see “*Dividends on Shares*” immediately below for a general description of the treatment of dividends received by a Non-Resident Shareholder under the Tax Act, including amounts deemed under the Tax Act to be received as dividends. Power Nickel expects the fair market value of all Spinco Shares distributed under the Arrangement will not exceed the paid-up capital of the Power Nickel Class A Common Shares. Accordingly, Power Nickel does not expect that any Resident Shareholder will be deemed to receive a taxable dividend on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares.

If Power Nickel determines that a deemed dividend arose as a consequence of the Arrangement, Power Nickel will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Shareholder (including the Spinco Shares) such amounts as Power Nickel is required or permitted to deduct and withhold under the Tax Act. To the extent that Power Nickel is required to deduct and withhold an amount from the consideration, including the Spinco Shares, Power Nickel will take such actions as may be reasonably necessary in order to meet Power Nickel’s withholding tax obligations arising as a result of any deemed dividend to Non-Resident Shareholders. Non-Resident Shareholders may be subject to additional tax consequences in Canada as a result of any such actions taken by Power Nickel to meet its withholding obligations under the Tax Act.

On the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, a capital gain (or capital loss) may be realized by a Non-Resident Shareholder equal to the amount by which (a) the aggregate of the cost of the Spinco Shares and of the New Power Nickel Shares received, determined as described above, less the amount of any dividend deemed to be received on the exchange exceeds (or is less than) (b) the aggregate of the ACB of the Power Nickel Shares exchanged and any reasonable costs of disposition.

A Non-Resident Shareholder who participates in the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange of Power Nickel Class A Common Shares for New Power Nickel Shares and Spinco Shares, provided that the Power Nickel Class A Common Shares are not “taxable Canadian property” (as defined in the Tax Act), as discussed below under the heading “*Taxation of Capital Gains and Capital Losses*”, to the Non-Resident Shareholder at the time of the exchange or an applicable income tax treaty or convention exempts the capital gain from tax under the Tax Act.

Even if the Power Nickel Class A Common Shares are taxable Canadian property of a Non-Resident Shareholder, such Non-Resident Shareholder may be exempt from tax under the Tax Act on the disposition of such Power Nickel Shares by virtue of an applicable income tax treaty or convention. In cases where a Non-Resident Shareholder disposes, or is deemed to dispose, of a Power Nickel Class A Common Share that is taxable Canadian property of that Non-Resident Shareholder, and the Non-Resident Shareholder is not entitled to an exemption from tax under the Tax Act or pursuant to the terms of an applicable income tax treaty or convention, the consequences under the heading “*Residents of Canada – Taxation of Capital Gains and Capital Losses*” will generally be applicable to such disposition. In this circumstance, Non-Resident Shareholders should consult their own tax advisors.

Dividends on Shares

Dividends paid or credited, or deemed to be paid or credited, on a Non-Resident Shareholder’s Power Nickel Class A Common Shares, New Power Nickel Shares or Spinco Shares will be subject to withholding tax under Part XIII of the Tax Act at a rate of 25%, unless the rate is reduced under the provisions of an applicable income tax treaty or convention, subject to the application of, and provisions of, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit shifting (“**MLI**”). In the case of a Non-Resident Shareholder who is the beneficial owner of dividends and is a resident of the United States for purposes of the *Convention Between*

Canada and the United States of America with Respect to Taxes on Income and on Capital (the “**Canada-US Treaty**”) and who is entitled to the benefits of the Canada-US Treaty, the rate of withholding will generally be reduced to 15%. The United States is not a signatory to the MLI.

If Power Nickel determines that a deemed dividend arose as a consequence of the Arrangement, Power Nickel will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Non-Resident Shareholder (including the Spinco Shares) 25%, subject to reduction under the provisions of an applicable income tax treaty or convention, of the deemed dividend under Part XIII of the Tax Act. To the extent that Power Nickel is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, Power Nickel will take such actions as may be reasonably necessary in order to meet Power Nickel’s withholding tax obligations arising as a result of any deemed dividend to Non-Resident Shareholders. Non-Resident Shareholders may be subject to additional tax consequences in Canada as a result of any such actions taken by Power Nickel to meet its withholding obligations under the Tax Act.

Taxation of Capital Gains and Capital Losses

A Non-Resident Shareholder will not be subject to Canadian federal income tax in respect of any capital gain arising on an actual or deemed disposition of a Power Nickel Class A Common Share, New Power Nickel Share or Spinco Share unless, at the time of disposition, the share is “taxable Canadian property” as defined in the Tax Act, and is not “treaty-protected property” as defined in the Tax Act and by virtue of an applicable income tax treaty or convention to which Canada is a signatory, as potentially modified by the MLI.

Generally, a Power Nickel Class A Common Share, New Power Nickel Share or Spinco Share, as applicable, of the Non-Resident Shareholder will not be taxable Canadian property of the Non-Resident Shareholder at any time at which the share is listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSXV) unless, at any time during the 60 months immediately preceding the disposition of the share:

- (a) the Non-Resident Shareholder, one or more persons with whom the Non-Resident Shareholder did not deal at arm’s length, partnerships in which the Non-Resident Shareholder or persons with whom the Non-Resident Shareholder did not deal at arm’s length held membership interests (directly or indirectly), or any combination of the foregoing, owned 25% or more of the issued shares of any class of the capital stock of Power Nickel or Spinco, as applicable; and
- (b) the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing.

Further, a Spinco Share of a Non-Resident Shareholder will not be taxable Canadian property of the Non-Resident Shareholder at any time at which the share is not listed on a “designated stock exchange” unless, at any time during the 60 months immediately preceding the disposition of the share, the share derived more than 50% of its fair market value directly or indirectly from, or from any combination of, real or immovable property situated in Canada, “Canadian resource properties”, “timber resource properties” (as those terms are defined in the Tax Act), and interest, rights or options in or in respect of any of the foregoing.

Power Nickel Class A Common Shares may also be deemed to be “taxable Canadian property” under other provisions of the Tax Act.

A Non-Resident Shareholder who disposes or is deemed to dispose of a Power Nickel Class A

Common Share, New Power Nickel Share or Spinco Share that, at the time of disposition, is taxable Canadian property and is not treaty-protected property eligible for relief pursuant to an applicable income tax treaty or convention, as potentially modified by the MLI, will realize a capital gain (or capital loss) equal to the amount, if any, by which the Non-Resident Shareholder's proceeds of disposition of the share exceeds (or is exceeded by) the Non-Resident Shareholder's ACB in the share and reasonable costs of disposition. Such Non-Resident Shareholders will generally be subject to the same Canadian income tax consequences for a Resident Shareholder discussed above under the heading "*Certain Canadian Federal Income Tax Considerations – Residents of Canada – Taxation of Capital Gains and Capital Losses*".

Non-Resident Shareholders who may hold shares as "taxable Canadian property" should consult their own tax advisors in this regard.

Dissenting Non-Resident Shareholders

The discussion above applicable to Resident Shareholders under the heading "*Certain Canadian Federal Income Tax Considerations – Residents of Canada –Dissenting Resident Shareholders*" will generally also apply to a Non-Resident Shareholder who validly exercises Dissent Rights in respect of the Arrangement. In general terms, the Non-Resident Shareholder will be subject to Canadian federal income tax in respect of any deemed taxable dividend arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada –Dividends on Shares*" and subject to the Canadian federal income tax treatment in respect of any capital gain or loss arising as a consequence of the exercise of Dissent Rights generally as discussed above under the heading "*Certain Canadian Federal Income Tax Considerations – Non-Residents of Canada –Taxation of Capital Gains and Capital Losses*" immediately above.

Where a Dissenting Non-Resident Shareholder receives interest in connection with the exercise of Dissent Rights in respect of the Arrangement, the interest will generally not be subject to Canadian withholding tax under the Tax Act.

UNITED STATES TAX CONSIDERATIONS

Each U.S. Holder of Power Nickel Shares should consult its own tax advisor as to the particular tax consequences to it of the receipt of Spinco Shares pursuant to the Power Nickel spinout and the ownership and disposition of the Spinco Shares received, including the effects of applicable U.S. federal, state and local tax laws and non-U.S. tax laws and possible changes in tax laws.

INFORMATION CONCERNING SPINCO

Spinco is currently a wholly owned subsidiary of Power Nickel that has been formed to acquire and hold the Spinco Property. The registered and records office of Spinco is located at Suite 2501-550 Burrard Street, Vancouver, BC, V6C 2B5 Canada. Upon completion of the Arrangement and the Arrangement, Spinco expects that it will be a reporting issuer in British Columbia and Alberta, and will hold the Spinco Property and approximately \$1,000,000 in cash.

Upon completion of the Arrangement, each Shareholder will become a shareholder of Spinco. Information relating to Spinco after the Arrangement is contained in Appendices G, J (Carve-Out financial statements) and K (Management Discussion & Analysis to the Carve-Out financial statements) to this Circular.

INTEREST OF EXPERTS

To the best of Power Nickel's knowledge, as at the date hereof, neither RWE Growth Partners, Inc., who prepared the Fairness Opinion, nor any director, officer, employee or partner thereof, have

received a direct or indirect interest in a property of Power Nickel or Spinco or any associate or affiliate thereof except as disclosed herein.

None of the aforementioned Persons nor any directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of Power Nickel or Spinco or any associate or affiliate of Power Nickel or Spinco.

DNTW Toronto LLP are the auditors for Power Nickel. DNTW Toronto LLP has confirmed that they are independent with respect to Power Nickel within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

ADDITIONAL INFORMATION

Additional information about the Company is located on SEDAR+ at www.sedarplus.ca. Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis are also available on SEDAR+ for its most recently completed financial year ended December 31, 2023. Shareholders may contact the Company to request copies of the financial statements and Management's Discussion and Analysis by writing to the Chief Financial Officer, Mr. Rob Suttie at the address below or by e-mail at rsuttie@marrellisuport.ca.

POWER NICKEL INC.
202 – 82 Richmond Street East
Toronto, Ontario
M5C 1P1

OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

APPROVAL OF DIRECTORS

The contents and sending of this Circular, including the Notice of Meeting, have been approved and authorized by the Board.

DATED at Toronto, Ontario, on the 21st day of October, 2024.

BY ORDER OF THE BOARD

POWER NICKEL INC.

(signed) "*Terry Lynch*"

Terry Lynch
President, Chief Executive Officer and Director

**APPENDIX A
ARRANGEMENT RESOLUTION**

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving Power Nickel Inc. (“**Power Nickel**”) and Chilean Metals Inc. (“**Spinco**”), all as more particularly described and set forth in the Management Information Circular (the “**Circular**”) of Power Nickel dated October 21, 2024 accompanying the notice of this meeting (as the Arrangement may be, or may have been, modified or amended in accordance with its terms), is authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”), involving Power Nickel and implementing the Arrangement, the full text of which is set out in Appendix C to the Circular (as the Plan of Arrangement may be, or may have been, modified or amended in accordance with its terms), is hereby authorized, approved and adopted.
3. The arrangement agreement (the “**Arrangement Agreement**”) between Power Nickel and Spinco dated October 15, 2024, and all the transactions contemplated therein, the actions of the directors of Power Nickel in approving the Arrangement and the actions of the directors and officers of Power Nickel in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement approved) by the shareholders of Power Nickel or that the Arrangement has been approved by the Supreme Court of British Columbia (the “**Court**”), the directors of Power Nickel are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Power Nickel:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.
5. Any director or officer of Power Nickel is hereby authorized and directed for and on behalf of Power Nickel to make application to the Court for an order approving the Arrangement and to execute, whether under corporate seal of Power Nickel or otherwise, and to deliver such other documents as are necessary or desirable to the Director under the *BCBCA* in accordance with the Arrangement Agreement for filing.
6. Any one or more directors or officers of Power Nickel is hereby authorized, for and on behalf and in the name of Power Nickel, to execute and deliver, whether under corporate seal of Power Nickel or otherwise, all such agreements, forms waivers, notices, certificate, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:
 - (a) all actions required to be taken by or on behalf of Power Nickel, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations

required under the Arrangement Agreement or otherwise to be entered into by Power Nickel;

- (c) such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**APPENDIX B
SPINCO STOCK OPTION PLAN**

Please see attached.

CHILEAN METALS INC.
STOCK OPTION PLAN (2024)
PART 1

INTERPRETATION

- 1.1 **Definitions:** In this Plan the following words and phrases shall have the following meanings, namely:
- (a) “Award Date” means the date on which the Board grants a particular Option;
 - (b) “Board” means the board of directors of the Company and includes any committee of directors appointed by the directors as contemplated by to Section 3.1 hereof;
 - (c) “Cause” means: (i) “Cause” as such term or related term is defined in the written employment or service agreement, if any, between the Company and the Employee, Management Company Employee or Consultant; or (ii) if there is no written employment or service agreement between the Company and the Employee, Management Company Employee or Consultant or “Cause” or a related term is not defined in the written employment or service agreement between the Company and the Employee, Management Company Employee or Consultant, the usual meaning of just cause under the common law or the laws of British Columbia;
 - (d) “Company” mean Chilean Metals Inc.;
 - (e) “Consultant” means an individual who: (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution; (ii) provides the services under a written contract between the Company or the affiliate and the individual or the consultant company, as the case may be; (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company; and (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
 - (f) “Director” means any director of the Company or of any of its subsidiaries;
 - (g) “Employee” means: (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source); (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or (iii) an individual who works for a Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the

number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

- (h) “Exchange” means the Canadian Securities Exchange and/or any other stock exchange on which the Shares are listed for trading;
- (i) “Exchange Policy” means the policies, bylaws, rules and regulations of the Exchange governing definitions, interpretation and the granting of Options by the Company, as amended from time to time;
- (j) “Exercise Notice” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (k) “Exercise Price” means the price at which an Option may be exercised as determined in accordance with Section 4.1;
- (l) “Expiry Date” means not later than ten years from the Award Date of the Option or such shorter period as may be prescribed by the Exchange;
- (m) “Insider” has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (n) “Joint Actor” means a person acting “jointly or in concert with” another person as that phrase is interpreted in section 1.9 of National Instrument 62-104 – *Take Over Bids and Issuer Bids*;
- (o) “Listing Date” means the date the Shares become listed for trading on the Exchange;
- (p) “Management Company Employee” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company;
- (q) “Officer” means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act*;
- (r) “Option” means an option to acquire Shares awarded under and pursuant to the Plan;
- (s) “Option Certificate” means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (t) “Option Holder” means a current or former Director, Officer, Employee, Management Company Employee or Consultant who holds an unexercised and unexpired Option;
- (u) “Plan” means this stock option plan as from time to time amended;

- (v) "Securities Act" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, from time to time;
- (w) "Securities Laws" means the act, policies, bylaws, rules and regulations of the securities commissions governing the granting of Options by the Company, as amended from time to time; and
- (x) "Shares" means common shares of the Company.

- 1.2 **Interpretation:** Any words capitalized but not defined in this Plan shall have the meanings ascribed to them in Exchange Policy.
- 1.3 **Gender:** Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

PART 2

PURPOSE OF PLAN

- 2.1 **Purpose:** The purpose of this Plan is to govern outstanding Options and attract and retain Employees, Management Company Employees, Consultants, Officers or Directors to the Company and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through existing and new Options granted under this Plan to purchase Shares.

PART 3

GRANTING OF OPTIONS

- 3.1 **Administration:** This Plan shall be administered by the Board or, if the Board so elects, by a committee (which may consist of only one person) appointed by the Board from its members.
- 3.2 **Committee's Recommendations:** The Board may accept all or any part of recommendations of the committee or may refer all or any part thereof back to the committee for further consideration and recommendation.
- 3.3 **Grant by Resolution:** The Board may, by resolution, designate eligible persons who are bona fide Employees, Management Company Employees, Consultants, Officers, Directors, or corporations employing or wholly owned by such Employee, Consultant, Management Company Employee, Officer or Director, to whom Options should be granted and specify the terms of such Options which shall be in accordance with Exchange Policy and Securities Laws. It is the responsibility of the Company and the Option Holder for ensuring and confirming that the Option Holder is a bona fide Employee, Consultant or Management Company Employee, as the case may be. The Company, to the extent required by the Exchange and Securities Laws, will also issue a news release at the time of the grant for any Options granted to Insiders.
- 3.4 **Terms of Option:** The resolution of the Board shall specify the number of Shares that should be placed under option to each such Employee, Management Company Employee, Consultant, Officer or Director, the Exercise Price to be paid for such Shares,

and the period, including any applicable vesting periods during which such Option may be exercised.

- 3.5 **Option Certificate:** Every Option granted under this Plan shall be evidenced by an Option Certificate, and all Option Certificates will be so legended as required by Exchange Policy and Securities Laws.

PART 4

CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS

- 4.1 **Exercise Price:** Following the Listing Date, the Exercise Price of an Option granted under this Plan shall not be less than the greater of \$0.05 and the closing market price of the Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. Upon the Exchange Policy becoming applicable, no Options shall be granted which are exercisable at an Exercise Price of less than permitted by Exchange Policy. Prior to the Listing Date, the Board may in its discretion determine the Exercise Price. An Exercise Price cannot be established unless the Options are allocated to a particular Option Holder.
- 4.2 **Expiry Date:** Each Option shall, unless sooner terminated, expire on a date to be determined by the Board which will not be later than the Expiry Date. However, if the Expiry Date falls within a period (a “blackout period”) during which the Company prohibits Option Holders from exercising their Options, the Expiry Date may be extended to a maximum of 10 business days after the expiry of the blackout period. The blackout period must be formally imposed by the Company pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information. For greater certainty, in the absence of the Company formally imposing a blackout period, the Expiry Date of any Options will not be automatically extended in any circumstances.
- 4.3 **Different Exercise Periods, Prices and Number** The Board may, in its absolute discretion, upon granting an Option under this Plan and subject to the provisions of Section 6.4 hereof, specify a particular time period or periods (i.e. vesting) following the date of granting the Option during which the Option Holder may exercise his Option to purchase Shares and may designate the Exercise Price and the number of Shares in respect of which such Option Holder may exercise his Option during each such time period.
- 4.4 **Number of Shares (Restrictions)** The number of Shares reserved for issuance under the Plan shall not exceed 5% of the issued Shares of the Company to any one person (and companies wholly owned by that person) in any 12- month period, calculated on the date the Option is granted.
- 4.5 **Ceasing to hold Office** If an Option Holder holds his or her Options as a Director or Officer and such Option Holder ceases to be Director or Officer for any reason other than death, such Director or Officer shall have rights to exercise any Option not exercised prior to such termination (but only to the extent that such Option has vested on or before the date the Option Holder ceased to be a Director or Officer) within a reasonable period of time after the date of termination, as set out in the Option Holder’s Option Certificate, such “reasonable period” not to exceed one (1) year after termination.

However, if the Option Holder ceases to be a Director or Officer of the Company as a result of: (i) in the case of a Director, ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); (ii) in the case of a Director, his or her removal as a director of the Company pursuant to the *Business Corporations Act* (British Columbia); (iii) an order made by any regulatory authority having jurisdiction to so order; or (iv) his or her resignation, in which case the Expiry Date shall be the date the Option Holder ceases to be a Director or Officer of the Company. Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

- 4.6 **Ceasing to be an Employee, Management Company Employee or Consultant** If an Option Holder holds his or her Options as an Employee, Management Company Employee or Consultant and such Option Holder ceases to be an Employee, Management Company Employee or Consultant for any reason other than death, such Employee, Management Company Employee or Consultant shall have rights to exercise any Option not exercised prior to such termination (but only to the extent that such Option has vested on or before the date the Option Holder ceased to be so employed or provide services to the Company) within a reasonable period of time after the date of termination, as set out in the Option Holder's Option Certificate, such "reasonable period" not to exceed one (1) year after termination. However, (i) if the Option Holder ceases to be an Employee or Consultant as a result of termination for Cause; (ii) a Management Company Employee of a person providing management services to the Company as a result of termination for Cause; (iii) an Employee, Management Company Employee or Consultant of the Company as a result of an order made by any regulatory authority having jurisdiction to so order; or (iv) as a result of their resignation, in which case the Expiry Date shall be the date the Option Holder ceases to be an Employee, Management Company Employee or Consultant of the Company. Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.
- 4.7 **Death of Option Holder** If a Director, Officer Consultant, Employee or Management Company Employee dies prior to the expiry of his or her Option, his or her legal representatives may, within the lesser of one (1) year from the date of the Option Holder's death or the Expiry Date of the Option, exercise that portion of an Option granted to the Director, Officer, Consultant, Employee or Management Company Employee under this Plan which remains outstanding.
- 4.8 **Assignment** No Option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an Option Holder shall have the right to assign any Option granted to him hereunder to a trust, RRSP, RESP or similar legal entity established by such Option Holder.
- 4.9 **Notice** Options shall be exercised only in accordance with the terms and conditions of the Option Certificates under which they are respectively granted and shall be exercisable only by notice in writing to the Company.
- 4.10 **Payment** Options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an Option Holder on exercise of an Option shall be

paid for in full, in cash, bank wire transfer, bank draft, or by cheque, at the time of their purchase.

- 4.11 **Options to Employees, Consultants or Management Company Employees** In the case of Options granted to Employees, Consultants or Management Company Employees, the Option Holder must be a bona-fide Employee, Consultant or Management Company Employee, as the case may be, of the Company or of a subsidiary of the Company.
- 4.12 **Withholding Tax** Upon exercise of an Option, the Option Holder will, upon notification of the amount due and prior to or concurrently with the delivery of the certificates representing the Shares, pay to the Company amounts necessary to satisfy applicable withholding tax requirements or will otherwise make arrangements satisfactory to the Company for such requirements. In order to implement this provision, the Company or any related corporation will have the right to retain and withhold from any payment of cash or Shares under this Plan the amount of taxes required to be withheld or otherwise deducted and paid in respect of such payment. At its discretion, the Company may require an Option Holder receiving Shares to reimburse the Company for any such taxes required to be withheld by the Company and withhold any distribution to the Option Holder in whole or in part until the Company is so reimbursed. In lieu thereof, the Company will have the right to withhold from any cash amount due or to become due from the Company to the Option Holder an amount equal to such taxes. The Company may also retain and withhold or the Option Holder may elect, subject to approval by the Company at its sole discretion, to have the Company retain and withhold a number of Shares having a market value not less than the amount of such taxes required to be withheld by the Company to reimburse the Company for any such taxes and cancel (in whole or in part) any such Shares so withheld.

PART 5

RESERVE OF SHARES FOR OPTIONS

- 5.1 **Sufficient Authorized Shares to be Reserved** Whenever the Notice of Articles or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an Option granted under this Plan.
- 5.2 **Maximum Number of Shares to be Reserved Under Plan** The aggregate number of Shares which may be subject to issuance pursuant to Options granted under this Plan, inclusive of all other stock options outstanding shall not be greater than 10% of the Shares issued and outstanding at the date of the grant of Options. Exercised, expired and cancelled Options are returned to and available for grant under the Plan.

PART 6**CHANGES IN OPTIONS**

- 6.1 **Share Consolidation or Subdivision** If the Shares are at any time subdivided or consolidated, the number of Shares reserved for Option and the price payable for any Shares that are then subject to Option shall be adjusted accordingly.
- 6.2 **Stock Dividend** If the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for Option and the price payable for any Shares that are then subject to Option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.
- 6.3 **Reorganization** Subject to any required action by its shareholders, if the Company is a party to a reorganization, merger, amalgamation, arrangement, sale of assets or undertaking, winding up or dissolution or its Shares are exchanged or reclassified in any way (collectively, the “Event”), whether or not the Company is the surviving entity, an Option will be adjusted by the Board in accordance with the Event and in a manner the Board deems appropriate.
- 6.4 **Effect of a Take-Over Bid** If a bona fide offer (an “Offer”) for Shares is made to the Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, upon receipt of notice of the Offer, notify each Option Holder of full particulars of the Offer, whereupon all Shares subject to such Option (“Option Shares”) will become vested and the Option may be exercised in whole or in part by the Option Holder so as to permit the Option Holder to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:
- (a) the Offer is not completed within the time specified therein including any extensions thereof; or
 - (b) all of the Option Shares tendered by the Option Holder pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to section 4.3 shall be reinstated. If any Option Shares are returned to the Company under this section 6.4, the Company shall immediately refund the Exercise Price to the Option Holder for such Option Shares.

- 6.5 **Acceleration of Expiry Date** If at any time when an Option granted under the Plan remains unexercised with respect to any unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Option Holder of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the

Plan, vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

- 6.6 **Effect of a Change of Control** If a Change of Control (as defined below) occurs, all Shares subject to each outstanding Option will become vested, whereupon such Option may be exercised in whole or in part by the Option Holder. "Change of Control" means the acquisition by any person or by any person and a Joint Actor, whether directly or indirectly, of voting securities as defined in the Securities Act of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of directors of the Company.

PART 7

SECURITIES LAWS AND EXCHANGE POLICY

- 7.1 **Exchange's Rules and Policies Apply Following List Date** This Plan and the granting and exercise of any Options hereunder are also subject to such other terms and conditions as are set out from time to time in the Securities Laws and, following the Listing Date (or such earlier date imposed by the Exchange in contemplation of listing), Exchange Policy, and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such Securities Laws and, following the Listing Date, Exchange Policy, shall govern. If the Company's Shares are listed on a new stock exchange, the granting of Options shall be governed by the rules and policies of new stock exchange and unless inconsistent with the terms of this Plan, the Company shall be able to grant Options pursuant to the rules and policies of such new stock exchange without requiring shareholder approval.

PART 8

AMENDMENT OF PLAN

- 8.1 **Board May Amend** The Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the Option Holders concerned, affect the terms and conditions of Options previously granted under this Plan which have not then been exercised or terminated. Notwithstanding anything contained herein, the Board may, by resolution, amend, modify, remove or add any term to this Plan, to align the Plan with the policies, bylaws, rules and regulations of a stock exchange other than the Canadian Securities Exchange, if the Company is seeking to list the Shares for trading on such other stock exchange.
- 8.2 **Exchange Approval** Any amendment to this Plan shall not become effective until any such Exchange and shareholder approval as is required by Exchange Policy and Securities Laws has been received. Following the Listing Date, unless approved by the Exchange, Options may not be amended once issued, and if an Option is cancelled before its Expiry Date, the Board may not grant new Options to the same Option Holder until 30 days have elapsed from the date of cancellation.

PART 9

EFFECTIVE DATE OF PLAN

- 9.1 **Effective Date** This Plan shall become effective upon the approval of this Plan by the directors of the Company. The Plan may be subject to annual approval by the Company's shareholders at a shareholder meeting, and must receive shareholder approval within three years after institution; however, Options may be granted under this Plan prior to the receipt of initial approval of the Plan by shareholders.

DATE OF PLAN: October 15, 2024, as approved by the Board of Chilean Metals Inc., to be submitted to the shareholders of Power Nickel Inc. (as the parent company of Chilean Metals Inc.) on November 22, 2024.

SCHEDULE A

**CHILEAN METALS INC.
(the "Company")**

**STOCK OPTION PLAN
OPTION CERTIFICATE**

This certificate is issued pursuant to the provisions of the Company's Stock Option Plan (the "Plan") and evidences that _____ (*Name of Option Holder*) is the holder of an option (the "Option") to purchase up to _____ (*Number of Shares*) common shares (the "Shares") in the capital stock of the Company at a purchase price of \$_____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____ (*insert date of grant*);
- (b) the Expiry Date of this Option is _____ (*insert date of expiry*); and
- (c) the termination of this Option under sections 4.5 and 4.6 of the Plan is _____ days after the Option Holder ceases to be involved with the Company, subject to the terms of such sections.

Additional Vesting or Other Restrictions: (insert as applicable)

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 p.m. (Vancouver time) on the Expiry Date, by delivering to the Company an Exercise Notice, in the form provided in the Plan, together with this certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

Signed this _____ day of _____, 20_____.

CHILEAN METALS INC.
by its authorized signatory:

Name: _____

Title: _____

OPTION CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. include Vesting Provisions, if any

SCHEDULE B

EXERCISE NOTICE

TO: **CHILEAN METALS INC.** (the “**Company**”)

AND TO: **THE BOARD OF DIRECTORS**

The undersigned hereby irrevocably gives notice, pursuant to the Company’s Stock Option Plan (the “**Plan**”), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) _____ of the Shares, which are the subject of the Option Certificate attached hereto.

Calculation of total Exercise Price:

(i) number of Shares to be acquired on exercise: _____ Shares

(ii) multiplied by the Exercise Price per Share: \$ _____

TOTAL EXERCISE PRICE, enclosed herewith: \$ _____

The undersigned tenders herewith a certified cheque or bank draft in an amount equal to the total Exercise Price of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____, 20____.

Signature of Option Holder

Name of Option Holder (please print)

**APPENDIX C
PLAN OF ARRANGEMENT**

Please see attached.

PLAN OF ARRANGEMENT

**UNDER PART 9, DIVISION 5 OF
THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1. Definitions. In this plan of arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) “**Arrangement**” means the arrangement pursuant to the Arrangement Provisions on the terms and conditions set out herein;
- (b) “**Arrangement Agreement**” means the arrangement agreement dated as of October 15, 2024 between Power Nickel and Chilean Metals, as may be supplemented or amended from time to time;
- (c) “**Arrangement Provisions**” means Part 9, Division 5 of the BCBCA;
- (d) “**Arrangement Resolutions**” means the special resolutions of the Power Nickel Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) “**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended;
- (f) “**Board of Directors**” means the current and existing board of directors of Power Nickel;
- (g) “**Business Day**” means a day which is not a Saturday, Sunday or statutory holiday in Vancouver, British Columbia;
- (h) “**Chilean Metals**” means Chilean Metals Inc., a company existing under the BCBCA;
- (i) “**Chilean Metals Options**” means share purchase options issued pursuant to the Chilean Metals Stock Option Plan, including the Chilean Metals Options pursuant to Section 3.1(d) of this Plan of Arrangement;
- (j) “**Chilean Metals Shareholder**” means a holder of Chilean Metals Shares;
- (k) “**Chilean Metals Shares**” means the common shares without par value which Chilean Metals is authorized to issue as the same are constituted on the date hereof;
- (l) “**Chilean Metals Stock Option Plan**” means the stock option plan to be adopted by Chilean Metals pursuant to the Arrangement Agreement and this Plan of

Arrangement, in substantially the form set forth in the Information Circular to be sent to Power Nickel Shareholders in connection with the Power Nickel Meeting;

- (m) “**Court**” means the Supreme Court of British Columbia;
- (n) “**Depository**” means Endeavor Trust Corporation, or such other depository as Power Nickel may determine;
- (o) “**Dissent Procedures**” means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of this Plan of Arrangement;
- (p) “**Dissent Rights**” means the rights of dissent granted in favour of registered holders of Power Nickel Shares in accordance with Article 5 of this Plan of Arrangement;
- (q) “**Dissenting Share**” has the meaning given in Section 3.1(a) of this Plan of Arrangement;
- (r) “**Dissenting Shareholder**” means a registered holder of Power Nickel Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (s) “**Effective Date**” shall be the date of the closing of the Arrangement;
- (t) “**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as agreed to in writing by Power Nickel and Chilean Metals;
- (u) “**Final Order**” means the final order of the Court approving the Arrangement;
- (v) “**In the Money Amount**” at a particular time with respect to a Power Nickel Option, Power Nickel Replacement Option or Chilean Metals Option means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time;
- (w) “**Information Circular**” means the management information circular of Power Nickel, including all schedules thereto, to be sent to the Power Nickel Shareholders in connection with the Power Nickel Meeting, together with any amendments or supplements thereto;
- (x) “**Interim Order**” means the interim order of the Court providing advice and directions in connection with the Power Nickel Meeting and the Arrangement;
- (y) “**Letter of Transmittal**” means the letter of transmittal in respect of the Arrangement to be sent to Power Nickel Shareholders together with the Information Circular;

- (z) “**New Power Nickel Shares**” means a new class of voting common shares without par value which Power Nickel will create and issue as described in Section 3.1(b)(ii) of this Plan of Arrangement and for which the Power Nickel Class A Shares are, in part, to be exchanged under the Plan of Arrangement;
- (aa) “**Plan of Arrangement**” means this plan of arrangement, as the same may be amended from time to time;
- (bb) “**Power Nickel**” means Power Nickel Inc., a company existing under the BCBCA;
- (cc) “**Power Nickel Class A Shares**” means the renamed and redesignated Power Nickel Shares as described in Section 3.1(b)(i) of this Plan of Arrangement;
- (dd) “**Power Nickel Meeting**” means the annual general and special meeting of the Power Nickel Shareholders and any adjournments thereof to be held to, among other things, consider and, if deemed advisable, approve the Arrangement;
- (ee) “**Power Nickel Optionholders**” means the holders of Power Nickel Options on the Effective Date;
- (ff) “**Power Nickel Options**” means options to acquire Power Nickel Shares, including options under the terms of which are deemed exercisable for Power Nickel Shares, that are outstanding immediately prior to the Effective Time;
- (gg) “**Power Nickel Replacement Option**” means an option to acquire a New Power Nickel Share to be issued by Power Nickel to a holder of a Power Nickel Option pursuant to Section 3.1(d) of this Plan of Arrangement;
- (hh) “**Power Nickel Shareholder**” means a holder of Power Nickel Shares;
- (ii) “**Power Nickel Shares**” means the common shares without par value which Power Nickel is authorized to issue as the same are constituted on the date hereof;
- (jj) “**Registrar**” means the Registrar of Companies under the BCBCA;
- (kk) “**Share Distribution Record Date**” means the close of business on the Business Day immediately preceding the Effective Date for the purpose of determining the Power Nickel Shareholders entitled to receive New Power Nickel Shares and Chilean Metals Shares pursuant to this Plan of Arrangement or such other date as the Board of Directors may select;
- (ll) “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended;
- (mm) “**TSXV**” means the TSX Venture Exchange; and
- (nn) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.2. Interpretation Not Affected by Headings. The division of this Plan of Arrangement into Articles, Sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms “this Plan of Arrangement”, “hereof”, “hereunder” and similar expressions refer to this Plan of Arrangement as a whole and not to any particular Article, Section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

1.3. Number and Gender. Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and words importing persons shall include firms and corporations.

1.4. Meaning. Words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA, unless the context otherwise requires.

1.5. Date for any Action. If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

1.6. Governing Law. This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1. Arrangement Agreement. This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

2.2. Arrangement Effectiveness. The Arrangement and this Plan of Arrangement shall become final and conclusively binding on Power Nickel, the Power Nickel Shareholders (including Dissenting Shareholders), Power Nickel Optionholders and Chilean Metals Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

ARTICLE 3 THE ARRANGEMENT

3.1. The Arrangement. Commencing at the Effective Time, the following shall occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Power Nickel or Chilean Metals, but subject to the provisions of Article 5 of this Plan of Arrangement:

- (a) each Power Nickel Share outstanding in respect of which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights (each, a “**Dissenting Share**”) shall be directly transferred and assigned by such Dissenting Shareholder to Power Nickel, without any further act or formality and free and clear of any liens, charges

and encumbrances of any nature whatsoever, and will be cancelled and cease to be outstanding and such Dissenting Shareholders will cease to have any rights as Shareholders other than the right to be paid the fair value for their Power Nickel Shares by Power Nickel;

- (b) the authorized share structure of Power Nickel shall be altered by:
 - (i) renaming and redesignating all of the issued and unissued Power Nickel Shares as “Class A common shares without par value” and amending the special rights and restrictions attached to those shares to provide the holders thereof with two votes in respect of each share held, being the “**Power Nickel Class A Shares**”; and
 - (ii) creating a new class consisting of an unlimited number of “common shares without par value” with terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the Effective Time, being the “**New Power Nickel Shares**”;
- (c) Power Nickel’s Notice of Articles shall be amended to reflect the alterations in Section 3.1(b) of this Plan of Arrangement;
- (d) each Power Nickel Option then outstanding to acquire one Power Nickel Share shall be transferred and exchanged for:
 - (i) one Power Nickel Replacement Option to acquire one New Power Nickel Share having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of a New Power Nickel Share at the Effective Time divided by the total of the fair market value of a New Power Nickel Share and the fair market value of 0.05 of a Chilean Metals Share at the Effective Time; and
 - (ii) one Chilean Metals Option to acquire 0.05 of a Chilean Metals Share, each Chilean Metals Option having an exercise price equal to the product of the original exercise price of the Power Nickel Option multiplied by the fair market value of 0.05 of a Chilean Metals Share at the Effective Time divided by the total of the fair market value of one New Power Nickel Share and 0.05 of a Chilean Metals Share at the Effective Time,

provided that the aforesaid exercise prices shall be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Power Nickel Replacement Option and the Chilean Metals Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Power Nickel Option so exchanged and solely with respect to U.S. taxpayers, ensure compliance with applicable provisions of the Internal Revenue Code of 1986, as amended. It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Power Nickel Options;

- (e) each issued and outstanding Power Nickel Class A Share outstanding on the Share Distribution Record Date shall be exchanged for: (i) one New Power Nickel Share; and (ii) 0.05 of a Chilean Metals Share, the holders of the Power Nickel Class A Shares will be removed from the central securities register of Power Nickel as the holders of such and will be added to the central securities register of Power Nickel as the holders of the number of New Power Nickel Shares that they have received on the exchange set forth in this Section 3.1(e), and the Chilean Metals Shares transferred to the then holders of the Power Nickel Class A Shares will be registered in the name of the former holders of the Power Nickel Class A Shares and Power Nickel will provide Chilean Metals and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Chilean Metals;
- (f) all of the issued Power Nickel Class A Shares shall be cancelled with the appropriate entries being made in the central securities register of Power Nickel, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Power Nickel Shares will be equal to that of the Power Nickel Shares immediately prior to the Effective Time less the fair market value of the Chilean Metals Shares distributed pursuant to Section 3.1(e) of this Plan of Arrangement; and
- (g) the authorized share structure of Power Nickel shall be altered by eliminating the Power Nickel Class A Common Shares, and the Notice of Articles of Power Nickel will be amended to reflect such alteration.

3.2. No Fractional Shares or Options. Notwithstanding any other provision of this Arrangement, while each Power Nickel Shareholder's fractional shares and each holder of Power Nickel Option's fractional options, respectively, will be combined, no fractional Chilean Metals Shares shall be distributed to the Power Nickel Shareholders and no fractional Chilean Metals Options shall be distributed to the holders of Power Nickel Options, and, as a result, all fractional amounts arising under this Plan of Arrangement shall be rounded down to the next whole number without any compensation therefor. Any Chilean Metals Shares not distributed as a result of so rounding down shall be cancelled by Chilean Metals.

3.3. Share Distribution Record Date. In Section 3.1(e) of this Plan of Arrangement, the reference to a holder of a Power Nickel Class A Share shall mean a person who is a Power Nickel Shareholder on the Share Distribution Record Date, subject to the provisions of Article 5.

3.4. Deemed Time for Redemption. In addition to the chronological order in which the transactions and events set out in Section 3.1 of this Plan of Arrangement shall occur and shall be deemed to occur, the time on the Effective Date for the exchange of Power Nickel Class A Shares for New Power Nickel Shares and Chilean Metals Shares set out in Section 3.1(e) of this Plan of Arrangement shall occur and shall be deemed to occur immediately after the time of listing of the New Power Nickel Shares on the TSXV on the Effective Date.

3.5. Deemed Fully Paid and Non-Assessable Shares. All New Power Nickel Shares, Power Nickel Class A Shares and Chilean Metals Shares issued pursuant hereto shall be deemed

to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.

3.6. Supplementary Actions. Notwithstanding that the transactions and events set out in Section 3.1 of this Plan of Arrangement shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Power Nickel and Chilean Metals shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in Section 3.1 of this Plan of Arrangement, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any necessary additions to or deletions from share registers, and agreements for stock options.

3.7. Withholding. Each of Power Nickel, Chilean Metals and the Depositary shall be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of New Power Nickel Shares, Chilean Metals Shares, Power Nickel Replacement Options or Chilean Metals Options made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any New Power Nickel Shares or Chilean Metals Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance shall be paid to the person forthwith.

3.8. No Liens. Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

3.9. U.S. Securities Law Matters. Notwithstanding any provision herein to the contrary, Power Nickel and Chilean Metals each agree that this Plan of Arrangement will be carried out with the intention that (and the Court is advised that the Arrangement will be carried out with the intention that), and they will use their commercially reasonable best efforts to ensure that all securities issued on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act and similar exemptions under applicable state securities laws.

ARTICLE 4 CERTIFICATES

4.1. Power Nickel Class A Shares. Recognizing that the Power Nickel Shares shall be renamed and redesignated as Power Nickel Class A Shares pursuant to Section 3.1(b)(i) of this Plan of Arrangement and that the Power Nickel Class A Shares shall be exchanged partially for New Power Nickel Shares pursuant to Section 3.1(e) of this Plan of Arrangement, Power Nickel shall not issue replacement share certificates representing the Power Nickel Class A Shares.

4.2. Chilean Metals Share Certificates. As soon as practicable following the Effective Date, Chilean Metals shall deliver or cause to be delivered to the Depository certificates representing the Chilean Metals Shares required to be issued to registered holders of Power Nickel Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates shall be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 hereof.

4.3. New Power Nickel Share Certificates. As soon as practicable following the Effective Date, Power Nickel shall deliver or cause to be delivered to the Depository certificates representing the New Power Nickel Shares required to be issued to registered holders of Power Nickel Shares as at immediately prior to the Effective Time in accordance with the provisions of Section 3.1(e) of this Plan of Arrangement, which certificates shall be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of Section 6.1 hereof.

4.4. Interim Period. Any Power Nickel Shares traded after the Share Distribution Record Date will represent New Power Nickel Shares as of the Effective Date and shall not carry any rights to receive Chilean Metals Shares.

4.5. Stock Option Agreements. The stock option agreements for the Power Nickel Options shall be deemed to be amended by Power Nickel to reflect the adjusted exercise price of the Power Nickel Replacement Options, and Chilean Metals shall enter into stock option agreements for the Chilean Metals Options issued pursuant to Section 3.1(d) of this Plan of Arrangement.

ARTICLE 5 RIGHTS OF DISSENT

5.1. Dissent Right. Registered holders of Power Nickel Shares may exercise Dissent Rights with respect to their Power Nickel Shares in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in the Dissent Procedures, as they may be amended by the Interim Order, Final Order or any other order of the Court, and provided that such dissenting Shareholder delivers a written notice of dissent to Power Nickel at least two Business Days before the day of the Power Nickel Meeting or any adjournment or postponement thereof.

5.2. Dealing with Dissenting Shares. Power Nickel Shareholders who duly exercise Dissent Rights with respect to their Dissenting Shares and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares by Power Nickel shall be deemed to have transferred their Dissenting Shares to Power Nickel for cancellation as of the Effective Time pursuant to Section 3.1(a); or
- (b) for any reason are ultimately not entitled to be paid for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Power Nickel Shareholder and shall receive New Power Nickel Shares and Chilean Metals Shares on the same basis as every other non-dissenting Power Nickel Shareholder; but in no case shall Power Nickel be required to

recognize such persons as holding Power Nickel Shares on or after the Effective Date.

5.3. Reservation of Chilean Metals Shares. If a Power Nickel Shareholder exercises Dissent Rights, Power Nickel shall, on the Effective Date, set aside and not distribute that portion of the Chilean Metals Shares which is attributable to the Power Nickel Shares for which Dissent Rights have been exercised. If the dissenting Power Nickel Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Power Nickel shall distribute to such Power Nickel Shareholder his or her pro rata portion of the Chilean Metals Shares. If a Power Nickel Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Power Nickel shall retain the portion of the Chilean Metals Shares attributable to such Power Nickel Shareholder and such shares will be dealt with as determined by the Board of Directors of Power Nickel in its discretion.

ARTICLE 6 DELIVERY OF SHARES

6.1. Delivery of Shares.

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Power Nickel Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, a certificate representing the New Power Nickel Shares and a certificate representing the Chilean Metals Shares that such holder is entitled to receive in accordance with Section 3.1 hereof.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 6.1(a) hereof, each certificate that immediately prior to the Effective time represented one or more Power Nickel Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the New Power Nickel Shares and a certificate representing the Chilean Metals Shares that such holder is entitled to receive in accordance with Section 3.1 hereof.

6.2. Lost Certificates. If any certificate that immediately prior to the Effective Time represented one or more outstanding Power Nickel Shares that were exchanged for New Power Nickel Shares and Chilean Metals Shares in accordance with Section 3.1 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, the New Power Nickel Shares and Chilean Metals Shares that such holder is entitled to receive in accordance with Section 3.1 hereof. When authorizing such delivery of New Power Nickel Shares and Chilean Metals Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered shall, as a condition precedent to the delivery of such New Power Nickel Shares and Chilean Metals Shares give a bond satisfactory to Power Nickel, Chilean Metals and the Depositary in such amount as Power Nickel, Chilean Metals and the Depositary may direct, or otherwise indemnify Power Nickel, Chilean Metals and the Depositary in a manner satisfactory to Power Nickel, Chilean Metals and the Depositary, against any claim that may be made against Power Nickel, Chilean Metals or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Power Nickel.

6.3. Distributions with Respect to Unsurrendered Certificates. No dividend or other distribution declared or made after the Effective Time with respect to New Power Nickel Shares or Chilean Metals Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Power Nickel Shares unless and until the holder of such certificate shall have complied with the provisions of Section 6.1 or Section 6.2 hereof. Subject to applicable law and to Section 3.7 hereof, at the time of such compliance, there shall, in addition to the delivery of the New Power Nickel Shares and Chilean Metals Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Power Nickel Shares and/or Chilean Metals Shares, as applicable.

6.4. Limitation and Proscription. To the extent that a former Power Nickel Shareholder shall not have complied with the provisions of Section 6.1 or Section 6.2 hereof, as applicable, on or before the date that is six (6) years after the Effective Date (the “**Final Proscription Date**”), then the New Power Nickel Shares and Chilean Metals Shares that such former Power Nickel Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the New Power Nickel Shares and Chilean Metals Shares to which such Power Nickel Shareholder was entitled, shall be delivered to Chilean Metals (in the case of the Chilean Metals Shares) or Power Nickel (in the case of the New Power Nickel Shares) by the Depositary and certificates representing such New Power Nickel Shares and Chilean Metals Shares shall be cancelled by Power Nickel and Chilean Metals, as applicable, and the interest of the former Power Nickel Shareholder in such New Power Nickel Shares and Chilean Metals Shares or to which it was entitled shall be terminated as of such Final Proscription Date.

6.5. Paramountcy. From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all Power Nickel Shares or Power Nickel Options issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Power Nickel Shares, registered holders of Power Nickel Options, Chilean Metals, the Depositary

and any transfer agent or other depository therefor, shall be solely as provided for in this Plan of Arrangement.

**ARTICLE 7
AMENDMENTS & WITHDRAWAL**

7.1. Amendments. Power Nickel, in its sole discretion, reserves the right to amend, modify and/or supplement this Plan of Arrangement from time to time at any time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is filed with the Court and, if made following the Power Nickel Meeting, approved by the Court.

7.2. Amendments Made Prior to or at the Power Nickel Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Power Nickel at any time prior to or at the Power Nickel Meeting with or without any prior notice or communication, and if so proposed and accepted by the Power Nickel Shareholders voting at the Power Nickel Meeting, shall become part of this Plan of Arrangement for all purposes.

7.3. Amendments Made After the Power Nickel Meeting. Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Power Nickel after the Power Nickel Meeting but prior to the Effective Time and any such amendment, modification or supplement which is approved by the Court following the Power Nickel Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing, any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Power Nickel, provided that it concerns a matter which, in the reasonable opinion of Power Nickel, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of New Power Nickel Shares or Chilean Metals Shares.

7.4. Withdrawal. Notwithstanding any prior approvals by the Court or by Power Nickel Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolutions at any time prior to the Effective Time, without further approval of the Court or the Power Nickel Shareholders.

**APPENDIX D
INTERIM ORDER**

Please see attached.



No. S-247113
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, C.57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
POWER NICKEL INC. AND CHILEAN METALS INC.

POWER NICKEL INC.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

BEFORE) *Associate Judge*)
) *Robson*) October 21, 2024

ON THE APPLICATION of the Petitioner, Power Nickel Inc. ("**Power Nickel**"), without notice, for an interim order under Section 291 of the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") in connection with an arrangement under Section 288 of the BCBCA, coming on for hearing at the Courthouse at 800 Smithe Street, Vancouver, British Columbia on October 21, 2024, and on hearing Oliver C. Hanson and Alexandra Chipperfield, articulated student, counsel for Power Nickel, and upon reading the Affidavit #1 of Terry Lynch made on October 17, 2024 (the "**Lynch Affidavit**"), and UPON BEING ADVISED that it is the intention of the parties to rely upon Section 3(a)(10) of the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), as a basis for an exemption from the registration requirements thereof with respect to the issuance and exchange of securities under the proposed Plan of Arrangement (as defined herein);

THIS COURT ORDERS that:

DEFINITIONS

1. Unless otherwise specified, capitalized terms in this Interim Order Made After Application (the "**Interim Order**") will have the same meaning as set out in the draft Notice of Annual General and Special Meeting (the "**Notice**") and the accompanying draft management

information circular of Power Nickel (the "**Information Circular**"), which are attached as Exhibit "A" to the Lynch Affidavit.

SPECIAL MEETING

2. Pursuant to Section 291(2)(b)(i) and Section 289(1)(a)(i) and (e) of the BCBCA, Power Nickel is authorized and directed to call, hold and conduct an annual general and special meeting (the "**Meeting**") of the holders (the "**Power Nickel Shareholders**") of common shares of Power Nickel (the "**Power Nickel Shares**") and the holders (the "**Power Nickel Optionholders**") and together with the Power Nickel Shareholders, the "**Securityholders**") of options exercisable to purchase Power Nickel Shares (the "**Power Nickel Options**", and together with the Power Nickel Shares, the "**Securities**") to be held on November 22, 2024 commencing at 11:00 a.m. (EST) at 202 – 82 Richmond Street East Toronto, Ontario M5C 1P1 to:
 - (a) consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), a draft of which is attached as Appendix "A" to the Information Circular, approving and adopting in accordance with Section 289(1)(a)(i) and (e) of the BCBCA an arrangement under Section 288 of the BCBCA (the "**Arrangement**") substantially as contemplated in the plan of arrangement attached as Appendix "C" to the Information Circular (the "**Plan of Arrangement**"); and
 - (b) to act upon such other matters as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.
3. For greater certainty, attendance at the Meeting by phone in accordance with any arrangements or directions by Power Nickel for that purpose shall constitute attendance "in person".
4. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Notice, the Information Circular, the articles of Power Nickel and applicable securities laws, subject to the terms of this Interim Order and any further order of this Court, and the rulings and directions of the chairman of the Meeting (the "**Chair**"), such rulings and directions not to be inconsistent with this Interim Order, and to the extent of any inconsistency, this Interim Order shall govern.

ADJOURNMENTS AND POSTPONEMENTS

5. Notwithstanding the provisions of the BCBCA and the articles of Power Nickel, and subject to the terms of the Arrangement Agreement, the board of directors of Power Nickel (the "**Power Nickel Board**") by resolution shall be entitled to adjourn or postpone the Meeting

on one or more occasions without the necessity of first convening the Meeting or first obtaining any vote of the Power Nickel Shareholders respecting the adjournment or postponement, and without the need for approval of this Court. Power Nickel shall provide notice of any such adjournment or postponement by press release, newspaper advertisement or notice sent to the Power Nickel Shareholders by one of the methods specified in Paragraph 10 of this Interim Order, as determined to be the most appropriate method of communication by the Power Nickel Board.

AMENDMENTS

6. Power Nickel is authorized to make, in the manner contemplated by and subject to the Arrangement Agreement (the "**Arrangement Agreement**") dated October 15, 2024 between Power Nickel and Chilean Metals Inc. ("**SpinCo**"), such amendments, modifications or supplements to the Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice as it may determine without any additional notice to or authorization of the Power Nickel Shareholders or further orders of this Court. The Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice as so amended, modified or supplemented, shall be the Arrangement, the Plan of Arrangement, the Arrangement Agreement and the Notice to be submitted to Power Nickel Shareholders at the Meeting, as applicable, and the subject of the Arrangement Resolution.

RECORD DATE

7. The record date for determining the Power Nickel Shareholders entitled to receive the Notice, the Information Circular and the form of proxy for use at the Meeting (collectively, the "**Meeting Materials**") is 5:00 p.m. (Pacific Standard Time) on September 24, 2024 (the "**Record Date**").
8. The Record Date will not change in respect of any adjournments or postponements of the Meeting.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

9. The Information Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290(1)(a) of the BCBCA, and Power Nickel shall not be required to send to the Securityholders any other or additional statement pursuant to Section 290(1)(a) of the BCBCA.
10. The Meeting Materials, with such amendments or additional documents as counsel for Power Nickel may advise are necessary or desirable, and as are not inconsistent with the terms of this Interim Order, shall be sent:

- (a) to registered Power Nickel Shareholders, determined as at the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or delivery, by prepaid ordinary mail or by delivery in person or by recognized courier service, addressed to the registered Power Nickel Shareholder at its address as it appears in Power Nickel's central securities register as at the Record Date;
- (b) to non-registered Power Nickel Shareholders (those whose names do not appear in the securities register of Power Nickel) as of the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or delivery, by providing the requisite number of copies of the Meeting Materials to intermediaries and registered nominees to facilitate the distribution of the Meeting Materials to non-registered Power Nickel Shareholders;
- (c) at any time by email or facsimile transmission to any Power Nickel Shareholder, determined as of the Record Date, who identifies himself or herself to the satisfaction of Power Nickel (acting through its representative), who requests such email or facsimile transmission;
- (d) to the directors and auditor of Power Nickel by prepaid ordinary mail or by delivery in person or by recognized courier service or by email or facsimile transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing, delivery or transmission;
- (e) the Securityholders to the address specified on the Petitioner's applicable securities registry by prepaid ordinary mail, email or facsimile transmission, courier or delivery in person, to such persons at least twenty-one (21) days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting;

and substantial compliance with this Paragraph shall constitute good and sufficient notice of the Meeting.

11. Accidental failure of or omission by Power Nickel to give notice to any one or more Power Nickel Shareholder, or the non-receipt of such notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Power Nickel (including, without limitation, any inability to use postal services) shall not constitute a breach of this Interim Order or a defect in the calling of the Meeting and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Power Nickel, then it shall use commercially reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

12. No other form of service of the Meeting Materials or any portion thereof need be made or notice given or other material served in respect of these proceedings or the Meeting, except as may be directed by a further order of this Court. Provided that notice of the Meeting and the provision of the Meeting Materials to the Securityholders takes place in compliance with this Interim Order, the requirement of Section 290(1)(b) of the BCBCA to include certain disclosure in any advertisement of the Meeting is waived.

DEEMED RECEIPT OF NOTICE

13. The Meeting Materials and any amendments, modifications, updates or supplements to the Meeting Materials and any notice of adjournment or postponement of the Meeting, shall be deemed to have been received:
 - (a) in the case of mailing, at the time specified at Section 6 of the BCBCA;
 - (b) in the case of delivery in person, upon receipt thereof at the intended recipient's address or, in the case of delivery by courier, one (1) business day after receipt by the courier;
 - (c) in the case of transmission by email or facsimile, upon the transmission thereof;
 - (d) in the case of advertisement, at the time of publication of the advertisement;
 - (e) in the case of electronic filing on SEDAR+, upon receipt by Power Nickel from SEDAR+ of confirmation of filing; and
 - (f) in the case of non-registered Power Nickel Shareholders, three (3) business days after delivery thereof to intermediaries and registered nominees.

AMENDMENTS TO MEETING MATERIALS

14. The Petitioners are authorized to make such amendments, revisions, or supplements to the Meeting Materials as they may determine and the Meeting Materials, as so amended, revised, or supplemented, shall be the Meeting Materials to be distributed in accordance with Paragraph 10 of this Interim Order.

UPDATING MEETING MATERIALS

15. Notice of any amendments, modifications, updates or supplements to any of the information provided in the Meeting Materials may be communicated, at any time prior to the Meeting, to the Securityholders by press release, news release, newspaper advertisement or by notice sent to the Securityholders by any of the means set forth in

Paragraph 10 of this Interim Order, as determined to be the most appropriate method of communication by the Power Nickel Board.

AMENDMENTS TO THE ARRANGEMENT AND PLAN OF ARRANGEMENT

16. The Company is authorized to make, subject to the terms of the Arrangement Agreement, as amended, the Plan of Arrangement, and Paragraph 18 of this Interim Order, below, such amendments, modifications or supplements to the Arrangement pursuant to the Plan of Arrangement and the Plan of Arrangement as it may determine without any additional notice to Securityholders or others entitled to receive notice under Paragraph 10 of this Interim Order and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting, and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.
17. If any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in Paragraph 17 of this Interim Order, above, would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, first class mail, or by the method most reasonably practicable in the circumstances, as the Company may determine.

PERMITTED ATTENDEES

18. The only persons entitled to attend the Meeting shall be:
 - (a) the registered Power Nickel Shareholders, as of the Record Date, or their respective proxyholders;
 - (b) directors, officers, auditors and advisors of Power Nickel;
 - (c) directors, officers, auditors and advisors of SpinCo; and
 - (d) other persons with the permission of the Chair of the Meeting;

and the only persons entitled to vote at the Meeting shall be the Power Nickel Shareholders as of the Record Date.

SOLICITATION OF PROXIES

19. Power Nickel is authorized to use the forms of proxy in substantially the same form as is attached as Exhibit "B" to the Lynch Affidavit, subject to Power Nickel's ability to insert dates and other relevant information in the final form thereof and to make other non-substantive changes and changes legal counsel advise are necessary or appropriate.
20. Power Nickel is authorized, at its sole expense, to solicit proxies directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.
21. The procedures for the use of proxies at the Meeting and revocation of proxies shall be as set out in the Notice and the Information Circular.
22. Power Nickel may in its discretion generally waive the time limits for the deposit of proxies by Power Nickel Shareholders if Power Nickel deems it advisable to do so, such waiver to be endorsed on the proxy by the initials of the Chair of the Meeting.

QUORUM AND VOTING

23. At the Meeting, the votes shall be taken on the following bases:
 - (a) each registered Power Nickel Shareholder whose name is entered on the central securities register of Power Nickel as of the Record Date is entitled to one vote for each Power Nickel Share held as at the Record Date; and
 - (b) the requisite and sole approval required to pass the Arrangement Resolution shall be the affirmative vote of at least two-thirds of the votes cast by Power Nickel Shareholders at the Meeting present in person or represented by proxy, entitled to vote on the Arrangement Resolution, voting as a single class (excluding from the count of total votes cast any spoiled, illegible and/or defective ballots and abstentions).
24. A quorum for the transaction of business at the Meeting shall be one or more persons present and being, or representing by proxy, two or more Power Nickel Shareholders entitled to attend and vote at the Meeting.

SCRUTINEER

25. The scrutineer for the Meeting shall be a representative of Endeavor Trust Corporation or such other person as may be appointed at the Meeting. The duties of the scrutineer shall include:

- (a) reviewing and reporting to the Chair on the deposit and validity of proxies;
- (b) reporting to the Chair on the quorum of the Meeting;
- (c) reporting to the Chair on the polls taken or ballots cast, if any, at the Meeting; and
- (d) providing to Power Nickel and to the Chair written reports on matters related to their duties.

DISSENT RIGHTS

26. Each Registered Shareholder as at the Record Date shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Division 2 of Part 8 of the BCBCA, as modified by the terms of this Interim Order, the Final Order and the Plan of Arrangement. Only Registered Shareholders may dissent. Power Nickel Optionholders will not have a right to dissent in respect of their Power Nickel Options.
27. In order for a Registered Shareholder to exercise such right of dissent under Division 2 of Part 8 of the BCBCA, a dissenting Registered Shareholder must provide written notice of dissent (a "**Dissent Notice**") contemplated by s. 242 of the BCBCA which must be received by the Company, in the manner set out below, not later than 11:00 a.m. (Vancouver time) on the business day that is at least two business days before the date of the Meeting. All notices of dissent to the Arrangement pursuant to s. 242 of the BCBCA should be delivered by mail or hand delivery to Power Nickel Inc., c/o Cozen O'Connor LLP, Bentall 5, 550 Burrard Street, Suite 2501, Vancouver, BC V6C 2B5, Attention: Kathy Tang, and:
- (a) a dissenting Registered Shareholder shall not have voted his, her, or its Power Nickel Shares at the Meeting, either by proxy or in person, in favour of the Arrangement Resolution;
 - (b) a vote against the Arrangement Resolution or an abstention shall not constitute the Dissent Notice required under paragraph 27 of this Interim Order;
 - (c) a dissenting Registered Shareholder may not exercise rights of dissent in respect of only a portion of such dissenting Registered Shareholder's Power Nickel Shares but rather shall dissent only with respect to all of the Power Nickel Shares held by such person; and
 - (d) the exercise of such right of dissent must otherwise comply with the requirements of Division 2 of Part 8 of the BCBCA, as modified by this Interim Order.
28. Subject to further order of this Court, the rights available to the Registered Shareholders under the BCBCA, this Interim Order and the Plan of Arrangement to dissent in respect of

the Arrangement Resolution shall constitute full and sufficient rights of dissent for the Shareholders with respect to the Arrangement Resolution.

29. Notice to the Registered Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the BCBCA and the Arrangement, the fair value of their Common Shares shall be given by including information with respect to this right in the Information Circular to be sent to the Registered Shareholders in accordance with this Interim Order.

APPLICATION FOR FINAL ORDER

30. Power Nickel shall include in the Meeting Materials, when sent in accordance with Paragraph 10 of this Interim Order, a copy of the Notice of Petition in substantially the form attached as Exhibit "C" to the Lynch Affidavit, and the text of this Interim Order (collectively, the "**Court Materials**"), and such Court Materials shall be deemed to have been served at the times specified in accordance with paragraphs 10 and/or 14 of this Interim Order, whether such persons reside within British Columbia or within another jurisdiction.
31. The form of Notice of Petition attached as Exhibit "C" to the Lynch Affidavit is hereby approved as the form of notice for the hearing of the application for the Final Order.
32. Power Nickel shall also deliver to Power Nickel Optionholders, at least twenty-one (21) days prior to the hearing of the application for a Final Order, a copy of the Information Circular, a copy of the Notice of Petition and the text of this Interim Order (collectively, the "**Notice Materials**") by either:
 - (a) email transmission;
 - (b) certified mail or prepaid ordinary mail or delivery by person or by recognized courier to the address in the Power Nickel Stock Option Plan; or
 - (c) if such person is also a Shareholder or director, in a manner set out in Paragraph 10 of this Interim Order.
33. Subject to any ruling of the Court hearing the application for the Final Order, the persons entitled to appear and be heard at any hearing to sanction and approve the Arrangement, shall be only:
 - (a) Power Nickel;
 - (b) SpinCo; and

(c) Securityholders and other persons who have served and filed a Response to Petition and have otherwise complied with the *Supreme Court Civil Rules* and paragraph 35 of this Interim Order.

34. Upon approval, with or without variation, by the Shareholders of the Arrangement, in the manner set forth in this Interim Order, the Petitioner may apply to this Court (the "**Application**") for, *inter alia*, an Order:

- (a) pursuant to Section 291(4)(a) of the BCBCA approving the Arrangement and its terms and conditions;
- (b) pursuant to Section 291(4)(c) of the BCBCA declaring that the terms and conditions of the Arrangement, and the exchange of securities to be effected by completion of the Arrangement, are substantively and procedurally fair and reasonable to the Securityholders;
- (c) pursuant to Section 297 of the BCBCA that the Arrangement shall be binding on the Petitioner, the Securityholders and other affected parties upon taking effect; and
- (d) pursuant to Sections 291, 292 and 296 of the BCBCA that the Arrangement shall take effect as of the Effective Time

(collectively, the "**Final Order**"),

and the hearing of the Application will be held on November 27, 2024 at 9:45 a.m. (Pacific Standard Time) or as soon thereafter as the Application can be heard or at such other date and time as this Court may direct, at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as the Court may direct.

35. Any Securityholder, director, auditor, or other interested party with leave of the Court, desiring to support or oppose the application has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order. Any such person seeking to appear at the hearing of the application for the Final Order shall:

- (a) file a Response to Petition, in the form prescribed by the *Supreme Court Civil Rules*, with this Court; and
- (b) serve the filed Response to Petition, together with a copy of any additional affidavits and other materials on which the person intends to rely at the hearing for the Final Order on the Petitioner's solicitors at:

Cozen O'Connor LLP
Bentall 5

550 Burrard Street, Suite 2501
Vancouver, B.C. V6C 2B5
Attention: Oliver C. Hanson

by or before 2:00 p.m. (Vancouver time) on the business day immediately preceding the day on which the Final Order is scheduled to be heard.

36. Sending the Meeting Materials and the Interim Order in accordance with Paragraph 10 of this Interim Order shall:
 - (a) constitute good and sufficient service of the within proceedings and no other form of service need be made and no other material need be served on such persons in respect of these proceedings and that service of the affidavits in support is dispensed with; and
 - (b) to the extent necessary, shorten the time-period provided in the *Supreme Court Civil Rules* for filing a Response to Petition and for delivery of a Notice of Hearing of this Petition for final order.
37. The Petitioner shall be at liberty to give notice of this proceeding to persons outside the jurisdiction of this Court in the manner specified herein.
38. The only persons entitled to receive notice of any further proceedings herein, including any hearing to sanction or approve the Arrangement, and to appear and be heard thereon, shall be the Petitioner's solicitors.
39. In the event that the hearing for the Final Order is adjourned, only those persons who have filed and served a Response to Petition in accordance with this Interim Order need be provided notice of materials filed in this proceeding and the adjourned hearing date.
40. Accidental failure of or omission by the Petitioner to send the Meeting Materials in accordance with Paragraph 10 of this Interim Order to any of the Securityholders or any of the directors or auditors of the Petitioner shall not invalidate any order made by this Court to approve the Arrangement, but if any such failure or omission is brought to the attention of the Petitioner, then the Petitioner shall use reasonable efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

VARIANCE

41. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order and apply for such other orders as may be necessary or appropriate.

42. Rules 8-1 and 16-1 (3), (7) – (12) of the *Supreme Court Civil Rules* will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for Petitioner
Oliver C. Hanson

By the Court



No. *S-247113*
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA
BUSINESS CORPORATIONS ACT,
S.B.C. 2002, C.57, AS AMENDED

- and -

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
POWER NICKEL INC. AND CHILEAN METALS INC.

POWER NICKEL INC.

PETITIONER

INTERIM ORDER MADE AFTER APPLICATION

Cozen O'Connor LLP
Suite 2501 – 550 Burrard Street
Vancouver, B.C. V6C 2B5

Attention: Oliver C. Hanson

**APPENDIX E
NOTICE OF PETITION**

Please see attached.

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA
BUSINESS CORPORATIONS ACT, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING
POWER NICKEL INC. AND CHILEAN METALS INC.

POWER NICKEL INC.

PETITIONER

NOTICE OF PETITION

TO: The holders (the “**Shareholders**”) of common shares (the “**Power Nickel Shares**”) in the authorized capital of Power Nickel Inc. (“**Power Nickel**”), the holders (the “**Power Nickel Optionholders**”) of options to acquire Power Nickel Shares (the “**Power Nickel Options**”) (collectively, the “**Securityholders**”)

AND TO: Chilean Metals Inc.

NOTICE IS HEREBY GIVEN that a Petition to the Court has been filed by Power Nickel in the Supreme Court of British Columbia for approval, pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002 c. 57 and amendments thereto, of an arrangement contemplated in an Arrangement Agreement dated October 15, 2024 involving Power Nickel and Chilean Metals Inc. (the “**Arrangement**”).

NOTICE IS FURTHER GIVEN that by Order of the Supreme Court of British Columbia, dated October 21, 2024, the Court has given directions by means of an Interim Order (the “**Interim Order**”) on the calling of a meeting (the “**Meeting**”) of the Shareholders for the purpose of, among other things, considering and voting upon the special resolution to approve the Arrangement.

NOTICE IS FURTHER GIVEN that if the Arrangement is approved at the Meeting, Power Nickel intends to apply to the Supreme Court of British Columbia for a final order (the “**Final Order**”) approving the Arrangement and declaring it to be fair and reasonable to the Shareholders, which application will be heard by telephone at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia, or as the Court may direct,

on November 27, 2024 at 9:45 a.m. (Pacific Time) or so soon thereafter as counsel may be heard or at such other date and time as the Court may direct.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing a form entitled “Response to Petition” together with any evidence or materials which you intend to present to the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to Power Nickel’s address for delivery, which is set out below, on or before 2:00 p.m. (Pacific Time) on November 26, 2024.

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

IF YOU DO NOT FILE A RESPONSE TO PETITION AND ATTEND EITHER IN PERSON OR BY COUNSEL at the time of the hearing of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the Securityholders.

A copy of the Petition to the Court and the other documents that were filed in support of the Interim Order and will be filed in support of the Final Order will be provided to any Shareholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out below.

The Petitioner’s address for delivery is:

Cozen O’Connor LLP
Bentall 5, 550 Burrard St
Suite 2501
Vancouver, BC V6C 2B5
Attn: Oliver Hanson

DATED this 21st day of October, 2024

/s/ Oliver Hanson
Solicitor for the Petitioner,
Power Nickel Inc.
Oliver Hanson

**APPENDIX F
DISSENT PROVISIONS OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

Division 2 – Dissent Proceedings

Definitions and application

237 (1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

- (2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that
 - (a) the court orders otherwise, or
 - (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,

- (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
 - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
 - (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
 - (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
 - (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
 - (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
 - (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
 - (g) in respect of any other resolution, if dissent is authorized by the resolution;
 - (h) in respect of any court order that permits dissent.
- (1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.
- (1) A shareholder wishing to dissent must
- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (2) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

- 239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

- 240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and

- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent
- (a) a copy of the entered order, and
 - (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

- 242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) or (1.1) must,
- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and

- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
 - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
 - (3) After the dissenter has complied with subsection (1),
 - (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
 - (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
 - (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
 - (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

- 245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
 - (a) promptly pay that amount to the dissenter, or

- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if,

before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

- 247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,
- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
 - (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
 - (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

**APPENDIX G
INFORMATION CONCERNING SPINCO**

Please see attached.

**APPENDIX G
INFORMATION CONCERNING SPINCO**

Table of Contents

	Page
1. INTRODUCTION.....	3
1.1 Structure of Transaction	3
1.2 Forward-Looking Statements.....	4
2. CORPORATE STRUCTURE	5
2.1 Corporate Name and Office.....	5
2.2 Jurisdiction of Incorporation.....	5
2.3 Intercorporate Relationships.....	5
2.4 Requalification following a Fundamental Change	6
2.5 Incorporation outside of Canada	6
3. GENERAL DEVELOPMENT OF SPINCO'S BUSINESS.....	6
4. NARRATIVE DESCRIPTION OF SPINCO'S BUSINESS.....	7
4.1 General	7
4.1.1 Business of Exploration	7
4.1.2 Principal Products or Services	8
4.1.3 Production and Sales	8
4.1.4 Competitive Conditions	8
4.1.5 Lending and Investment Policies and Restrictions	8
4.1.6 Bankruptcy or Receivership Proceedings	8
4.1.7 Material Restructuring Transactions	8
4.1.8 Social or Environmental Policies.....	9
4.2 Companies with Asset-backed Securities Outstanding	9
4.3 The Golden Ivan Property.....	9
4.3.1 Property Description and Location	9
4.3.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography	14
4.3.3 History	15
4.3.4 Geological Setting and Mineralization.....	26
4.3.5 Deposit Types	30
4.3.6 Exploration	32
4.3.7 Sample Preparation, Analysis, and Security.....	39
4.3.8 Data Verification.....	42
4.3.9 Mineral Processing and Metallurgical Testing	47
4.3.10 Mineral Resources Estimates	47
4.3.11 Adjacent Properties.....	47
4.3.12 Other Relevant Data and Information	50
4.3.13 Interpretation and Conclusions	50
4.3.14 Recommendations	51
4.4 The Zulema Project	52
4.5 The Tierra de Oro Project.....	55
4.6 Other Chilean Properties	56
5. SELECTED CONSOLIDATED FINANCIAL INFORMATION.....	56
5.1 Annual Information.....	56
5.2 Quarterly Information	57
5.3 Dividends	58
5.4 Foreign GAAP.....	58
6. MANAGEMENT'S DISCUSSION AND ANALYSIS.....	58
6.1 General	58
6.2 Selected Financial Information	58
6.3 Result of Operations	59
6.3.1 Net Sales or Total Revenues	59
6.3.2 Any other Significant Factors causing Changes in Net Sales or Total Revenues	59

6.3.3	Cost of Sales or Gross Profit	59
6.3.4	Golden Ivan Property	59
6.4	Summary of Quarterly Results	59
6.5	Liquidity and Capital Resources	60
6.6	Off-Balance Sheet Arrangements.....	60
6.7	Related Party Balances and Transactions	60
6.8	Changes in Accounting Policies	60
6.9	Financial Instruments and Other Instruments.....	60
6.10	Interim MD&A	61
6.11	Additional Disclosure for Issuers without Significant Revenue.....	61
6.12	Description of Securities	61
7.	MARKET FOR SECURITIES	61
8.	CONSOLIDATED CAPITALIZATION.....	62
9.	OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES	62
9.1	Spinco Stock Options	62
9.1.1	Spinco Stock Option Plan	62
9.1.2	Summary of the Spinco Stock Option Plan.....	62
9.2	Warrants	64
10.	DESCRIPTION OF SECURITIES	64
10.1	Authorized Capital	64
10.2	Spinco Shares	64
10.3	Spinco Warrants	64
10.4	Spinco Stock Options	64
10.5	Prior Sales	65
10.6	Listing of Spinco Shares	65
11.	ESCROWED SECURITIES	65
12.	PRINCIPAL SHAREHOLDERS	65
13.	DIRECTORS AND OFFICERS	65
13.1	Directors and Executive Officers of Spinco	65
13.2	Period of Service of Directors	66
13.3	Directors' and Officers' Common Share Ownership.....	67
13.4	Board Committees	67
13.4.1	Audit Committee.....	67
13.5	Principal Occupation of Directors and Executive Offers.....	67
13.6	Cease Trade Orders and Bankruptcies	67
13.7	Penalties or Sanctions	68
13.8	Settlement Agreements	68
13.9	Personal Bankruptcies	68
13.10	Potential Conflicts of Interest.....	68
14.	EXECUTIVE COMPENSATION	69
14.1	Option-based Awards	69
14.2	Pension Plan Benefits.....	70
14.3	Director Compensation	70
15.	INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	70
16.	RISK FACTORS.....	70
17.	PROMOTERS	79
18.	LEGAL PROCEEDINGS AND REGULATORY ACTIONS	80
18.1	Legal Proceedings	80
18.2	Regulatory Actions.....	80
19.	INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	80
20.	AUDITORS, TRANSFER AGENTS AND REGISTRARS	81
20.1	Auditor.....	81
20.2	Transfer Agent and Registrar	81
21.	MATERIAL CONTRACTS.....	81
22.	INTEREST OF EXPERTS.....	81
23.	OTHER MATERIAL FACTS.....	81

24.	FINANCIAL STATEMENTS	82
24.1	Financial Statements	82
24.2	Re-Qualifying Issuer	82

1. INTRODUCTION

The following describes the proposed business of Spinco following the completion of the Arrangement (as defined herein) and should be read together with the audited carve-out financial statements of Spinco for the years ended December 31, 2023 and 2022 attached to the Circular as Appendix J (the “**Spinco Carve-Out Annual Financial Statements**”) and the management’s discussion and analysis thereto attached to the Circular as Appendix K and the unaudited carve-out financial statements of Spinco for the three and six months ended June 30, 2024 attached to the Circular as Appendix J (the “**Spinco Carve-Out Interim Financial Statements**”) and the management’s discussion and analysis thereto attached to the Circular as Appendix K. Except where the context otherwise requires, all of the information contained in this Appendix G is made on the basis of the completion of the Arrangement described in the management information circular of Power Nickel Inc. (“**Power Nickel**”) dated October 21, 2024 (the “**Circular**”).

Unless the context otherwise requires, all references in this Appendix G to “Spinco” mean “Chilean Metals Inc.”. Certain other terms used in this Appendix G that are not otherwise defined herein are defined in the Circular to which this Appendix G is attached.

Spinco will be an unlisted reporting issuer in British Columbia and Alberta after completion of the Arrangement. There is no concurrent application for listing of Spinco on any stock exchange, though there may be a listing application made at a future date. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

1.1 Structure of Transaction

On October 15, 2024, Power Nickel and Spinco entered into an arrangement agreement (the “**Arrangement Agreement**”) pursuant to which they are proposing to complete a statutory plan of arrangement of Power Nickel (the “**Arrangement**”). The Arrangement involves, among other things: (i) an alteration of Power Nickel’s existing authorized share structure, and (ii) a distribution of common shares (each, a “**Spinco Share**” and collectively, the “**Spinco Shares**”) in the authorized capital of Spinco, a wholly-owned subsidiary of Power Nickel, to shareholders of Power Nickel (“**Power Nickel Shareholders**”) such that each Power Nickel Shareholder will receive, for every common share of Power Nickel (each, a “**Power Nickel Share**”) held by the Power Nickel Shareholder, one New Power Nickel Share (as such term is defined in the Circular) and 0.05 of a Spinco Share in exchange for each Power Nickel Share. The provisions of the Arrangement Agreement are the result of negotiations between representatives of Power Nickel and Spinco.

Upon completion of the Arrangement and pursuant an internal reorganization of Power Nickel to be completed prior to the Arrangement, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly-owned subsidiary of Power Nickel which holds Power Nickel’s interests in the Golden Ivan property along with certain Chilean exploration assets and liabilities; (ii) hold approximately \$1,000,000 in cash; and (iii) be approximately 50% owned by the Power Nickel Shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares. Detailed information regarding the Arrangement is contained in the Circular.

At the annual general and special meeting of Power Nickel Shareholders to be held on November 22, 2024, and any adjournment(s) or postponement(s) thereof (the “**Meeting**”), the Power Nickel Shareholders will be asked to vote on the Arrangement pursuant to terms of the Arrangement Agreement and the Plan of Arrangement and to approve the stock option plan of Spinco (the “**Spinco Stock Option Plan**”), which is based substantially on the stock option plan of Power Nickel (the “**Power Nickel Stock Option Plan**”).

1.2 Forward-Looking Statements

This document contains information and projections based on current expectations. Certain statements herein may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Spinco, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used herein, such statements use such words as “will”, “may”, “could”, “intends”, “potential”, “plans”, “believes”, “expects”, “projects”, “estimates”, “anticipates”, “continue”, “potential”, “predicts” or “should” and other similar terminology. These statements reflect expectations regarding future events and performance but speak only as of the date hereof. Forward-looking statements include, among others, statements with respect to the Arrangement; the timing for the implementation of the Arrangement and the potential benefits of the Arrangement; the likelihood of the Arrangement being completed; planned acquisitions, strategic partnerships or other transactions not yet concluded; plans to undertake Phase 1 of the recommended exploration program on the Golden Ivan Property; that the recommendations in the Technical Report will not change following the new site visit to the Golden Ivan Property by the Author; market competition; plans to retain and recruit personnel; the ability to secure funding; and the ability to obtain regulatory and other approvals are all forward-looking information. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, fluctuations in the currency markets such as Canadian dollar, fluctuations in the prices of commodities, changes in government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which Spinco carries or may carry on business in the future, risks associated with mining or development activities, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits, and quantities or grades of reserves. Many of these uncertainties and contingencies can affect Spinco’s actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Spinco. Readers are cautioned that forward-looking statements are not guarantees of future performance. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those acknowledged in such statements.

Spinco assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances unless required by law.

Although Spinco believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Spinco can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve

inherent risks and uncertainties. The forward-looking statements herein speak only as of the date hereof. Actual results could differ materially from those anticipated due to a number of factors and risks including those described under “*Risk Factors*” in Section 16 hereof.

2. CORPORATE STRUCTURE

2.1 Corporate Name and Office

The full corporate name of Spinco is “Chilean Metals Inc.” The head office of Spinco is located at 82 Richmond Street East, Suite 202, Toronto, ON M5C 1P1. The registered and records office of Spinco is located at Suite 2501 – 550 Burrard Street, Vancouver, BC V6C 2B5.

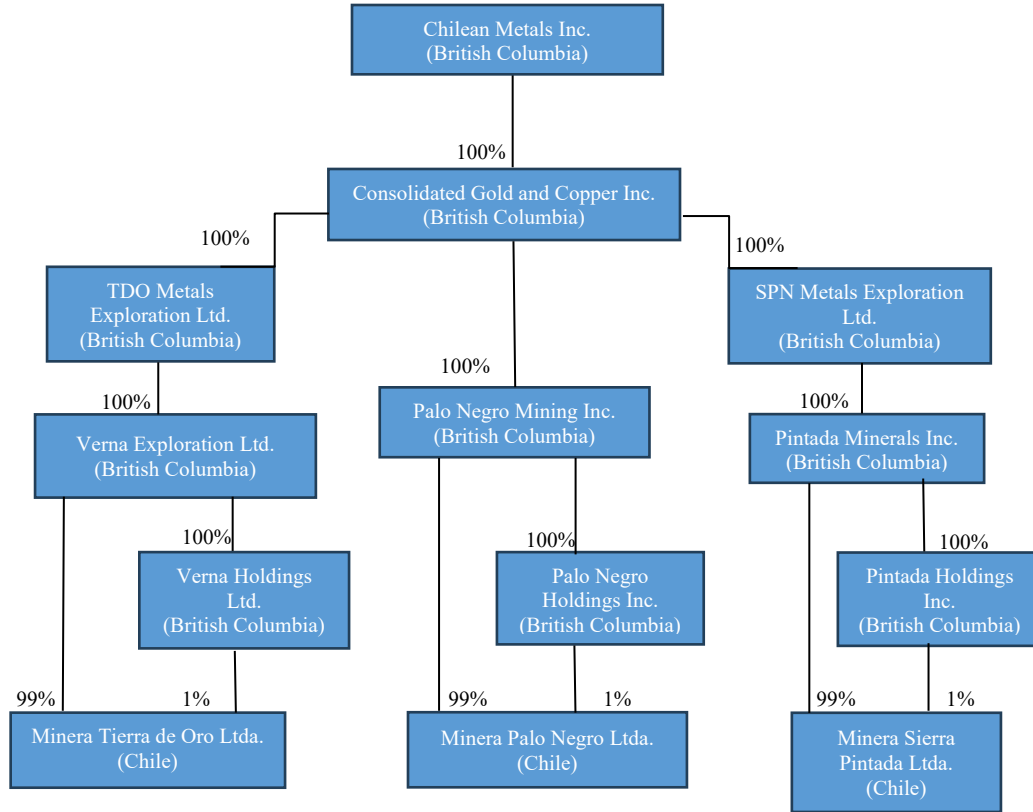
2.2 Jurisdiction of Incorporation

Spinco was incorporated as “Chilean Metals Inc.” under the *Business Corporations Act* (British Columbia) on September 23, 2024.

2.3 Intercorporate Relationships

As of the date of the Circular, Spinco is a wholly-owned subsidiary of Power Nickel. Upon completion of the Arrangement, it is anticipated that Power Nickel will be the legal and beneficial owner of 50% of the issued and outstanding Spinco Shares.

Upon completion of the Arrangement, Spinco will have twelve wholly-owned subsidiaries: Consolidated Gold and Copper Inc. (British Columbia), SPN Metals Exploration Ltd. (British Columbia), TDO Metals Exploration Ltd. (British Columbia), Pintada Minerals Inc. (British Columbia), Pintada Holdings Inc. (British Columbia), Palo Negro Mining Inc. (British Columbia), Palo Negro Holdings Inc. (British Columbia), Verna Explorations Ltd. (British Columbia), Verna Holdings Ltd. (British Columbia), Minera Tierra de Oro Ltda. (Chile), Minera Palo Negro Ltda. (Chile), and Minera Sierra Pintada Ltda. (Chile). The table below sets forth the intercorporate relationships between Spinco and its wholly-owned subsidiaries, as well as each subsidiary’s respective jurisdiction of incorporation.



2.4 Requalification following a Fundamental Change

Not applicable.

2.5 Incorporation outside of Canada

Not applicable.

3. GENERAL DEVELOPMENT OF SPINCO’S BUSINESS

Currently, Spinco has no assets or operations. Prior to the date the Arrangement becomes effective (the “**Effective Date**”), Spinco will not carry on any business except as contemplated by the Arrangement. After the Effective Date, Spinco will be a British Columbia based company engaged in the business of exploration of the Golden Ivan property (the “**Golden Ivan Property**”), a mineral property located in the Terrace, British Columbia, Canada. Spinco will also have an interest (via subsidiary entities) in certain exploration and development assets and liabilities in Chile held by Consolidated Gold and Copper Inc., including the Zulema project (the “**Zulema Project**”) and the Tierra de Oro project (the “**Tierra de Oro Project**”). Spinco will be an exploration stage company, will own no developing or producing properties and, consequently, will have no operating income or cash flow from the property it holds. The historical business of Spinco is described in more detail in the management’s discussion and analysis for the year ended December 31, 2023 and for the interim period ended June 30, 2024 attached to the Circular as Appendix K.

Spinco will be unlisted reporting issuer in British Columbia and Alberta after completion of the Arrangement. There is no concurrent application for listing of Spinco on any stock exchange,

though there may be a listing application made at a future date. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

4. NARRATIVE DESCRIPTION OF SPINCO'S BUSINESS

4.1 General

4.1.1 Business of Exploration

(a) Mineral Properties

Upon completion of the Arrangement, Spinco will own all of the issued and outstanding common shares in the authorized capital of Consolidated Gold and Copper Inc., which includes a 100% interest in the Golden Ivan Property and certain exploration and development assets and liabilities in Chile held by Consolidated Gold and Copper Inc. indirectly through its wholly-owned subsidiaries, including on the Zulema Project and the Tierra de Oro Project.

(b) Business Objectives and Milestones

With the funds available to it as described below under the sub-heading "*Total Available Funds*" and "*Principal Purposes of Funds Available*", Spinco intends to, during the 12 months following completion of the Arrangement:

- continue exploration of the Golden Ivan Property, including the completion of the Phase 1 exploration program,
- conduct exploration work on its properties in Chile, including the Zulema Project and the Tierra de Oro Project, and
- as opportunities arise, expand its portfolio of exploration properties.

Spinco plans to stay in the mineral exploration business. Due to the nature of the business of mineral exploration, budgets are regularly reviewed with respect to both the success of the exploration program and other opportunities which may become available to Spinco. Spinco may abandon in whole or in part, its interest in the Golden Ivan Property, or may, as work progresses, alter the recommended work program, or may make arrangements for the performance of all or any portion of such work by other persons or companies and may use any funds so diverted for the purpose of conducting work on other properties owned or to be acquired by Spinco, although Spinco has no present plans in this respect.

(c) Total Funds Available

Upon completion of the Arrangement and pursuant an internal reorganization of Power Nickel to be completed prior to the Arrangement, Spinco will hold approximately \$1,000,000 in cash.

(d) Principal Purposes of Funds Available

The following table summarizes expenditures anticipated by Spinco required to achieve its business objectives during the 12 months following completion of the Arrangement:

Principal purpose	Amount
Maintain status as a reporting issuer ⁽¹⁾	\$100,000
Phase 1 program on the Golden Ivan Property as recommended by the Technical Report ⁽²⁾	\$280,000
Exploration on the Chilean properties	\$200,000
General & administrative expenses for 12 months ⁽³⁾	\$200,000
Unallocated working capital	\$220,000
TOTAL:	\$1,000,000
Notes:	
(1) Consists of transfer agent fees, legal fees, audit costs and miscellaneous fees.	
(2) Refer to the Technical Report – <i>Recommendations</i> .	
(3) Includes estimated management and consulting fees, insurance expenses and office administration expenses.	

Spinco intends to spend the funds available to it as stated in the table above. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for Spinco to achieve its objectives or to pursue other exploration and development opportunities. See “*Risk Factors*”.

4.1.2 Principal Products or Services

Not applicable.

4.1.3 Production and Sales

Upon completion of the Arrangement, Spinco will have no direct employees. Spinco expects to rely on and engage consultants on a contract basis, as is usual in the mineral exploration business in Canada. It is expected that certain of the current management of Power Nickel will also participate as management of Spinco.

4.1.4 Competitive Conditions

The mining industry is intensely competitive in all its phases. Spinco will compete for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees with many companies possessing greater financial resources and technical facilities than Spinco. The competition in the mineral exploration and development business could have an adverse effect on Spinco’s ability to hire or maintain experienced and expert personnel or acquire suitable properties or prospects for mineral exploration in the future.

4.1.5 Lending and Investment Policies and Restrictions

Not applicable.

4.1.6 Bankruptcy or Receivership Proceedings

There have been no results of any bankruptcy, or any receivership or similar proceedings against Spinco or any voluntary bankruptcy, receivership or similar proceedings by Spinco.

4.1.7 Material Restructuring Transactions

Not applicable.

4.1.8 Social or Environmental Policies

Not applicable.

4.2 Companies with Asset-backed Securities Outstanding

Not applicable.

4.3 The Golden Ivan Property

Upon completion of the Arrangement, Spinco's material property will be the Golden Ivan Property. Information of a scientific or technical nature in respect of the Golden Ivan Property in this Appendix G is derived from portions of the National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") independent technical report with an effective date of February 2, 2022 and a signing date of November 17, 2023, entitled "NI 43-101 Technical Report on the Golden Ivan Property, British Columbia" (the "**Technical Report**") prepared by Alfonso L. Rodriguez Madrid, M.Sc., P. Geo. (the "**Author**"). The Author is a qualified person and is independent of Power Nickel and Spinco. The Technical Report has been prepared in anticipation of the Arrangement or a similar spin-out transaction. Maps in the Technical Report are labeled as "Pan American Gold Equities" as that had been a desired name for the spinout company; however, Spinco was ultimately named "Chilean Metals Inc."

Spinco has undertaken the preparation of an updated technical report in respect of the Golden Ivan Property, which will include a new site visit to the Golden Ivan Property by the Author and relevant updates to the Spinco name. Notwithstanding the new site visit to the Golden Ivan Property, the Author has confirmed that the recommendations set out in the Technical Report are current and are not expected to change. See in this Appendix G, "*Recommendations*". The updated technical report (the "**Updated Technical Report**") will be filed on Spinco's SEDAR+ profile at www.sedarplus.ca upon Spinco becoming a reporting issuer.

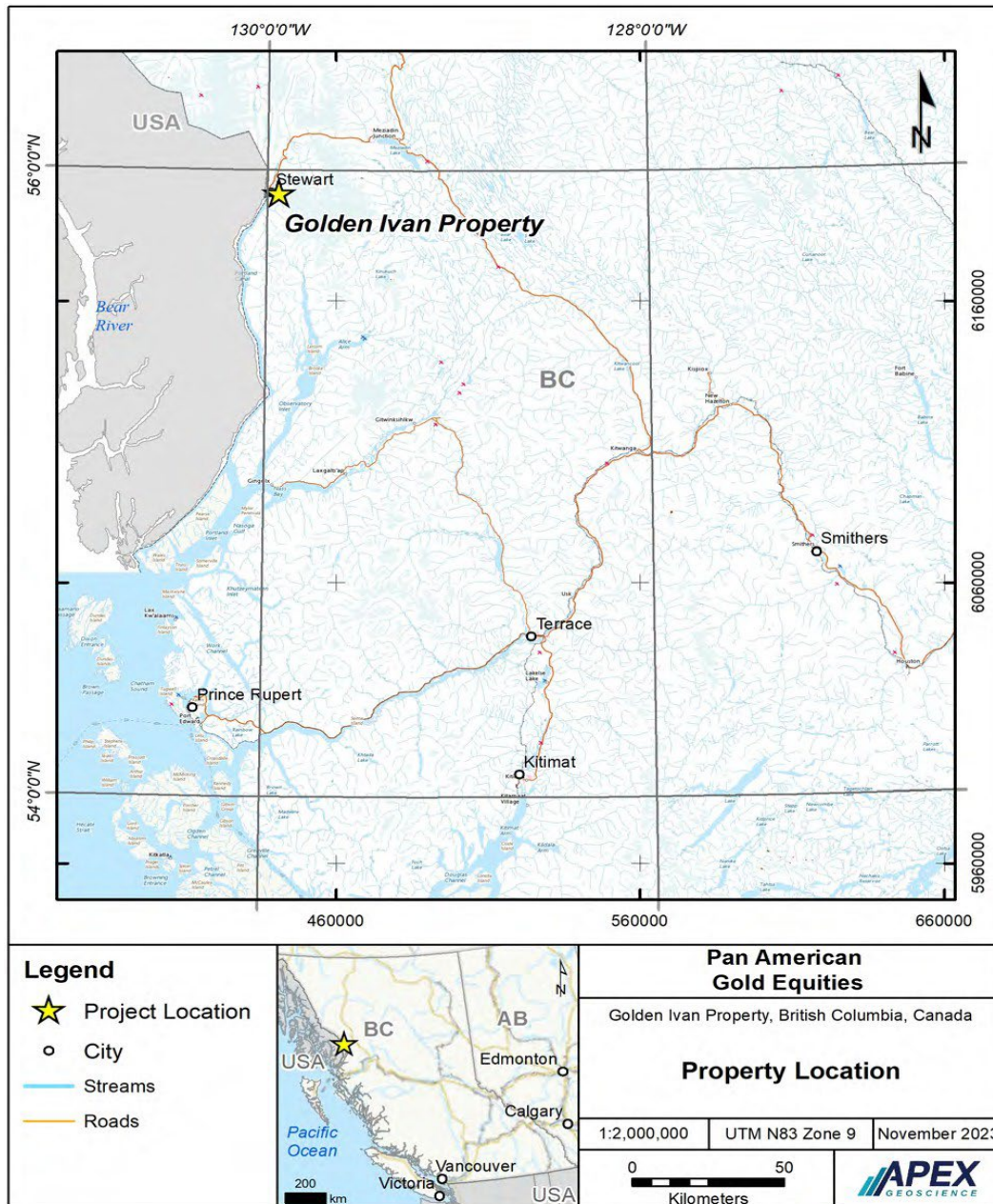
Readers are cautioned that the summary of technical information in this Appendix G should be read in the context of the qualifying statements, procedures and accompanying discussion within the complete Technical Report and the summary provided herein is qualified in its entirety by Technical Report. Capitalized and abbreviated terms appearing in this section and not otherwise defined herein have the meaning ascribed to such terms in the Technical Report. Readers should review the Updated Technical Report when it is available.

4.3.1 Property Description and Location

Description and Location

The Golden Ivan Property (also referred to as the "**Property**" or the "**Project**") is located in northwestern British Columbia, approximately 180 km northwest of Terrace, BC and less than 3 km east of Stewart, BC across the Portland Canal and Bear River (Figure 4.1). The Property is situated in the Skeena Mining Division, within the 1:50,000 scale NTS (National Topographic System) map sheets 103P/13.

Figure 4.1 Golden Ivan Property Location



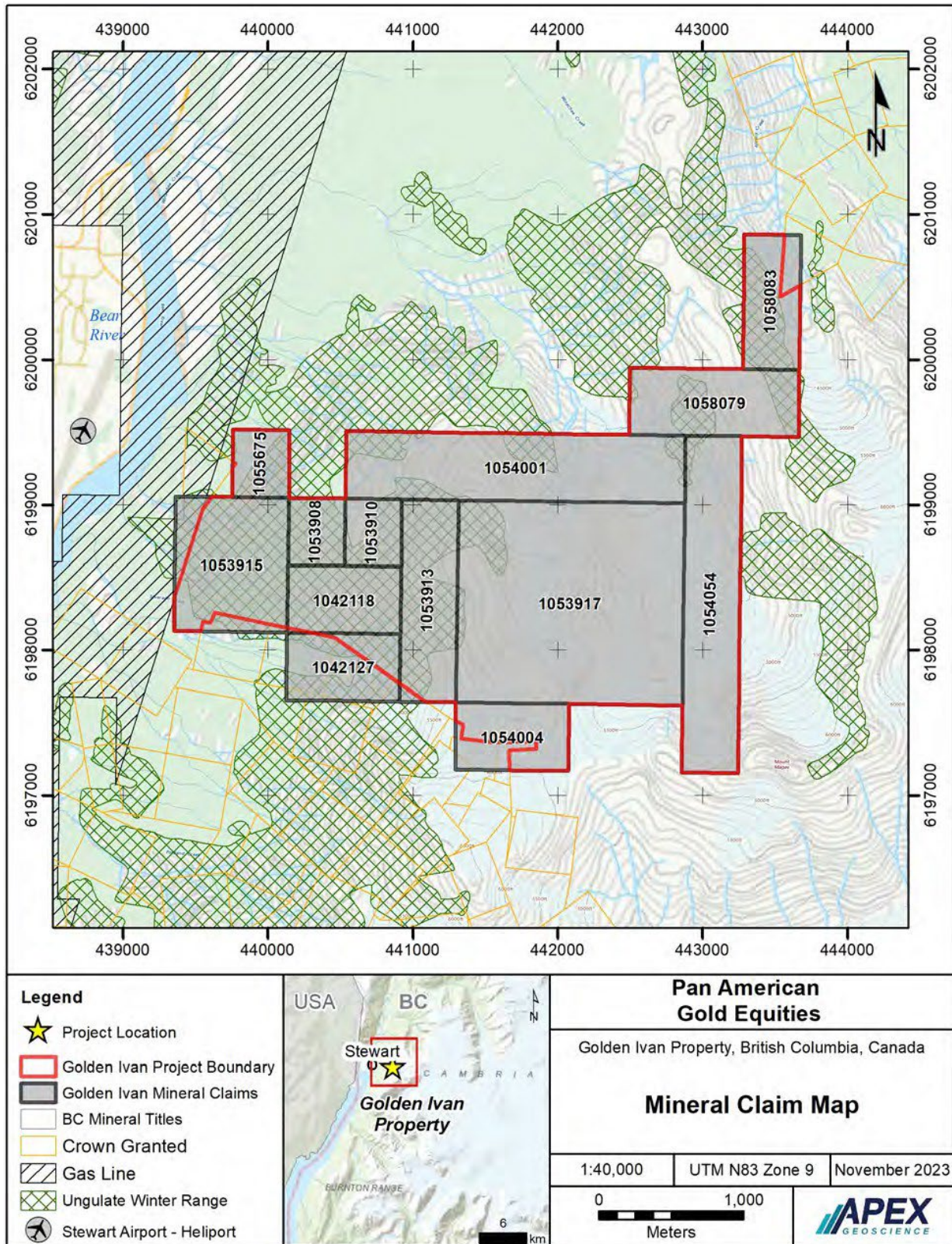
The Golden Ivan Property comprises 13 mineral claims, covering a total area of 797 hectares (Table 4.1; Figure 4.2). The claims are registered on the Province of British Columbia’s Mineral Titles Online (“MTO”) website and are listed as 100%-owned by Consolidated Gold and Copper Inc. The individual claims and their respective anniversary dates are listed in Table 4.1. These claims are partially overlain by active Crown granted claims and an area reserved for gas line projects (Figure 4.2). The effective area (Project Boundary) on which surface mineral exploration activities can be conducted is approximately 742 hectares.

The Golden Ivan Property is centered at approximately 441,300 mE, 6,198,600 mN (NAD 1983 UTM Zone 9) or Longitude 129° 56’ 20” West and Latitude 55° 55’ 44” North.

Table 4.1. Golden Ivan Property Mineral Claim Details

Title Number	Claim Name	Owner - Number - (%)	Issue Date	Good To Date	Status	Area (ha)
1042118		CONSOLIDATED GOLD AND COPPER INC. 289758 (100%)	2016/FEB/17	2032/AUG/10	GOOD	36
1042127			2016/FEB/17	2032/AUG/10	GOOD	36
1053908	SILVER IVAN W		2017/AUG/11	2032/AUG/10	GOOD	18
1053910			2017/AUG/11	2032/AUG/10	GOOD	18
1053913	IVAN TAIL		2017/AUG/11	2032/AUG/10	GOOD	54
1053915			2017/AUG/11	2032/AUG/10	GOOD	73
1053917	SILVER IVAN BODY		2017/AUG/11	2032/AUG/10	GOOD	218
1054001	IVANS HEAD		2017/AUG/13	2032/AUG/10	GOOD	109
1054004			2017/AUG/13	2032/AUG/10	GOOD	36
1054054			2017/AUG/15	2032/AUG/10	GOOD	91
1055675			2017/OCT/20	2032/AUG/10	GOOD	18
1058079			2018/JAN/31	2032/AUG/10	GOOD	54
1058083			2018/JAN/31	2032/AUG/10	GOOD	36
Total Area (ha)						797

Figure 4.2 Golden Ivan Property Claim Map



Royalties and Agreements

The Golden Ivan Property is 100% legally owned by Consolidated Gold and Copper Inc. (beneficially owned by Power Nickel). According to the acquisition agreement the Golden Ivan claims are subject only to a 2.5% NSR royalty. Consolidated Gold and Copper Inc., through various other wholly-owned subsidiaries, also holds Power Nickel's Chilean assets (other than Copaquire).

Environmental Liabilities, Permitting and Significant Factors

Permitting

In British Columbia, all work carried out on a claim that disturbs the surface by mechanical means (including drilling, trenching, excavating, blasting, construction or demolition of a camp or access, induced polarization (IP) surveys using exposed electrodes, and site reclamation) requires a Notice of Work (NOW) permit under the Mines Act, and the owner must receive written approval from the District Inspector of Mines prior to undertaking the work. The NOW must include: the pertinent information as outlined in the Mines Act; additional information as required by the Inspector; maps and schedules for the proposed work; applicable land use designation; up to date tenure information; and details of actions that will minimize any adverse impacts of the proposed activity. The claim owner must outline the scope and type of work to be conducted, and approval generally takes one or two months.

Exploration activities that do not require a Notice of Work permit include prospecting with hand tools, geological/geochemical surveys, airborne geophysical surveys, ground geophysical surveys without exposed electrodes, hand trenching (no explosives) and the establishment of grids (no tree cutting). These activities and those that require Permits are outlined and governed by the Mines Act of British Columbia.

The Chief Inspector of Mines makes the decision whether land access will be permitted. Other agencies, principally the Ministry of Forests lands and Natural Resources (FLNRO), determine where and how the access may be constructed and used. With the Chief Inspector's authorization, a mineral tenure holder must be issued the appropriate "Special Use Permit" by the FLNRO, subject to specified terms and conditions. The Ministry of Energy Mines and Low Carbon Innovations (EMLI) makes the decision whether land access is appropriate, and the FLNRO must issue a Special Use Permit. However, three ministries, namely the EMLI; FLNRO; and Ministry of Environment and Climate Change Strategy, jointly determine the location, design, and maintenance provisions of the approved road.

Notification must be provided before entering private land for any mining activity, including non-intrusive forms of mineral exploration such as mapping surface features and collecting rock, water or soil samples. Notification may be hand delivered to the owner shown on the British Columbia Assessment Authority records or the Land Title Office records. Alternatively, notice may be mailed to the address shown on these records or sent by email or facsimile to an address provided by the owner. Mining activities cannot start sooner than eight days after notice has been served. Notice must include a description or map of where the work will be conducted and a description of what type of work will be done, when it will take place and approximately how many people will be on the site. It must include the name and address of the person serving the notice and the name and address of the onsite person responsible for operations.

Consolidated Gold and Copper Inc. has been granted the Mines Act Free Use Permit MX-100000313 on March 2, 2023, with an approval end date of March 31, 2028. Additionally, Consolidated Gold and Copper Inc. has submitted a NOW 0101196-2021-01 with tracking number 100347438 submitted Jun 23, 2021. No exploration has been carried out since August 28, 2021.

A condition of this permit is that authorized activities are restricted to the period from July 16 – October 31 unless a Wildlife Management Plan (WMP) is developed. This is due to overlaps with wildlife corridors specifically the Ungulate Winter Range (mountain goat) U- 6-002 (Figure 4.2).

For each year of the multi-year work approval, Power Nickel must file an Annual Summary of Exploration Activities (ASEA). These ASEA reports must be submitted concurrently, at least two weeks prior to commencement of exploration activities in a new calendar year or no later than the end of March of every year the approval is in effect. Power Nickel is also requested to provide ASEA documents to the First Nations: Nisga'a Nation and Tsetsaut Skii Km Lax Ha Nation.

Environmental Liabilities and Other Significant Factors

The Authors are not aware of social, political, or environmental liabilities to which the Property may be subject, or any other significant factors or risks that would affect access, title, or Power Nickel's ability to perform work on the Golden Ivan Property.

4.3.2 Accessibility, Climate, Local Resources, Infrastructure and Physiography

Accessibility

The Golden Ivan Property is located approximately 3 km east of Stewart, BC across the Portland Canal and Bear River. The Property area is extremely rugged, and only accessible by helicopter. Stewart is located at the terminus of the Highway 37A portion of the Stewart-Cassiar Highway, adjacent to the United States of America ("US") border. It is approximately 311 km, or 3 hours and 45 minutes, driving distance from Terrace, BC, and approximately 328 km, or 4 hours, driving distance from Smithers, BC.

Helicopter charter services are available year-round in Stewart, Terrace and Smithers. Stewart is serviced by a 1,189 m (3,900 ft) airstrip and a float plane base. Commercial and charter fixed wing services are available in Smithers and Terrace, with daily scheduled flights from Vancouver, BC. Stewart is Canada's northernmost ice-free port and can be accessed by boat or barge from the Pacific Ocean via the Portland Canal.

Site Topography, Elevation and Vegetation

The Golden Ivan Property resides within the Boundary Ranges of the Coast Mountains, west/northwest of the Cambria Icefield. The area is characterized by steep slopes, with most of the claim block above the tree line. Elevations range from approximately 300 m to 2000 m above mean sea level.

Vegetation is sparse in the upper elevations, with much of the area featuring barren rock or glacial debris. Scrub hemlock and balsam occur in patches along small plateaus, interspersed with shrubs, mountain grasses and heather. Lower elevations support a modest forest of balsam and hemlock (Strickland & Goldsmith, 2020).

Climate

Stewart has a humid continental climate and is subject to strong maritime influences making the winters milder than locations further inland. In Stewart, average temperatures range from -11°C to -6°C in December and from 7°C to 14°C in July; however, winters are cold and may reach below -20°C. The area averages 1,866.8 mm of precipitation per year with much of it falling as snow. The greatest snowfall is in January with an average accumulation of 162.8 cm, and rainfall peaks in October with an average of 268.3 mm (Environment Canada, 2014, 2016). The weather is generally more severe at higher elevations on the Property, with colder temperatures and greater snowfall during winter months. Cloud cover and fog is common year-round. Heavy fog generally dissipates later in the morning, but it can linger on the western slopes of the Property for days.

Local Resources and Infrastructure

Helicopter charter services are available year-round in Stewart, Terrace and Smithers. Stewart is serviced by a 1,189 m (3,900 ft) airstrip and a float plane base. Commercial and charter fixed wing services are available in Smithers and Terrace, with daily scheduled flights from Vancouver, BC. Stewart is Canada's northernmost ice-free port and can be accessed by boat or barge from the Pacific Ocean via the Portland Canal.

Hotel accommodations, groceries, and supplies can be acquired in Stewart, Terrace and Smithers. Limited industry services, including laboratory services are available in Terrace and Smithers. Accommodations are available at the King Edward Hotel/Motel and the Ripley Creek Inn in Stewart. Fuel and food are available also in Stewart, BC. Heavy equipment and supplies may be sourced from Prince Rupert.

Exploration activities are carried out in the region typically between June and November. However, MX-100000313 exploration permit indicates that authorized activities are restricted to the period from July 16 – October 31 unless a Wildlife Management Plan (WMP) is developed.

4.3.3 History

Prospecting and mining in the Stewart area started in the early 1900's and continued gradually throughout wars, labour shortages and fluctuating metal prices (Kuran, 1989). The Premier Gold Mine was opened in 1918 approximately 20 kilometres north of Stewart and represented the first large discovery in what is now known as the Golden Triangle of British Columbia. Before the mine closed in 1952, it produced over 2 million ounces of gold and 45 million ounces of silver, and was the largest gold producer in North America at that time. The discovery of the Premier Gold Mine resulted in a flood of exploration programs within the surrounding claims (Campbell, 2019). Modern discoveries in the Golden Triangle include the Brucejack, Galore Creek, Schaft Creek, KSM, Valley of the Kings and Red Chris deposits, among others.

The earliest recorded work in the area was from 1910-1930. Several adits and open cuts were constructed on the Red Reef claim testing the mineralization in the volcanic rocks stratigraphically above the monzonite intrusive unit (Cremonese, 1982). The Porter Idaho- Prosperity site (south of Golden Ivan) was taken under bond by Premier Mining Co. in 1926 and was in production from 1928 to 1931. The mine produced over 2.3 million ounces of silver and 870 ounces of gold until it was forced to shut down to low metal prices and the exhaustion of high-grade ore (Kikauka, 1991).

Interest was rejuvenated in the area in the 1980's due to its proximity to other economically viable exploration sites. In the early 1980's Pacific Cassiar refinanced exploration of the Porter Idaho-Prosperity mine and established a reserve of 830,000 tons of silver averaging at 668 g/t (Cremonese, 2011). Silver prices collapsed in 1981, putting an end to any potential operations on this site. Discovery and drilling of Snip (1986) and Eskay Creek (1988) – two of the largest mines in the area – brought even more focus onto the Golden Triangle including Stewart (Kikauka, 1991).

According to British Columbia MINFILE records, there are two historical showings on the Golden Ivan property (Gold Ore and Magee) and four others in close proximity to the Property (Silverado, Molly B, Red Reef and Barney) (Figure 4.3).

Ownership

Exploration and mining over today's Golden Ivan Property, has taken place since the 1910's under different operators and over several different showings and areas. Claims have been acquired, throughout the Property history. Table 4.2 shows the type of work registered in the Assessment Report Indexing System of British Columbia ("**ARIS**") between 1980 and 2019 along the different owners or operators of claims overlapping today's Property claims.

The Melvin Syndicate bought the Melvin Group of claims in 1928 within what today is known as the Magee – Sky Anex showing. In 1980, Western Hemisphere Mining Corporation (Western Hemisphere) owned the Magee Claim Group overlapping area of claims previously known as the Melvin group and part of today's Property. Western Hemisphere abandoned the claims.

During 1981, Komody Resources Ltd. ("**Komody**") held claims overlapping today's Property, including the claim groups Red Reef and Sky. Komody performed exploration outlined in Assessment report 10004 and later abandoned the claims.

From 1984 until 2016 Teuton Resources Corp. ("**Teuton**") owned several claims overlapping present's Golden Ivan's area. Teuton performed geological, geophysical and geochemical work. By 2016 most claims had been forfeited.

Fleck Resources Ltd. ("**Fleck**") owned the area of Wild Weasel, including the Molly B. showing, performing geochemical and geological work. No further work was filed by Fleck and claims were not renewed.

Between 1990 and 1991 White Channel Resources Inc ("**White Channel**"), held and filed work on the Gee group of claims, overlapping the southwest claims of today's Golden Ivan's Property area, adjacent to the Magee Sky Annex showings. No further work was filed and claims were not renewed.

Claims were re-staked by Charles Hugh Maddin after being forfeited from Teuton, on February 2016 and later on, in June 2018, transferred to Granby Gold Inc. ("**Granby**"). Granby performed geological and geophysical work and filed a report in 2019.

In a press release dated October 13, 2020 Power Nickel (at the time, "Chilean Metals Inc.") announced it had reached agreement with Granby to acquire 100 % of the Golden Ivan Property subject only to a 2.5% NSR royalty. On July 12, 2021, Chilean Metals Inc. changed its name to Power Nickel Inc. and created a subsidiary Consolidated Gold and Copper Inc. to hold the interests in the British Columbia Golden Ivan Property. In 2021, Power Nickel performed

prospective work on the claims including geochemical, geology and mapping (Section 4.3.6 *Exploration*).

By August 8, 2022 Golden Ivan Property's mineral claims were transferred to Consolidated Gold and Copper Inc. No further work has been carried on the Property since 2021.

Figure 4.3. MINFILE BC Mineral Occurrences

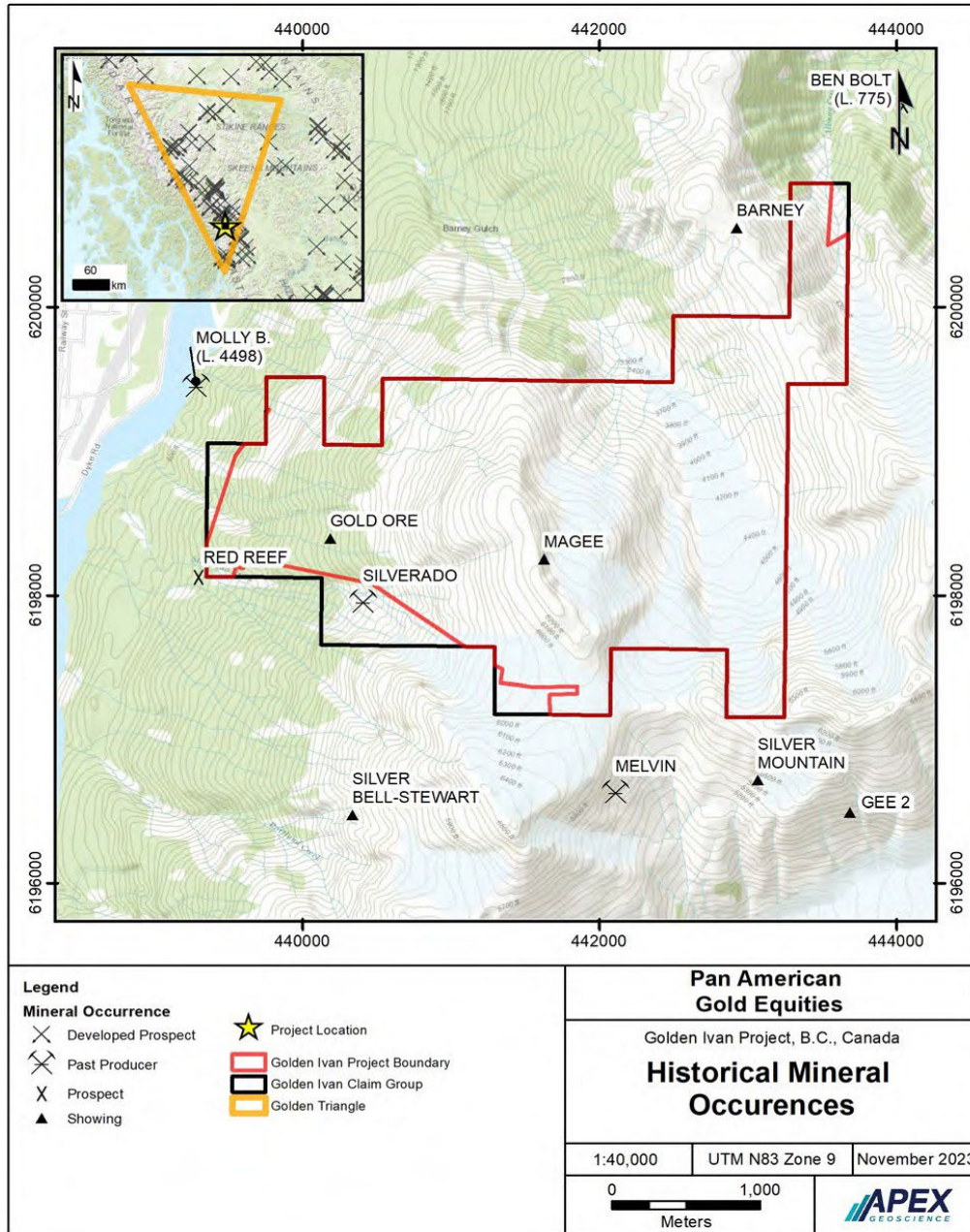


Table 4.2. Golden Ivan Property previous work and owners on ARIS 1980-2019

ARIS NUMBER	REPORT YEAR	PROPERTY NAME	GENERAL WORK TYPES	CLAIM NAMES	OPERATOR NAMES	AUTHOR NAMES
8650	1980		Geological	CHINOOK; MAGEE; MELVIN; TACOMA	Western Hemisphere Mining Corporation	Ostler, John Davic
8403	1980	Magee Property	Geochemical; Geological	MAGEE; MELVIN; TACOMA	Western Hemisphere Mining Corporation	Brownlee, Douglas J.; Fairbank, Brian D.
10004	1981	Slide	Prospecting	CONTACT; RED REEF; SKY	Komody Res.	Cremonese, Dino M.
13527	1985		Geophysical	RED REEF; REEF 1; SKY	Teuton Resources Corp.	Cremonese, Dino M.
14341	1986		Geochemical	RED REEF; RED REEF NO. 1; RED REEF NO. 4; SKY ANNEX	Teuton Resources Corp.	Cremonese, Dino M.
15574	1987	*	Geochemical; Prospecting	Reef 1; Sky Annex	Teuton Resources Corp.	Foerster, J.V.
15813	1987	*	Geochemical	Red Reef	Teuton Resources Corp.	Cremonese, Dino M.
19445	1989	Wild Weasel	Geochemical; Geological	Golden Fleck; Molly B (L. 4498); Stan Pat	Fleck Resources Ltd.	Kuran, David L.
20001	1990	Red Reef	Geophysical	Red Reef; Sky	Teuton Resources Corp.	Murton, J.C.
21381	1991	Sky	Geochemical	Sky	Teuton Resources Corp.	Wilson, G.L.
21101	1991	Gee	Geochemical; Geological	Gee 1-2; Ma 1	White Channel Resources Inc.	Kikauka, Andris (FMC # 114051)
22401	1992	Red Reef	Prospecting	RR 1	Teuton Resources Corp.	Cremonese, Dino M.
23402	1994	RR	Prospecting	RR 1-2	Teuton Resources Corp.	Cremonese, Dino M.
32668	2011	Silver Mountain	Geochemical	508232; 508233	Teuton Resources Corp.	Cremonese, Dino M.
37908	2019	Silver Ivan	Geological; Geophysical	1042118; 1042127; 1053908; 1053910; 1053913; 1053915; 1053917; 1054001; 1054004; 1054054; 1055675; 1058079; 1058083	Granby Gold Resources Inc.	Campbell, Christopher

Geological and Geochemical Exploration History

In July 1980, work completed by D.J. Brownlee and B.D. Fairbank for Western Hemisphere Mining Corp. exhibited soil anomalies and economic mineral showings on the Magee claims. All of sampling was completed outside of the Golden Ivan Property (current tenure no. 1046708), however a small portion of tenure no. 1053917 was included in the geological mapping. In September 1980, a more exhaustive geological and geochemical reconnaissance was completed by J. Ostler for Western Hemisphere Mining Corp. Yet again, most of the field work was conducted outside of the Golden Ivan property in tenure no. 1046708, though Ostler did re-visit the area that Brownlee and Fairbank had mapped in tenure no. 1053917. A mineral showing (tetrahedrite stained rock) was sampled and the showing was trenched down 2 metres with no other economic

mineralization being encountered. The rock sample returned 3.11 g/t of silver (0.1 oz/t) (Osler, 1980).

A prospector by the name of N. Benkovich spent two days in September 1981 prospecting several claims for Komody Resources Ltd. (current tenure no. 1053915, 1053908, 1042118). While traversing, numerous adits were discovered, and two sets of mineralized quartz veins were noted 1) east-west striking and 2) northwest-southeast striking (Cremonese, 1982).

Field work was carried out in the fall of 1985 in two different areas of the Property for Teuton Resources Corp. In the lower parts of the Property (current tenure no. 1053915 and 1042127) – twenty-eight soil samples, twenty-three representative grab samples and five stream sediment samples were collected east of the Bear River. The soil samples results ranged from 5-40 ppb gold with 0.3-2.5 ppm silver. Rock samples 9415-9416 returned silver values from 11.82-931.22.78 g/t (0.38-29.94 oz/t) and sample 9419 returned 2,177.21 g/t silver (70.0 oz/t). Significant results from the stream sediment samples include sample S-18, which returned 20,000 ppb gold and sample S-20 which returned 3,100 ppb gold with 294.3 ppm silver. In the upper reaches of the Property, north of the Silverado Glacier on the Sky Annex claim, limited field work was conducted using mountaineering equipment. The findings included several well-mineralized quartz veins and high-grade float in the vicinity, suggesting that the Porter Idaho-Prosperity shear zones may be in the area (Cremonese, 1986).

A prospector by the name of J.H. Foerster carried out field work for Teuton Resources Corp. on the Sky Annex and Reef 1 claims (current tenure no. 1042127 and 1053913), collecting thirty-one rock samples. Six samples returned silver values between 180.09- 1,179.74 g/t (5.79-37.93 oz/t) (Foerster, 1987). Following up on his field work from the previous year, Foerster completed grid construction and geochemical sampling on the Red Reef mineral claim (current tenure no. 1053910) for Komody Resources Ltd., collecting sixty-five samples. Three samples returned anomalous gold values of 4,750 ppb, 600 ppb and 1,440 ppb (Cremonese, 1987).

In September 1990, White Channel Resources Inc. completed geological mapping and collected two rock chip samples and nineteen soil samples within the Ma 1 claim (current tenure no. 1054001, 1053917 and 1054004). Encouraging soil sample results were returned with values up to 7.0 ppm silver, 295 ppm lead and 1,625 ppm zinc. Rock sample 88001 produced 1.31% copper and 19.7 g/t silver. Field mapping recorded mineralized shear zones with similar geological sequences to the Porter Idaho-Prosperity mine (Kikauka, 1991).

A small team from Teuton Resources Corp. carried out a field program in 1990 within the RR1 claim (current tenure no. 1055675 and 1053915) along strike of the Oral M shear. A 1991 private report prepared for Teuton by G.L Wilson records a 1.5 metre outcrop chip sample returning 41.49 g/t gold (1.334 oz/t), 81.80 g/t silver (2.63 oz/t) and 9.27% copper. Follow up field work was completed in 1991 with fourteen rock samples and ten soil samples collected. One rock sample yielded 147 ppb gold, 3.6 ppm silver and 598 ppm copper – but generally the field results were not encouraging. It was recommended to sample between the 1990 and 1991 locations to bridge the sample gap (Cremonese, 1992b).

In early 1991, ten rock samples were collected on the Red Reef and Sky claims (current tenure no. 1053915, 1042118 and 1053908) for Teuton Resources Corp. The sampling failed to return positive results (Wilson, 1991).

J. Donaldson carried out a one-day geochemical program on the RR1 and RR2 claims (current tenure no. 1055675, 1053915, 1053908, 1053910 and 1054001) in March 1994 on behalf of

Teuton Resources Corp. Eleven rock samples were collected with one sample recording 118,000 ppb gold. From 1987 to 1993, small geochemical sampling programs were concentrated near the western margin of the RR1 claim to assess the strike of the Oral M deposit (Cremonese, 1994).

In 2004, Alex Walus conducted a small rock geochemical program within the Silver Mountain claim block on behalf of Teuton Resources Corp. Four of the eleven geochemical samples collected are located within the current Golden Ivan Property (current tenure no. 1053917). The samples collected on the Property failed to produce any significant results; however, four samples collected to the southwest produced anomalous silver values up to 43.1 ppm (Mastalerz and Cremonese, 2006). In 2011, Teuton Resources Corp. personnel completed two traverses in the Silverado Mountain claim, one of which is within the Golden Ivan Property (current tenure no. 1042127). Thirty rock samples were collected (sixteen float and fourteen grab). A number of samples returned anomalous results including 409 ppm silver, 723 ppb gold, 40,000 ppm lead and 23,310 ppm zinc in sample SM-26. All of the anomalous samples were collected from quartz veins hosting indicator minerals (Cremonese, 2011).

MINFILE Showings

According to British Columbia MINFILE records, there are two historical showings located within the Golden Ivan Property (Gold Ore and Magee) and four others in close proximity to the Property (Silverado, Molly B, Red Reef and Barney), which are described here given the relevance to the Golden Ivan mineralization and exploration history. The following sections are summarized from MINFILE entries. Locations of the MINFILE occurrences are shown in Figure 4.3.

Gold Ore

The Gold Ore showing (MINFILE Number 103P 087) is located 2.5 kilometres southeast of Stewart in the western part of the Golden Ivan claim block. The showing, reported in 1925, consists of two parallel, west striking quartz veins about 120 metres apart, hosted in greenstone of the Lower Jurassic Unuk River Formation (Hazelton Group). The south vein contains sparse patches and disseminations of pyrrhotite and traces of galena, and the 2.7 m wide north vein contains sparse pyrrhotite.

A sample of pyrrhotite with minor galena from the south vein assayed 0.66 g/t gold and 1354 g/t silver; and a 1.37 metre chip sample across the south vein assayed 0.33 g/t gold, 168 g/t silver and 1.61% lead (British Columbia Bureau of Mines, 1926).

Magee – Sky Annex

The Magee occurrence (MINFILE Number 103P 075) is located 4 kilometres east-southeast of Stewart within the central part of the Golden Ivan claim block. The showing, reported in 1980, consists of a 0.3 metre wide tetrahedrite bearing quartz vein striking 128° and dipping 18° northeast. The vein is hosted in dacitic tuff of the Lower Jurassic Unuk River Formation (Hazelton Group). A sample assayed 2.58 g/t silver, 0.46% copper and trace lead (Ostler, 1980). In 1986, a rock sample (#2173) by Teuton Resources Corp. assayed 15.2 g/t silver (Foerster, 1987).

Silverado

The Silverado occurrence (MINFILE Number 103P 088) is located 3 kilometres southeast of Stewart, within Crown granted claims overlapping the southwest Golden Ivan claim block. Several shipments of high-grade ore were made from this occurrence, discovered in 1920, between 1921

and 1932. The occurrence is hosted in volcanic breccias, conglomerates, sandstones and crystal tuffs of the Lower Jurassic Unuk River Formation (Hazelton Group). These are intruded, to the west, by Eocene granodiorite of the Hyder pluton (Coast Plutonic Complex) and are unconformably overlain, to the east, by clastic sediments of the Middle Jurassic Salmon River Formation (Hazelton Group).

Four major, subparallel shear zones are developed in northwest striking, gently east dipping andesitic tuff breccias. The tuff breccias are cut by a few northwest striking, steeply west dipping porphyritic granodiorite and lamprophyre dikes. The shear zones, generally striking 130° and dipping between 63° and 76° southwest, vary in width from a few centimetres to 4.6 metres. The zones have been traced vertically for up to 300 metres, along surface for between 100 metres and 490 metres and southeastward up to the terminus of the Silverado Glacier.

Mineralization occurs as discontinuous quartz lenses, up to 1.8 metres wide and 60 metres long, hosted within shear zones. The lenses contain massive galena, sphalerite, and pyrite with minor chalcopyrite, tetrahedrite, pyrargyrite, argentite and native silver. The wallrocks are variably silicified and weakly pyritized and epidotized. A 0.381 metre chip sample from the number 1 shear zone assayed 0.69 g/t gold, 2866 g/t silver, 8.9% lead, 6.3% zinc, 0.20% copper and 0.09% cadmium; a second 0.102 metre chip sample across the same shear zone assayed trace gold, 7870.7 g/t silver, 29.8% lead, 12.8% zinc, 0.47% copper and 0.14% cadmium (British Columbia Department of Mines, 1947).

Various quartz veins occur in this vicinity. These are gently dipping, up to 2 metres wide and mineralized with abundant tetrahedrite and pyrite. The veins have averaged 4285 g/t silver; samples of pure tetrahedrite have assayed up to 34,000 g/t silver (British Columbia Bureau of Mines, 1928).

Between 1921 and 1932, 167.8 tonnes of sorted high-grade ore were produced. A 12.7- tonne shipment in 1927 averaged 3400 g/t silver equivalent for silver combined with minor gold and lead values (British Columbia Bureau of Mines, 1928).

In 1920, the Silverado group of claims was staked and prospected intermittently until 1928, when the Premier Gold Mining Company undertook a programme of underground work designed to develop at depth, showings of high-grade silver ore found under the toe of the Silverado Glacier. The result of about 1219 metres of crosscutting, drifting and raising was disappointing, and development ceased in 1930. Subsequently, a drift beneath the surface showings, known as Zero level, was extended by leasers, and from this and surface workings small shipments of hand-sorted silver ore were made.

Differential recession of the glacier of 183 to 305 metres from its position in 1923, by revealing continuations of structures in which the high-grade silver ore was found, has renewed interest in the property (ca. 1946). During the summer of 1946, a crew of variable size, averaging about twenty, was employed, mainly in surface construction. Two men were engaged in sampling surface and underground exposures and two others advanced Zero level 16.7 metres. Raises from the lower levels are being re-timbered so that men can reach Zero level. A Pioneer-drive tram line 1341 metres long was erected, connecting this point with the portal of the lowest mine workings, at an elevation of 900 metres. A new bunkhouse for sixteen men was built near the lowest mine workings. Seven days were spent examining the main surface showings and underground workings on the Silverado group, and a reconnaissance was made over the saddle of Mount Rainey.

Molly B.

The Molly B. occurrence (MINFILE Number 103P 085) is located 500 metres east of the main runway of the Stewart Airport, and approximately 500 metres west of the Golden Ivan claim block. Various siliceous skarn zones have been explored in this area since 1910. The Molly B. was located in 1935 and in 1936, Premier Mining Co. drilled seven holes. In 1939, the Stewart Canal Mining Co. took over and produced until 1941. Minor development and drilling took place in 1947 and 1948.

The occurrence consists of at least two skarn zones, developed in hornfelsed and variably schistose argillites, tuffs, quartzites and minor limestone of the Lower Jurassic Unuk River Formation (Hazelton Group). These beds, intruded to the south and north by Eocene granodiorite of the Hyder pluton (Coast Plutonic Complex), generally strike 125° and dip between 60° and 90° southwest. A few granitic dikes crosscut the sequence.

A skarn altered limey siltstone bed within thin-bedded siltstone, striking 120° and dipping 65° to 75° southwest, has been traced southeast from the east bank of the Bear River for 30 metres. The limey beds vary in thickness between a few centimetres and 3 metres, averaging between 1 and 1.8 metres. Mineralization consists of scheelite and disseminated molybdenite, pyrite, chalcopyrite, pyrrhotite and sphalerite in a gangue of diopside, garnet, epidote and minor calcite. A 163 kilogram sample of hand-sorted ore averaged 4.2% molybdenum, 1.5% tungstic oxide (WO₃) (1.2% tungsten) and 0.4% zinc (Stevenson, 1943). A 1.68 metre channel sample across the skarn zone assayed 0.37% tungstic oxide (0.29% tungsten) and 0.17% molybdenite.

Approximately 300 metres south of the scheelite-molybdenite skarn, a zone of silicification and skarn alteration occurs in argillite. This zone, containing bands of epidote and garnet, parallels bedding, has been traced for 195 metres and varies from 1 to 5.2 metres in width. It contains stringers, bands and lenses of quartz with disseminations, stringers, blebs and massive patches of pyrrhotite, chalcopyrite, pyrite and trace sphalerite. The mineralization becomes more intense where the zone is cut by narrow shears and cross fractures which strike 026° to 031° and dip 45° to 90° northwest. A composite chip sample over a length of 14.0 metres and an average width of 2.7 metres assayed 3.4 g/t gold, 10.3 g/t silver and 0.8% copper (British Columbia Department of Mines, 1938).

Between 1940 and 1941, 290 tonnes were mined from the precious metal-bearing zone with an average grade of 2.36 g/t gold, 12.01 g/t silver and 0.716% copper.

A portion of the claim group, the Molly B. claim, was originally named the Oral M group and hosts the majority of the known mineralization on the claims. It was located in 1935 by the Premier Mining Co. along strike from another mineralized zone at river level called the Molly B. The Molly B., now covered by I.R. 19, was located in 1915. In 1936, the surface trace of the silicified auriferous sulphide zone of the Oral M was stripped, trenched and seven small diameter diamond-drill holes were completed. In 1937, Premier Mining drove roughly 84 metres of drift at the 200 metre-level. Premier Mining dropped the property in 1938 and the Stewart Canal Gold Mining Co. took over the operation and shipped a small amount of ore. The property lay dormant during the war years.

In 1947, a lower adit at the 153 metre-level was driven on the Oral M structure for 88 metres. The zone exposed at the face was reported to be 3.4 metres wide but assays returned low values. In 1948, seven small diameter underground diamond-drill holes were completed from the 153 metre-level. Core recovery was poor and the results were inconclusive.

In December 1988, the property was offered to Fleck Resources Ltd. by D. Javorsky. A fifty per cent interest would be given to Fleck Resources in return for funding the opening of the 200 metre-level of the Oral M workings and conducting a surveying and sampling program. This work was completed in January of 1989. In October 1989, Fleck Resources conducted a surface transit survey and a sampling program on the Oral M workings and a wider scale prospecting, mapping and sampling program along the western margin of the claims. In 1999, L.E.H. Ventures Ltd. optioned the property.

During 2005 through 2010, Auramex completed programs of prospecting, geological mapping, geochemical sampling and airborne geophysical surveys on the area as the Bear River-Surprise Creek property.

Red Reef

The Red Reef occurrence (MINFILE Number 103P 094) is located 2 kilometres southeast of Stewart, and immediately west of the Golden Ivan claim block. Various showings have been investigated in this area since 1910. The occurrence is hosted in argillite and tuff with minor intercalated recrystallized limestone of the Lower Jurassic Unuk River Formation (Hazelton Group) adjacent to Eocene granodiorite of the Hyder pluton (Coast Plutonic Complex). The bedded units strike 116° to 130° , dip 70° to 78° southwest and are locally folded and cut by granitic pegmatite and lamprophyre dikes.

The showing consists of siliceous skarn zones up to 3 metres wide, developed parallel to the bedding of the enclosing rocks. The zones contain massive patches, blebs, disseminations and stringers of pyrrhotite, pyrite, minor chalcopyrite and bornite in a gangue of quartz, garnet, epidote, diopside and biotite. These zones are often cut by northwest and northeast striking lenses, veins and stringers of quartz and massive pyrrhotite, pyrite, galena and sphalerite with disseminated chalcopyrite.

Chip sampling in an adit resulted in copper assays of between 0.62% and 3% (Property File - Ramani, 1974). Chip sampling along a skarn zone over a length of 15 metres and a width of 2.4 metres assayed trace gold and silver (Property File - Mandy, 1937).

In 1910, work comprised 6 metres of tunnel and various open cuts. In 1913, the main tunnel was continued a distance of 23 metres and a body of quartz, carrying low copper and gold values, was intersected. This quartz was crosscut for a distance of 6 metres before running into the country rock, giving a total width of quartz of 7.6 metres. The crosscut was then continued another 7.9 metres, but without encountering any orebodies other than one or two small stringers. On one of the outcrops above this tunnel, 6 metres was driven in on a quartz vein about 1.2 metres in width, also carrying low gold and copper values. In 1938, some additional drifting was done by contract during the summer.

Barney

The Barney occurrence (MINFILE Number 103P 327) is located approximately 4.5 kilometres northeast of Stewart, and approximately 500 metres from the Golden Ivan claim block. The area is underlain by the Middle Jurassic Salmon River Formation (Hazelton Group) and is intruded to the east by Tertiary stocks (Coast Plutonic Complex).

Locally, fine-grained ash flow lapilli tuff laminated with thin black argillite layers and a well silicified, altered and oxidized ash flow lapilli tuff with minor outcrops of limestone occur. To the south, a

large stock of pyritized and weakly sericitized quartz monzodiorite outcrops. Mineralization consists of massive sulphides of arsenopyrite, pyrrhotite and pyrite. Gold mineralization is reportedly associated with arsenopyrite. Between 1989 and 1993, Minvita Enterprises completed programs of rock and soil sampling and a VLF-EM survey. In 1991, a north-south trending mineralized zone was identified over a distance of 100 metres. Rock sampling at this time returned up to 13.5 g/t gold over 1.0 metre (Cremonese, 1992a).

Geophysical Exploration History

In 1984, Apex Airborne Surveys Ltd. flew a 24 line kilometre (line-km) helicopter-borne multifrequency electromagnetic and magnetometer geophysical surveys over the Reef 1, Red Reef, Sky, Sky Annex claims, and Crown grants 1405 and 1408 (current tenure number 1042127, 1053913, 1042118, 1053910, 1053908 and 1053915) on behalf of Teuton Resources Corp. to test for silver-lead-zinc veins and shear zones. A total of eleven electromagnetic conductivity/permeability responses were identified. The conductive responses were low amplitude and were not thought to be related to metallic mineral concentrations. The permeability records are strong, but likely due to the magnetic content in the underlying volcanic rocks and are not considered anomalous (Cremonese and Sheldrake, 1985).

In 1990, Western Geophysical Area Data Ltd. flew an 8.1 line-km helicopter-borne magnetic and VLF-EM survey over Red Reef and Sky claims (current tenure no. 1053915, 1055675, 1042118, 1053908 and 1053910) on behalf of Amphora Resources. This survey was undertaken to determine favourable exploration target areas and to aid in the geological mapping interpretation. Steep magnetic gradients were observed in the data, along with strong VLF-EM conductors (Murton, 1990).

Precision GeoSurveys Inc (“**Precision GeoSurveys**”) conducted an 88 line-km airborne magnetic and gamma-ray spectrometry survey over Golden Ivan Property in 2018 for Granby Gold Inc. The magnetic survey assisted in structural and geological interpretations of the Property (Figure 4.4). Several areas of interest were identified by the fractal analysis ‘heat maps’ implying structural complexity. Within the grid analysis for contact occurrences (mineralization), three anomalous zones were identified: 1) NE of Magee underneath the extent of the Cambria Icefield; 2) Between Silverado and Gold Ore; and 3) north of Gold Ore. In grid analysis for orientation entropy (structural features) two areas of interest are noted: 1) coincides with the area under the Cambria Icefield; and 2) a large zone between Gold Ore and Magee (Campbell, 2019; Strickland and Goldsmith, 2020).

Th/K ratio heat maps indicated two areas of interest with a low Th/K (low thorium, high potassium) ratio (Figure 4.5): 1) NE of Mount Magee, but likely due to lack of vegetation and topography; and 2) SW-NE across topography is likely from increased potassium (Campbell, 2019; Strickland and Goldsmith, 2020)

Figure 4.4. 2018 Airborne Magnetic Calculated Vertical Gradient (CVG) with Historical Rock Sampling

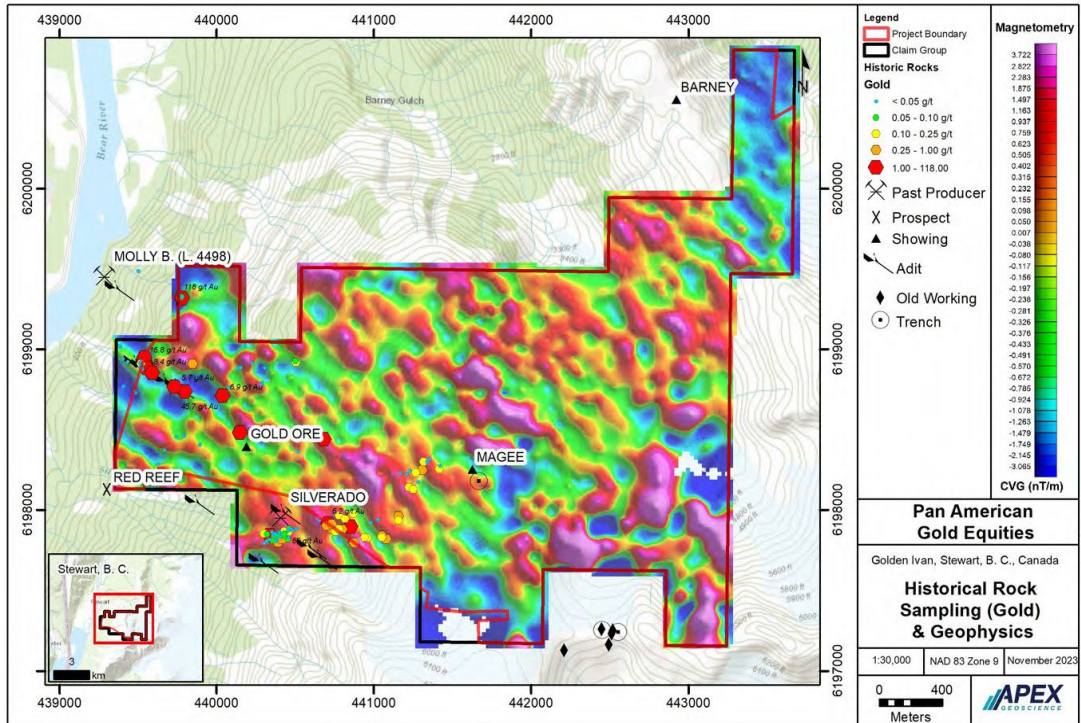
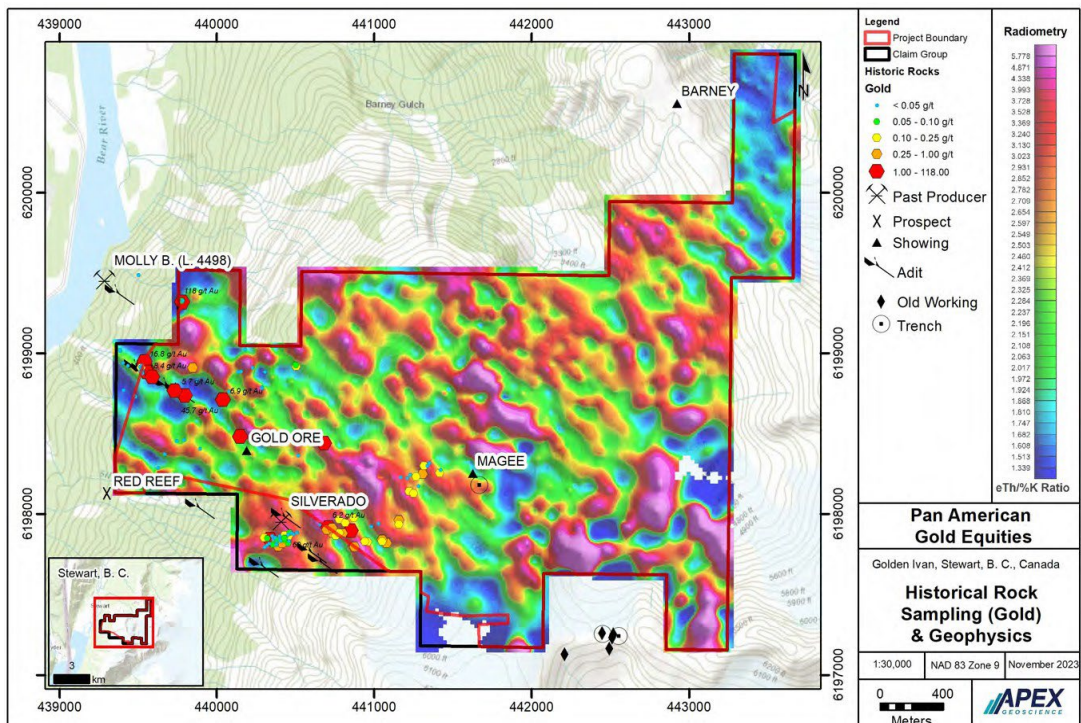


Figure 4.5. 2018 Airborne Radiometric Thorium (Th) / Potassium (K) Ratio with Historical Rock Sampling



4.3.4 Geological Setting and Mineralization

Regional Geology

The Golden Ivan Property is located in the Stewart mining camp, within what is now known as British Columbia's Golden Triangle. Mineral deposits within the Golden Triangle developed during the breakup of Rodinia, accumulation of terranes to the western margin of North America and post-accretion deformation and magmatism. The Golden Triangle hosts porphyry, vein type and volcanic massive sulphide deposits (British Columbia Geological Survey, 2018).

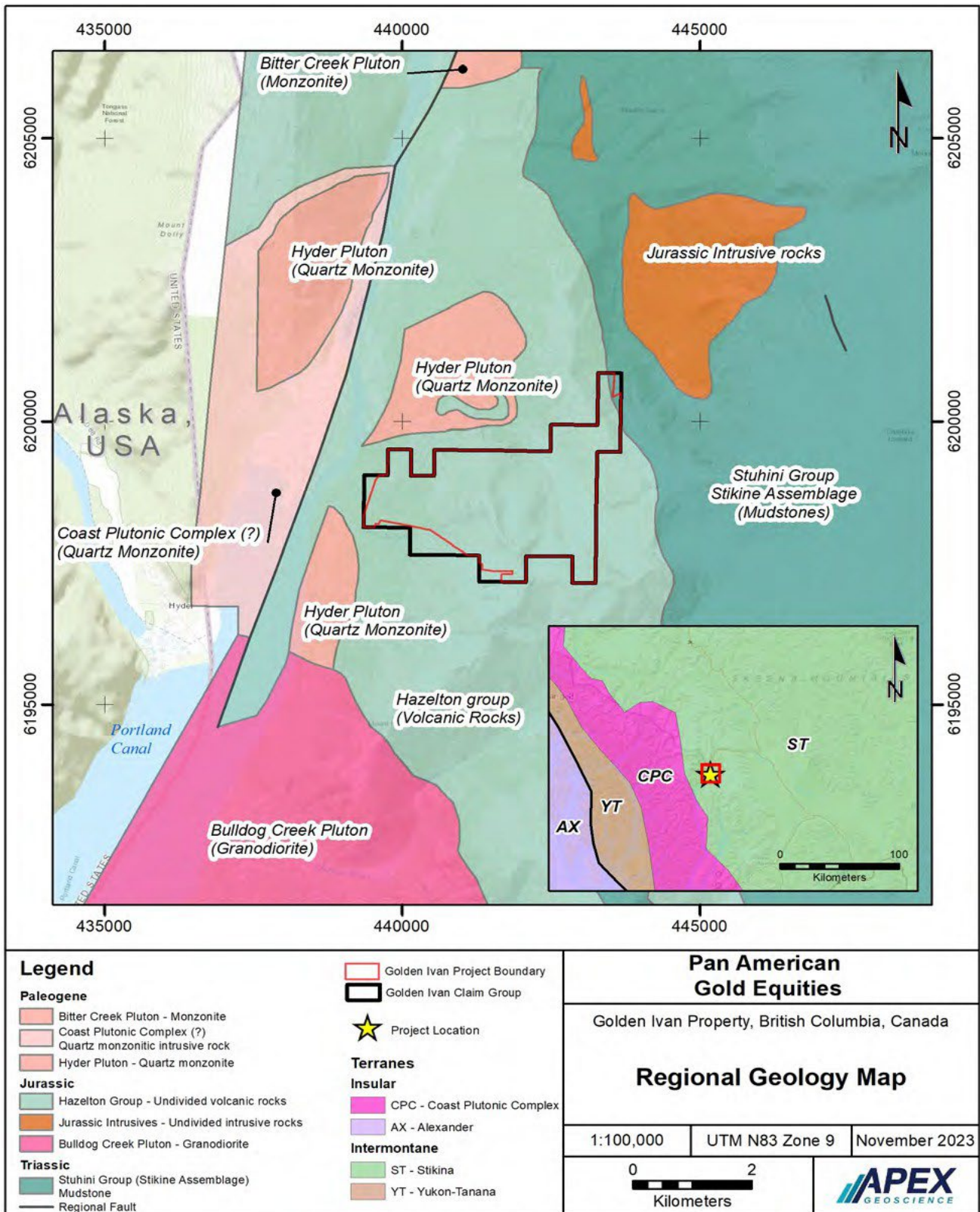
Golden Ivan lies within the Intermontane Belt of the Canadian Cordillera on the western margin of the Stikine terrane (Figure 4.6). It is located at the northern end of the Stewart Complex and flanked on the west by the Coast Crystalline Belt (Coast Plutonic Complex). The Stewart Complex is a northwest trending, east dipping belt of volcanic, sedimentary and metamorphic rocks that lie along the western edge of the Bowser Basin (Strickland and Goldsmith, 2020). The three main stratigraphic units are 1) Middle-Upper Triassic clastic rocks of the Stuhini Group 2) Lower-Middle Jurassic volcanic and clastic rocks of the Hazelton Group and 3) Upper Jurassic sedimentary rocks of the Bowser Lake Group.

Mesozoic magmatism produced numerous plutonic suites in the region. The Stikine Plutonic suite consists of Late Triassic calc-alkaline intrusions (coeval with Stuhini Group) and Early-Middle Jurassic plutons approximately coeval with the Hazelton Group (Strickland and Goldsmith, 2020). Plutons from the Coast Crystalline Belt intruded into the Stewart area in two episodes: 1) Mesozoic granodiorites (coeval with Lower Hazelton Group); and 2) Tertiary quartz monzonite. Dyke swarms are divided into four groups based on texture and composition and represent the latest phase of igneous activity (Campbell, 2019).

Regional metamorphism is generally lower-greenschist facies but can locally appear middle-greenschist or lower-amphibolite facies. Intermittent fine-grained andalusite in Bowser siltstone is observed along with wide-spread medium-grained hornblende in Hazelton volcanic conglomerates (Strickland and Goldsmith, 2020; Campbell, 2019). Country rock alteration is primarily igneous intrusion related and low-grade deformation. Variable induration, silicification, pyritization, hornblendization and potassium feldspar alteration are common contact and shear-zone effects (Campbell, 2019).

In the Stewart area, majority of the established mineral deposits have been developed within the Hazelton assemblage. The Silbak Premier, Big Missouri, Prosperity Porter Idaho, and Indian mines are vein-replacement deposits in the region hosted in deformed and altered equivalents of volcanic epiclastic Hazelton members (Strickland and Goldsmith, 2020).

Figure 4.6 Regional Geology (after Cui et al., 2017, Wilson, 1991, Evenchick et al., 2008)



Property Geology

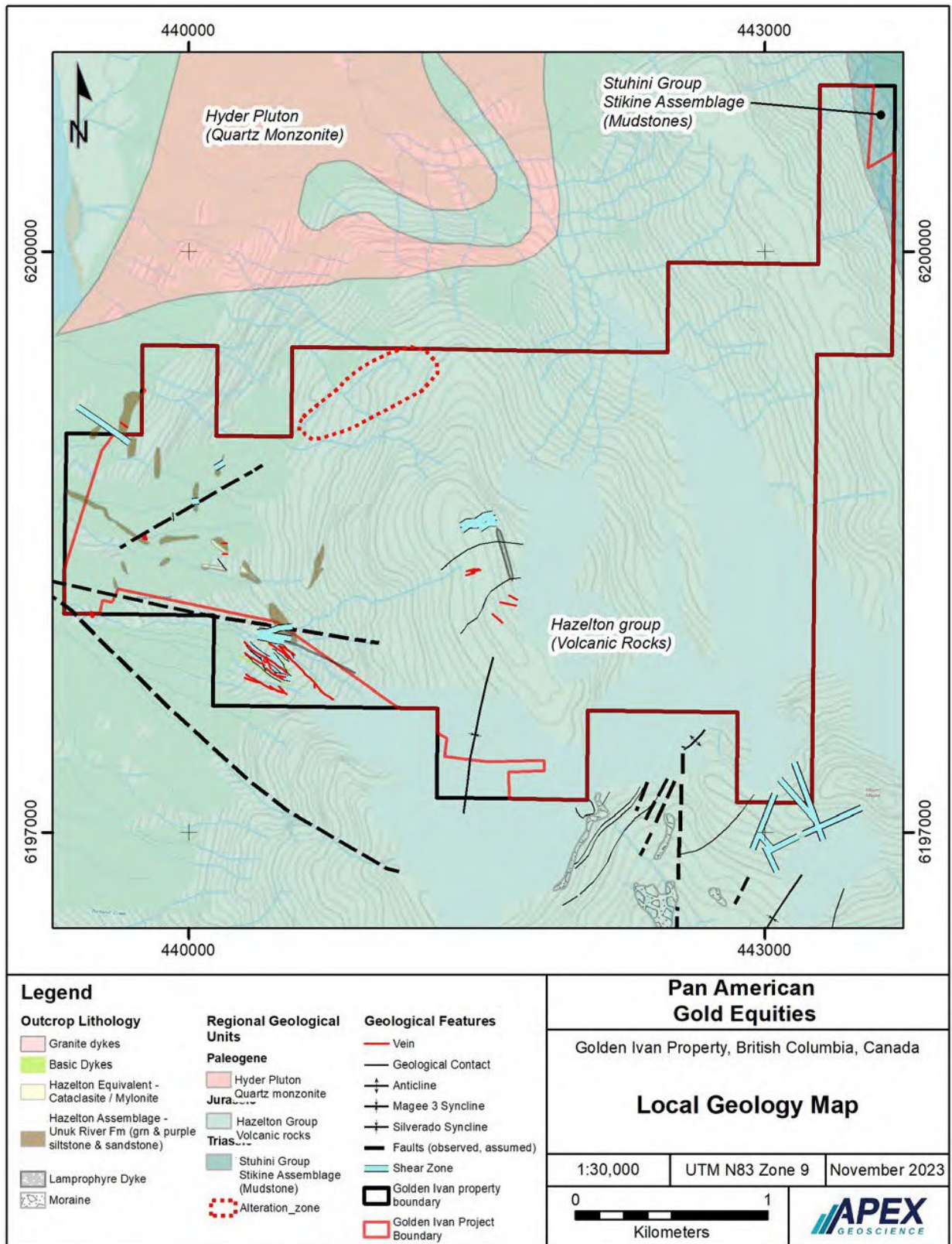
The Golden Ivan Property is underlain primarily by a relatively monotonous succession of lower to middle members of the Jurassic Hazelton Group (Figure 4.7), mainly composed of intermediate volcanics, including fine grained andesites, porphyritic andesites and volcanoclastic layers of primarily andesitic to mafic composition. The strata strike NNW-SSE in the northern and western parts of the Property with moderate to steep eastward dips (Campbell, 2019). The Hazelton Group is in (faulted?) contact with slate- like metasediments (shales/mudstones) of the Stuhini Group (Stikine Assemblage) in the northwest corner of the Property.

The northern and western parts of the Property are underlain by thickly bedded volcanoclastic debris flows, breccias, conglomerates and sand-grade volcanoclastic units of the Unuk River Formation (lower Hazelton succession). These lithologies are sporadically intercalated with thin beds of siltstones, tuffs, tuffaceous sediments, and limestones. The central and northeastern parts of the Property are underlain by finer grained volcanoclastics and epiclastics of the Betty Creek Formation. Eastward (Barney Glacier, Mount Magee), the Betty Creek Formation contacts fine-grained, thinly bedded sediments and greywackes – likely the Salmon River Formation (upper succession). The contact between the two formations is N-S striking (Campbell, 2019).

Golden Ivan covers the central area of the NNW-SSE trending synclinal unit which roughly corresponds to the Mount Rainy Syncline. In the central part, the syncline is cross-cut by a steep NE-SW trending fault which apparently displaces down its northwestern wall rocks just south of Golden Ivan. Northerly plunging parasitic folds and lineations related to the syncline are observed. A smaller scale, north-easterly trending overturned fold plunges steeply NE in the Ryan Glacier area (Grove, 1971).

Most of the Property area exhibits very weak to no alteration, manifesting as chlorite or sericite as vein selvages. The area with the most widespread alteration corresponds to the Lone Goat Zone (Section 4.3.4 *Geological Setting and Mineralization*), located in the north-northwest of the Project. The Lone Goat alteration trend exhibits multiple phase hydrothermal with epidote-quartz-carbonate-chlorite in veins and selvages crosscut by sericite-quartz and dark gray and black silica-sulphide structures. The alteration zone trends east-northeast with tabular structures steeply dipping north (Figure 4.9).

Figure 4.7. Property Geology (after Cui et al., 2017, Wilson, 1991, Evenchick et al., 2008)



Mineralization

Mineralization in the Golden Ivan Property is mainly structurally controlled and spatially associated with quartz/breccia vein systems, which represent the main host of sulphide mineralization ± accessory gold and electrum.

Vein systems and alteration are spatially associated with locally developed NW-SE shear zones that are potentially offset by a NE-SW fault at the western portion of the Property. The dominant NW-SE trend is represented by the Silverado No. 4 and Molly-B East extension while the lesser NE-SW trend is represented by the Silverado No. 4 and Magee Sky Annex. Wall rock alteration associated with this type of mineralization occurs typically as silicification, pyritization and carbonatization.

Several small-scale historical workings (Figure 4.3) occur within the Golden Ivan claim group, comprising surface pits, trenches, and short adits. These include the Gold Ore, Eagle & Big Bell, Magee Sky Annex, and Molly-B prospects near the western claim boundary.

The Molly B. East high-grade gold showing is associated with subvertical southeast trending quartz-pyrrhotite-chalcopyrite veins hosted within andesitic volcanic rocks with fine grained sulphide halos.

The Lone Goat high-grade gold showing comprises an approximately 700 x 200 metre NE-SW trending subvertical zone of multi-stage quartz- epidote-sericite-carbonate altered andesite crosscut by tabular black silica veins up 10 cm wide.

4.3.5 Deposit Types

Mineralization and alteration within the Golden Ivan Property is mainly hosted in quartz- sulphide veins. These veins are hosted in mainly intermediate volcanic rock and exhibit alteration patterns resembling magmatic hydrothermal environments, skarn-like features as well as of structurally controlled deposit characteristics including mesothermal-like veins.

Veins in the Property correspond to shear hosted quartz-sulphide veins with pyrrhotite and pyrite. These veins are commonly associated with intrusion-related gold deposit types, also considered to be transitional between deeper porphyry and shallower epithermal deposits and are sometimes referred to as mesothermal veins (Alldrick, 1996).

Pyrrhotite-rich intrusion-related veins consist of parallel tabular to cymoid arrays emplaced around the periphery of a causative subvolcanic intrusion. Individual veins range from centimetres to metres in width and can be traced for up to hundreds of metres along strike. Mineralization is controlled by faults and shear zones that are spatially associated with porphyritic intrusions and, in some cases, mineralized porphyries (Voordouw and Branson, 2021).

Intrusion related gold systems

Intrusion-related gold systems form ore deposits that are exhibit diverse styles of mineralization, a wide range of mineral and metal assemblages, and spatial association with their related intrusive centers (Lang and Baker, 2001).

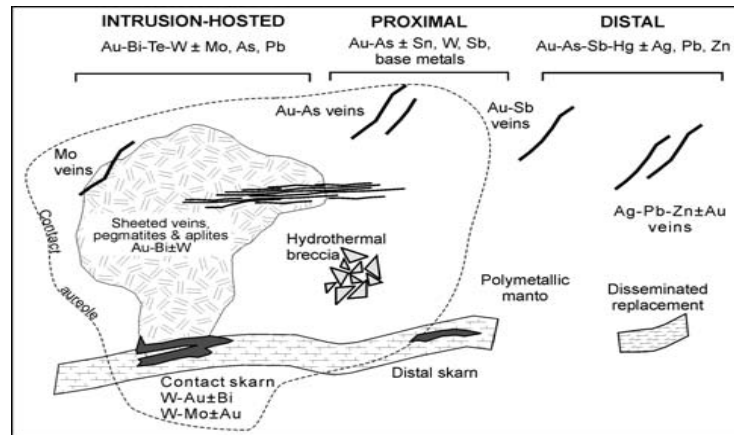
According to Lang et al. (2000), intrusion-related gold deposits are characterized by (1) metaluminous, subalkalic intrusions of intermediate to felsic composition that span the boundary

between ilmenite- and magnetite-series, (2) carbonic hydrothermal fluids, (3) a metal assemblage which variably combines gold with Bi, W, As, Mo, Te and/or Sb, and typically has a low base metal concentration, (4) comparatively restricted zones of hydrothermal alteration, (5) a continental tectonic setting well inboard of inferred or recognized convergent plate boundaries, and (6) a location in magmatic provinces best or formerly known for W and/or Sn deposits. The most characteristic style of deposit is as intrusion-hosted, sheeted arrays of low-sulfide quartz veins with narrow alteration envelopes, but other deposit styles and types are also present and are commonly zoned around the intrusions.

Hart et al. (2000) separated Yukon deposits into three categories based on their spatial relationship to intrusions (Figure 4.8):

1. Intrusion-hosted deposits comprise low grade, large tonnage sheeted and stockwork, low sulphide, auriferous vein systems characterized by metal assemblages containing Au-Bi±Te±Mo±W. Proximal,
2. Proximal, located in the host rocks adjacent to the intrusion generally within the contact metamorphic aureole. Deposits of this group include contact skarn assemblages of W-Au±Bi and W-Mo±Au±Cu (Dublin Gulch property), disseminated carbonate replacements, tin and copper-rich breccias and vein- deposits.
3. Distal deposits are located beyond the limits of the contact aureole.

Figure 4.8 Schematic geological model for intrusion-related gold deposits (Lang and Baker, 2001; adapted from Hart et al., 2000)



Skarn Type deposits

Skarn-type deposits are formed in a similar process to porphyry orebodies (Einaudi et al., 1981). Skarn deposits are developed due to replacement, alteration, and contact metasomatism of the surrounding country rocks by ore-bearing hydrothermal solution adjacent to a mafic, ultramafic, felsic, or granitic intrusive body. They most often develop at the contact of intrusive plutons and carbonate country rocks. The latter are converted to marbles, calc-silicate hornfels by contact metamorphic effects. Mineralization can occur in mafic volcanics and ultramafic flows or other intrusive rocks. The major processes which result in skarn include metamorphic recrystallization of impure carbonate rocks, bimetasomatic reaction between unlike lithologies, and infiltrational

metasomatism involving hydrothermal fluids of magmatic origin. Metal deposits that contain skarn as gangue, termed skarn deposits, may be formed by any combination of the above processes. However, the majority of the world's major skarn deposits are thought to be related to magmatic-hydro-thermal systems (Einaudi et al., 1981)

4.3.6 Exploration

In early 2021, Pan American Gold (formerly Power Nickel) compiled the available historical geological, geochemical and geophysical data, and completed a follow up surface field exploration program at the Golden Ivan Property. The surface exploration program comprised geological mapping as well as rock grab and channel sampling, targeting porphyry-style, epithermal and/or polymetallic vein type precious and base metal mineralization. A total of 218 rock samples were collected, including 7 channel samples and 8 rock grabs for whole rock geochemistry. Magnetic susceptibility measurements were collected on 11 rock samples.

The 2021 Golden Ivan field program was completed between July 28 and August 23, 2021. Yellowhead Helicopters Ltd. was contracted to provide transportation to the claims from their airport base in Stewart, BC.

Mapping and Rock Sampling

Reconnaissance geological mapping indicates that the Golden Ivan Property is underlain by a layered sequence of intermediate to mafic (mainly andesitic) volcanic and volcanoclastic rocks attributed to the lower Jurassic Hazelton Group. The volcanic package is cut by late andesite dykes and rhyolite bodies, while the northeast area of the Property lies in (faulted?) contact with Stuhini Group metasediments (shales/slate) (Figure 4.9).

Zones that were sampled included: Molly B. East, Magee - Sky Annex and Silverado, Lone Goat, Barney, Ice Valley and Marmot (Figure 4.9). A total of 17 of the 210 rock samples collected returned greater than 0.1 g/t Au, up to a maximum of 16.2 g/t gold (Au) with 25 g/t silver (Ag) and 1.56% copper (Cu) in a talus sample from the newly discovered Lone Goat Zone (Table 4.3, Figures 4.9 to 4.13). The Lone Goat gold zone comprises an approximately 200 x 700 metre NE-SW trending subvertical zone of multi-phase quartz-epidote-chlorite-sericite-carbonate altered andesite crosscut by tabular bodies of sulphide-bearing black silica surrounded by gossans.

Channel sampling at the Molly B. East Zone returned up to 15.1 g/t Au over 0.75 metres in addition to anomalous silver (Ag) and base metal (Cu, Pb) values. The Molly B. East gold zone is associated with northwest trending, southwest dipping quartz-sulphide (pyrrhotite-pyrite-chalcopyrite) and southeast trending, northeast dipping quartz-sulphide (pyrrhotite-pyrite) veins hosted within andesitic volcanic rocks and displaying fine grained sulphide halos.

The Lone Goat and Molly B. East gold zones and the historical high-grade gold-silver Molly B trend to the south are coincident with northeast and northwest trending airborne magnetic (low) lineaments respectively

Figure 4.9. 2021 Golden Ivan Exploration Mapping and Rock Sampling: Gold (g/t).

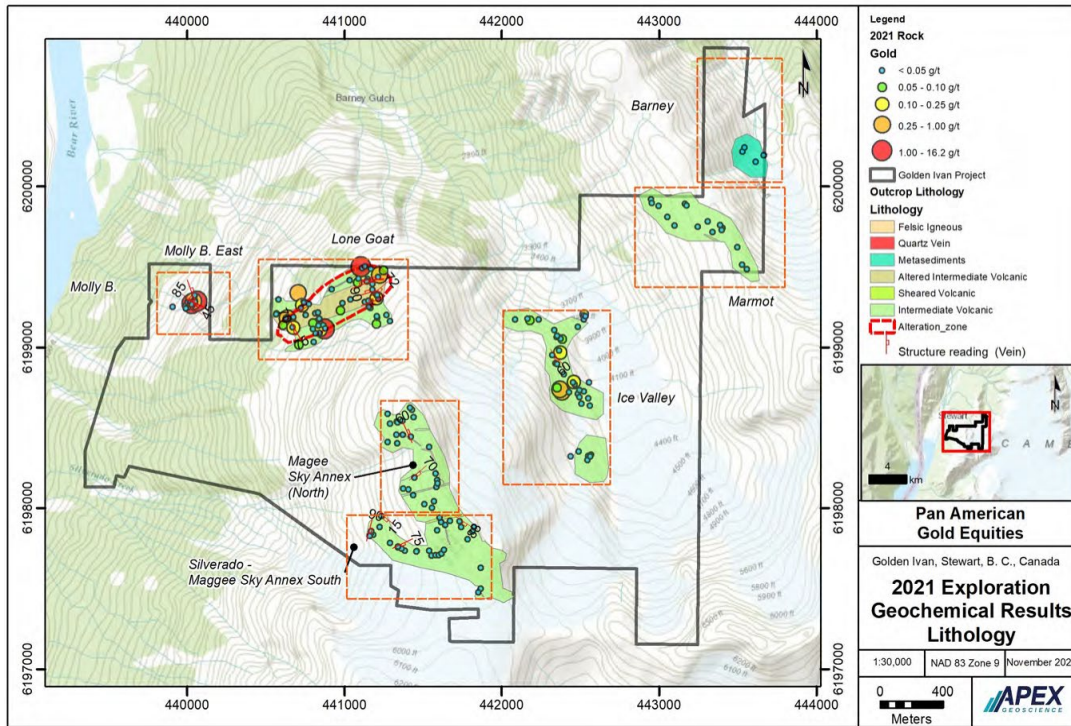


Figure 4.10. 2021 Golden Ivan Exploration Mapping and Rock Sampling: Silver (g/t).

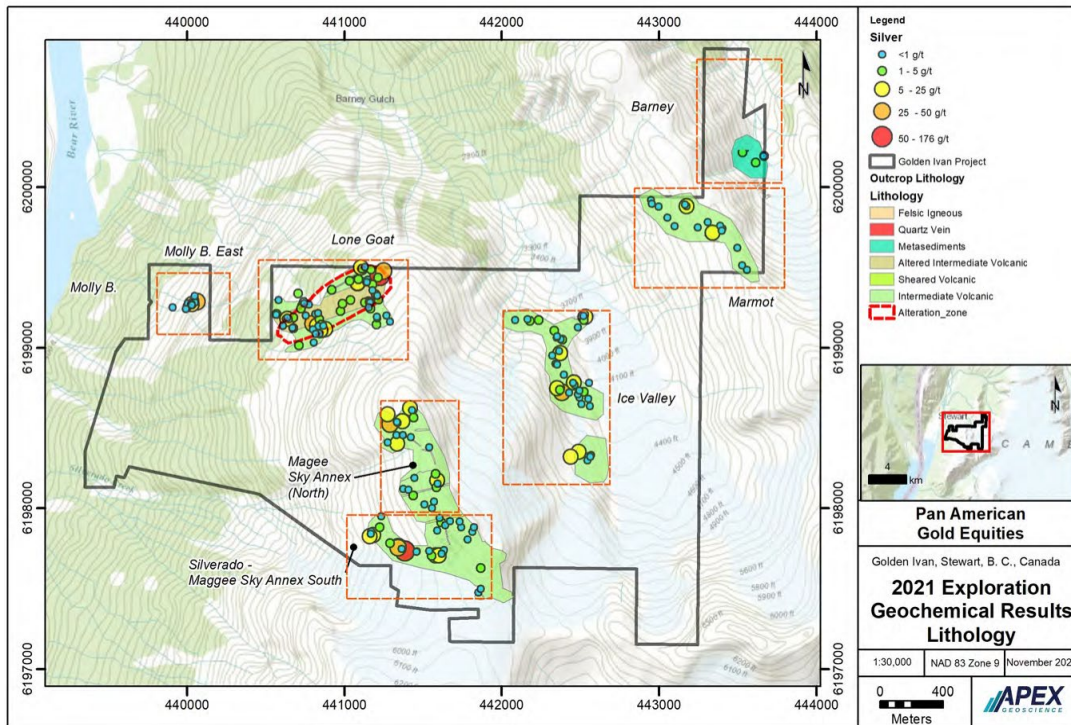


Figure 4.11. 2021 Golden Ivan Exploration Mapping and Rock Sampling: Copper (ppm).

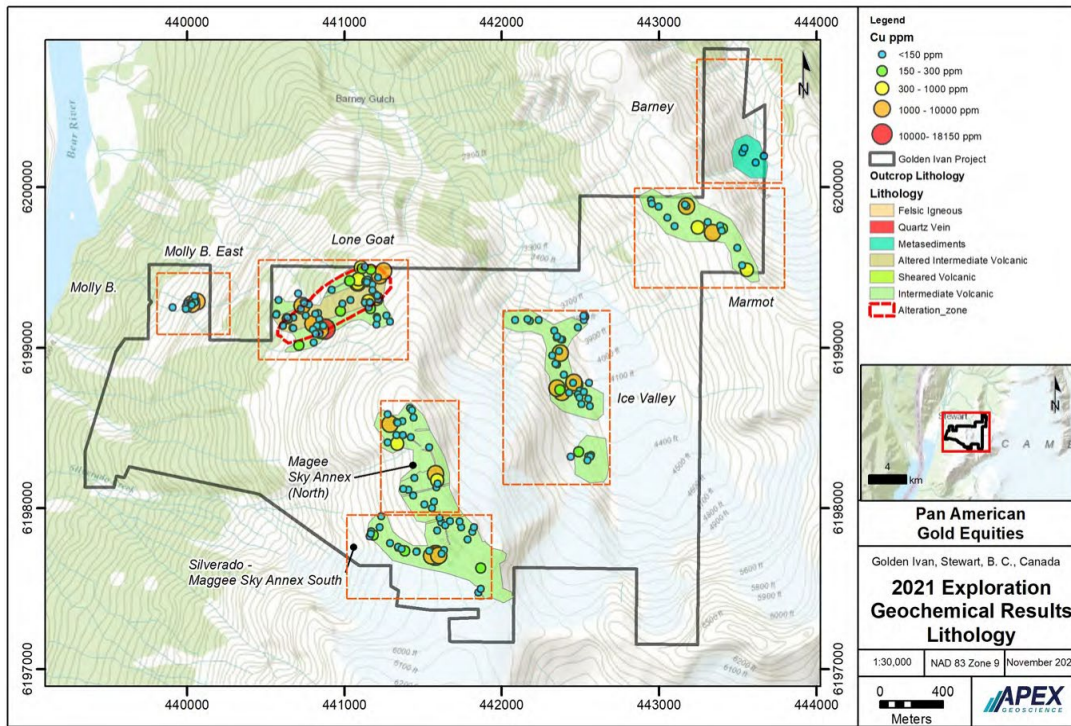


Figure 4.12. 2021 Golden Ivan Exploration Mapping and Rock Sampling: Lead (ppm).

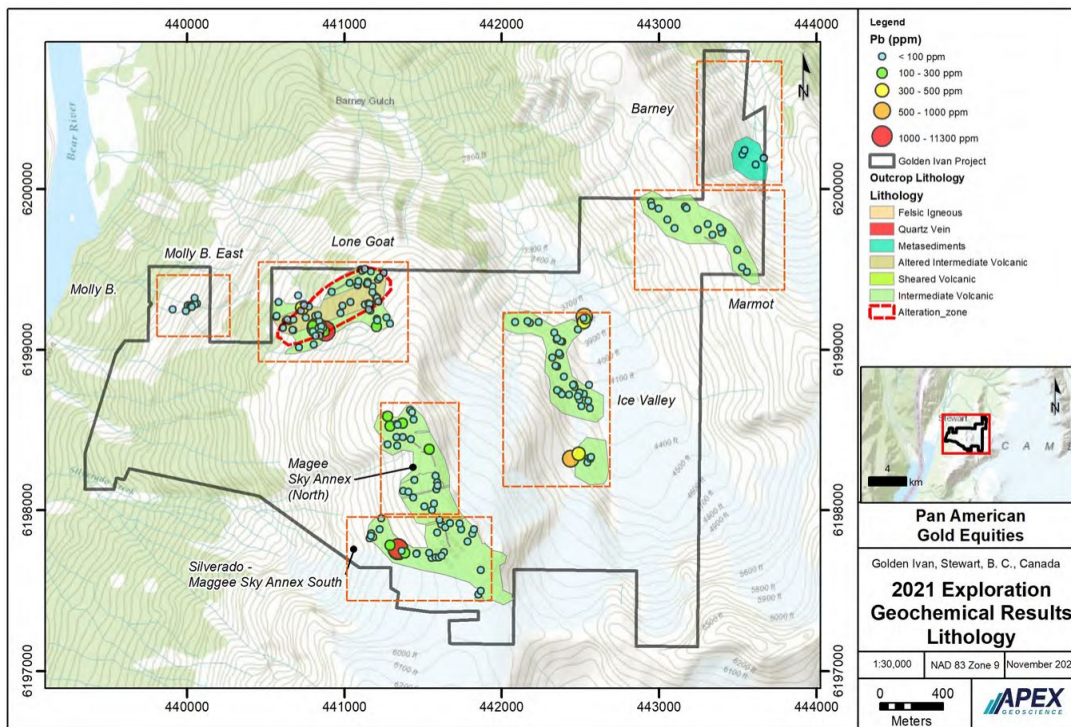


Figure 4.13. 2021 Golden Ivan Exploration Mapping and Rock Sampling: Molybdenum (ppm).

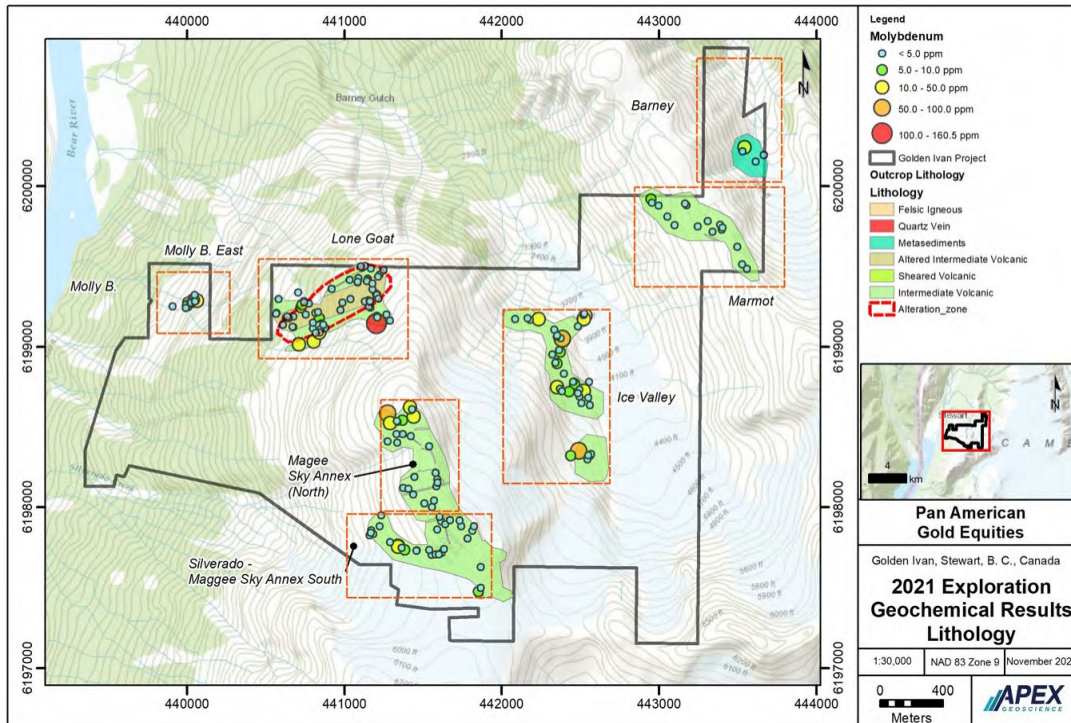


Table 4.3. 2021 Rock Sampling Significant Results.

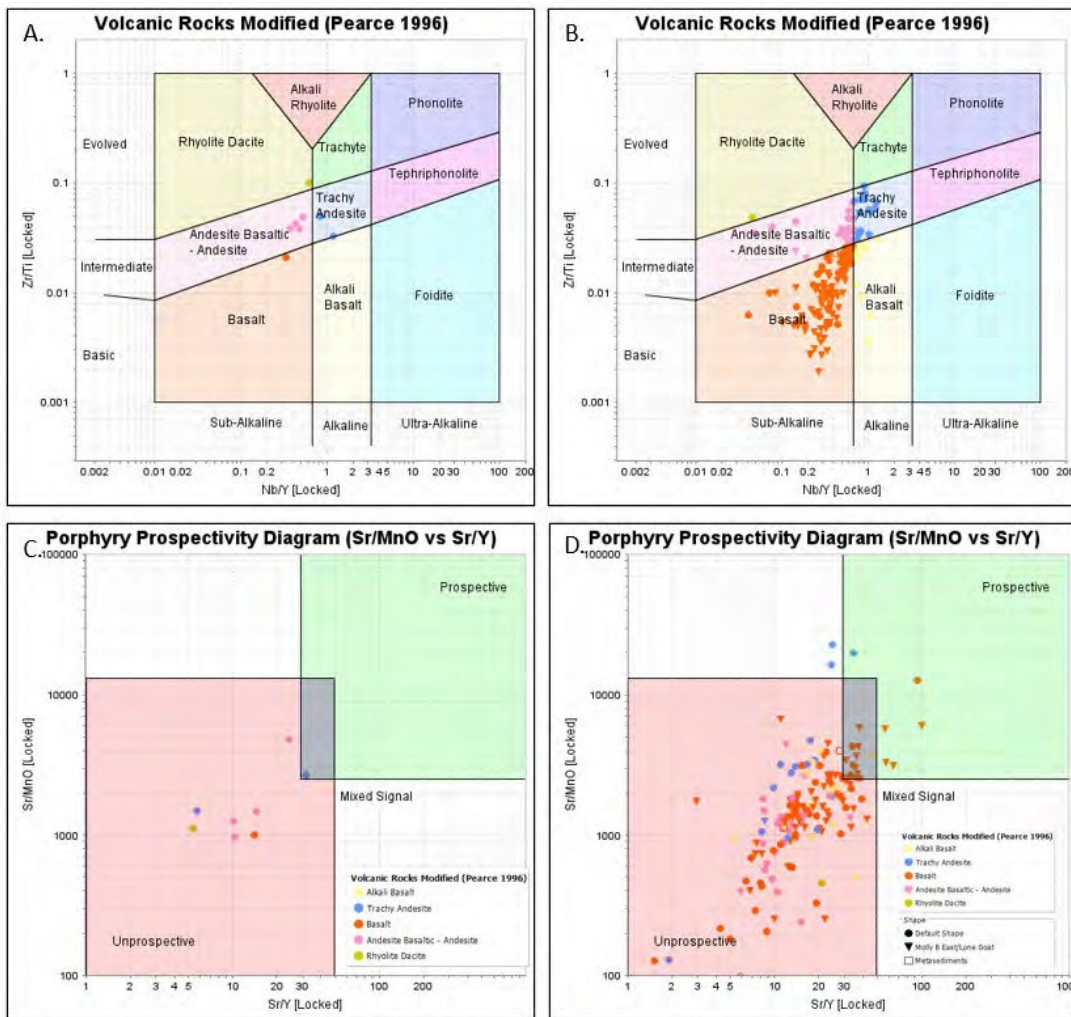
Sample ID	Showing	Material	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	
P385752	Gold Zones	Talus	16.2	25	1.56	-	
P385831		Outcrop	-	47	0.18	-	
P385732		Lone Goat (New)	Outcrop	3.41	14	-	-
P385774		Outcrop	0.76	176	0.64	-	
P385703		Float	-	22	1.14	0.15	
P385691		Float	-	31	0.82	-	
P385857	Molly B. East (New)	Channel (0.75 m)*	15.1	12	0.10	-	
P385801		Outcrop	1.43	39	0.16	-	
P385809	Ice valley (New)	Outcrop	0.73	47	0.27	-	
P385760		Outcrop	0.53	5	-	-	
P385840	Silver Zones	Outcrop	-	76	-	-	
P385841		Outcrop	-	27	-	1.13	
P385682		Float	-	30	-	0.73	
P385739		Outcrop	-	19	1.82	-	
P385693		Magee Sky Annex (Historic)	Outcrop	-	47	0.38	-

*True width is estimated to be 75-90% of the sampled width.

Rock Geochemistry

Rock geochemistry information was derived from multielement assays (ME-MS61, 210 samples) and from whole rock geochemistry analysis (ME-MS81d, 8 samples). Geochemical data analysis was completed using the ioGAS-64 geochemical software package and ArcGIS Desktop. Lithology results are consistent with general field observations. Based on analyses, most rocks on the Property correspond to intermediate and mafic volcanics (primarily andesites and volcanoclastic andesites) with a few felsic to intermediate volcanics (Figure 4.14 A and B, Figure 4.15). Additionally, geochemical analyses were used to derive porphyry copper prospectivity using diagrams by Ahmed, et al., (2019) (Figure 4.14 C and D). Based on these analyses, six (6) samples out of 218 plot within the prospective field for porphyry copper deposits. Four (4) of these samples were collected in the north and northwest area of the Property, within the Lone Goat and Molly B. East zones.

Figure 4.14. 2021 Golden Ivan Rock Geochemistry. Volcanic rock classification (A and B, after Pearce, 1996) and Porphyry Cu Prospectivity (C and D after Ahmed et al., 2019).



Whole rock geochemistry n = 8 (MS-ME-81d)

Rock geochemistry, assays n = 210 (MS-ME-61)

Figure 4.15. 2021 Golden Ivan Lithochemistry (classification derived from Pearce 1996)

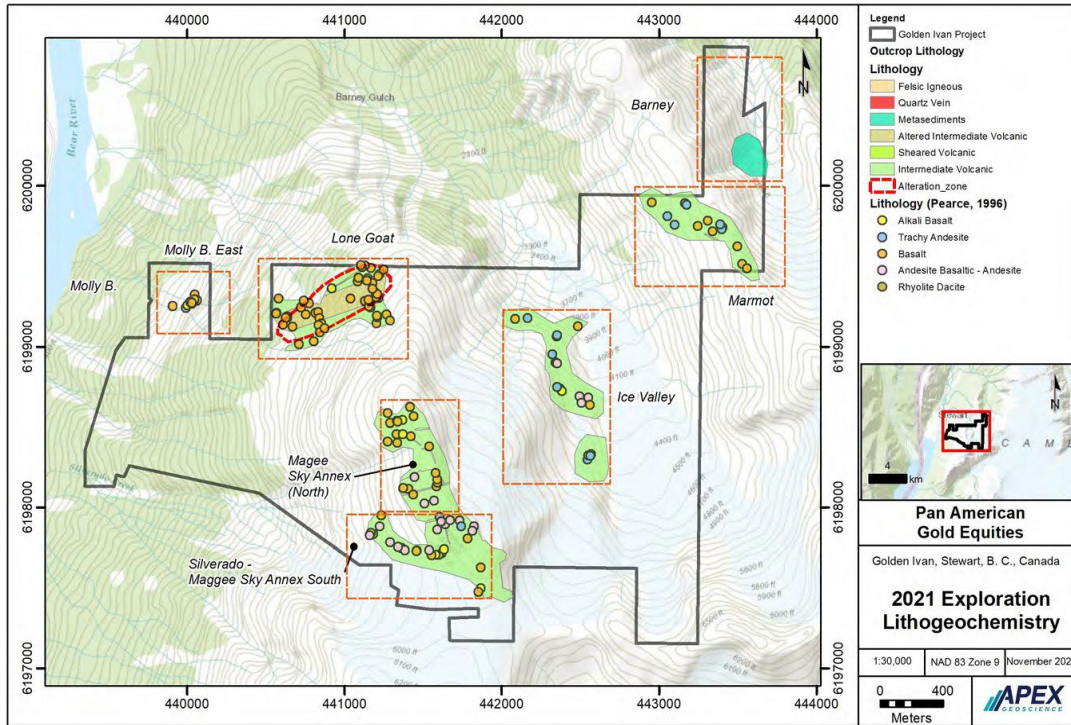
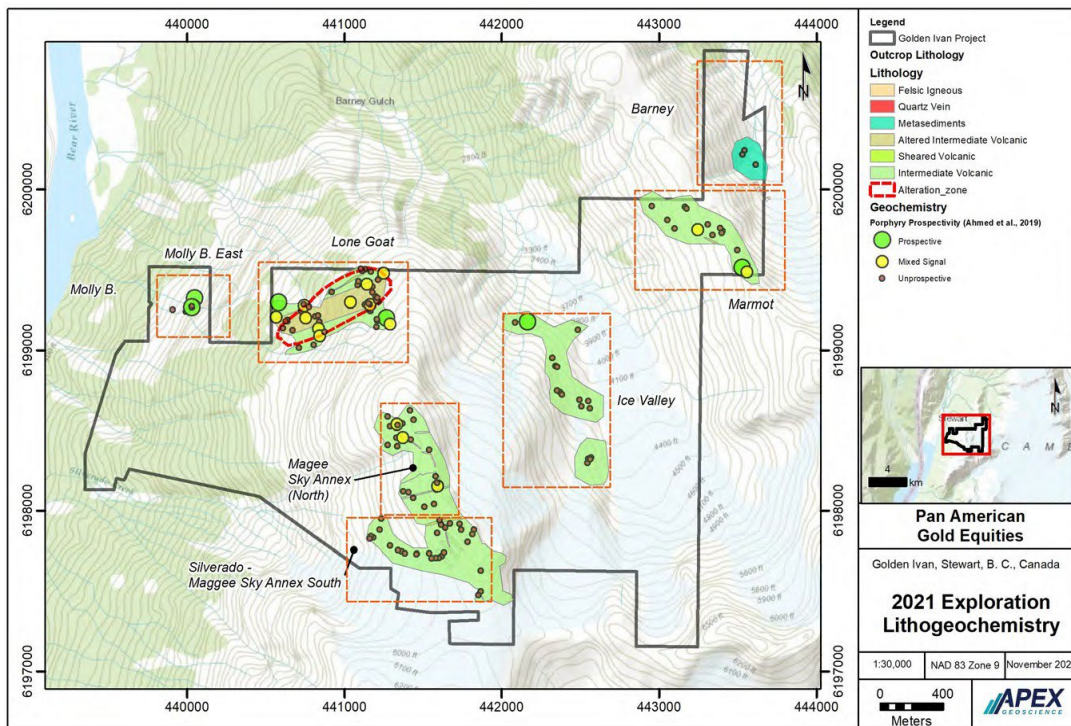


Figure 4.16. 2021 Porphyry Prospectivity Derived from Lithochemistry (classification derived from Ahmed et al., 2019)



Rock Magnetic Susceptibility

Magnetic susceptibility measurements were collected on 11 rock samples in order to provide context for previous and future geophysical surveys. Measurements were performed using a KT-10 Kappameter (Table 4.4).

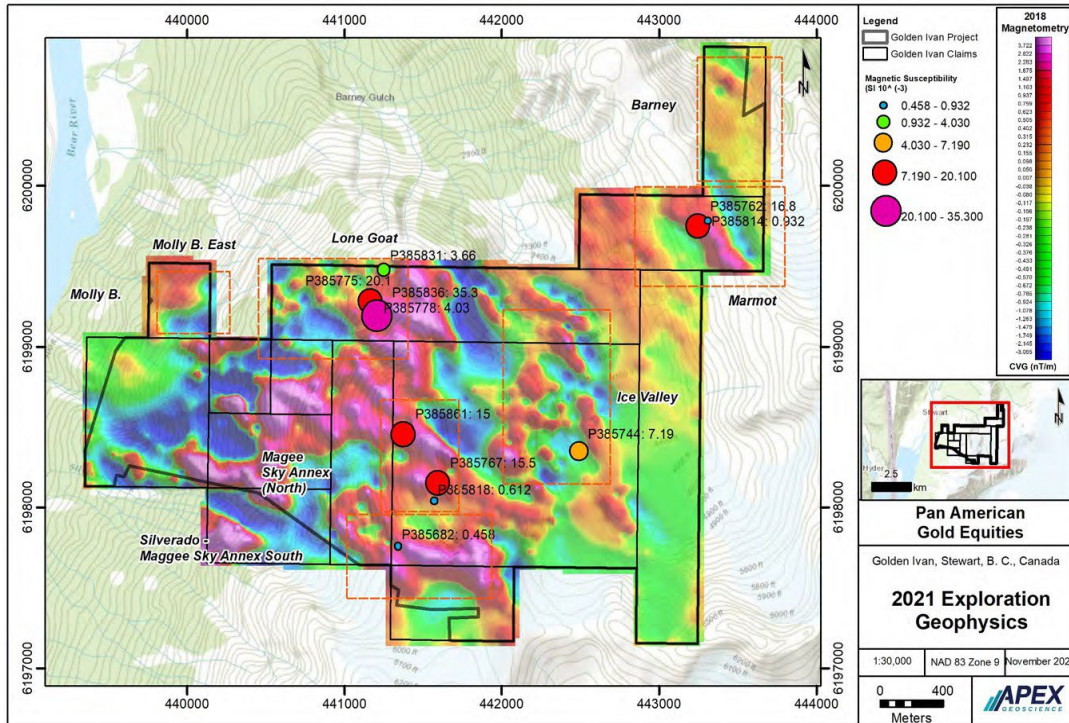
Most elevated readings correspond to volcanic rocks, primarily unaltered or weakly chlorite altered andesites.

Table 4.4. Golden Ivan Property Magnetic Susceptibility Measurements on Rock Grabs

Sample ID	Easting NAD83z09	Northing NAD83z09	Magnetic Susceptibility Reading (SI 10 ⁻³)	Remarks
P385682	441342	6197759	0.458	Intermediate metavolcanics, Galena bearing vein
P385744	442490	6198351	7.19	Siltstone. Fine to medium grained pyrite on vein selvages and close to vein.
P385762	443247	6199748	16.8	Andesite, magnetic, pyrrhotite
P385767	441594	6198151	15.5	Andesite, magnetic, pyrrhotite
P385775	441164	6199281	20.1	Andesite. Moderately magnetic with epidote- carbonate veinlets in chlorite alteration
P385778	441209	6199180	4.03	Andesite/diorite. Altered volcanic. Slightly magnetic.
P385814	443311	6199781	0.932	Sheared andesite. Light gray color, sericite quartz alteration. FeO MnO with tarnish. Outcrop is adjacent to dark green andesite with epidote veining outcrop to the west. Fault with vertical slickensides. Carbonate veinlets.
P385818	441571	6198040	0.612	Sheared porphyritic andesite with plagioclase phenocrysts. Sheared augen texture with phenocrysts/porphyroblasts of plagioclase. Sulphide traces (pyrite?). FeO and MnO fracture coatings. Possible occurrence of iron carbonate.
P385831	441251	6199477	3.66	Altered andesite, moderately sheared, weakly silicified cross cut by chlorite stock work with sericite selvage (5mm veins and 5mm selvage). Malachite in leached weakly to moderately silicified sampled vein.
P385836	441208	6199191	35.3	Sheared dark green andesite. MnO and chlorite fracture coatings. Strongly magnetic. Possible fault zone parallel to shearing. To the south, weakly magnetic porphyritic andesite (medium to coarse crystals).

P385861	441373	6198454	15	Felsic volcanic (rhyolite?). Porphyritic texture. Sericite alteration. Minor FeO (traces).
---------	--------	---------	----	--

Figure 4.17. 2021 Rock Sample Magnetic Susceptibility with 2018 Airborne Magnetic Calculated Vertical Gradient



Drilling

Power Nickel has yet to conduct any drilling at the Golden Ivan Property. No drilling has been conducted in the Property by previous operators and owners.

4.3.7 Sample Preparation, Analysis, and Security

Sample Collection, Preparation, and Security

A total of 218 rock samples were collected during the 2021 Golden Ivan field exploration program, including 7 channel samples and 8 rock grabs for whole rock geochemistry. Rock grabs included samples collected from outcrop, subcrop and float. One representative rock sample, weighing no more than 5 kg, was collected from each sample site. Each sample was placed into a labelled plastic sample bag along with a sample tag inscribed with a unique sample number. Sample locations were marked with a handheld GPS and recorded on a sample card bearing the matching sample number. Samples were described in terms of overall lithology, mineralization, alteration, grain size, texture, veining and material sampled. These observations were recorded on the sample card and later transcribed to an Excel spreadsheet. Sample locations were marked in the field with a labelled representative sample.

A total of 7 channel samples were collected by means of portable electric power grinder/saw (Makita brand), by making two linear cuts along outcrop in order to collect a tabular 2-3 cm wide

and 2-3 cm depth. Channel samples were marked prior to sample collection. Initial location of channel was recorded by means of handheld GPS and location of each channel sample was calculated based on strike and inclination of channel which was measured by means of compass and clinometer. Lengths of channel samples were measured, and samples were marked, cut and collected in separate marked sample bags following similar procedures for collection and information recording described for rock grabs above. Channels measured 1 m or 0.75 m in length. Two standards and 1 blank were inserted into the channel sample sequence.

Rock samples were placed into woven poly (rice) bags for shipment to the analyzing laboratory. Channel samples were stored in a separate rice bag from rock grabs. All samples remained in the custody of Power Nickel and QP throughout the program. All samples were submitted via Bandstra courier located in Terrace, BC, to the ALS Geochemistry preparation laboratory in Langley, BC upon completion of the program. The authors have no reason to believe that the security of the samples was compromised in any way during transport or once they entered the ALS chain of custody.

Analytical Procedures

Once received by ALS, all rock samples were individually weighed (ALS code WEI-21) and logged into the ALS global tracking system (ALS code LOG-21) and assigned bar code labels. The samples were dried prior to preparation then crushed to pass a US Standard No. 10 mesh, or 2 mm, screen (70% minimum pass) using a mechanical jaw crusher (ALS code CRU-31). The samples were then split using a riffle splitter (ALS code SPL-21), and sample splits were pulverized to pass a US Standard No. 200 mesh, or 0.075 mm, screen (85% minimum pass) using a steel ring mill (ALS code PUL-31).

The prepared rock samples were analyzed by ALS Geochemistry methods ME-MS61 (48 element by four acid digestion and ICP-MS) and Au-AA23 (gold by 30g fire assay atomic absorption finish). Samples with values exceeding 100 ppm Ag, 10,000 ppm Cu, 10,000 Pb were also analyzed by OG62 (Ore grade by four acid digestion and ICP-AES for each element Ag, Cu, Pb respectively). Samples exceeding values of 10 ppm Au were analyzed by Au-GRA22 (gold by 50g fire assay gravimetric finish).

For ME-MS61 analysis, a prepared sample (0.25g) is digested with perchloric, nitric and hydrofluoric acids. The residue is leached with dilute hydrochloric acid and diluted to volume. The solution is then analyzed by inductively coupled plasma mass spectrometry ICP-MS. Results are corrected for spectral interelement interferences.

For OG62 analysis (Cu, Ag and Pb), a prepared sample is digested with perchloric, nitric and hydrofluoric acids and then evaporated to incipient dryness. Hydrochloric acid and deionized water are added for further digestion, and the sample is heated for an additional allotted time. The sample is cooled to room temperature and transferred to a volumetric flask. The resulting solution is diluted to volume with deionized water, homogenized and the solution is analyzed by inductively coupled plasma atomic emission spectroscopy (ICP-AES).

For Au-AA23 analysis, a prepared sample (30g) is fused with a mixture of lead oxide, sodium carbonate, borax, silica, and other reagents as required, inquarted with 6 mg of gold-free silver and the cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid in the microwave oven, 0.5 mL concentrated hydrochloric acid is added, and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a

total volume of 4 mL with de-mineralized water, and analyzed by analyzed by atomic absorption spectroscopy against matrix-matched standards.

For Au-GRA22, a prepared sample (50g) is fused with a mixture of lead oxide, sodium carbonate, borax, silica, and other reagents in order to produce a lead button. The lead button containing the precious metals is cupelled to remove the lead. The remaining gold and silver bead is parted in dilute nitric acid, annealed, and weighed as gold. Silver, if requested, is then determined by the difference in weights.

For whole rock analysis the ME-MS81 analytical package was used. This package includes a combination of rare earth & trace elements from method ME-MS81 plus whole rock package by method ME-ICP06. For ME-MS81, a prepared sample (0.100 g) is added to lithium metaborate/lithium tetraborate flux, mixed well and fused in a furnace at 1025°C. The resulting melt is then cooled and dissolved in an acid mixture containing nitric, hydrochloric and hydrofluoric acids. This solution is then analyzed by inductively coupled plasma mass spectrometry. For ME-ICP06, A prepared sample (0.100 g) is added to lithium metaborate/lithium tetraborate flux, mixed well and fused in a furnace at 1000°C. The resulting melt is then cooled and dissolved in 100 mL of 4% nitric acid and 2% hydrochloric acid. This solution is then analyzed by ICP-AES and the results are corrected for spectral inter-element interferences. Oxide concentration is calculated from the determined elemental concentration and the result is reported in that format.

Quality Assurance – Quality Control

Quality assurance and quality control (QA/QC) measures at ALS include routine screen tests to verify crushing and pulverizing efficiency, sample preparation duplicates (every 50 samples), and analytical quality controls (blanks, standards, and duplicates). Quality control samples are inserted with each analytical run, with the minimum number of QC samples dependent on the rack size specific to the chosen analytical method. Results for quality control samples that fall beyond the established limits are automatically red- flagged for serious failures and yellow-flagged for borderline results. Every batch of samples is subject to a dual approval and review process, both by the individual analyst and the Department Manager, before final approval and certification. ALS North Vancouver is certified with ISO/IEC 17025:2017 and ISO 9001:2015 accreditation from the Standards Council of Canada.

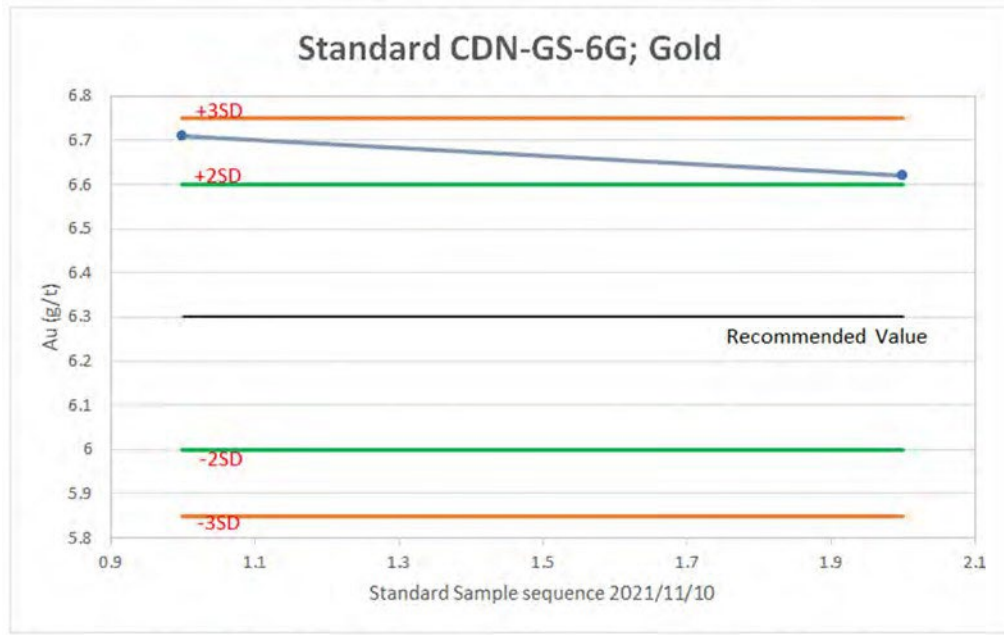
Field QA/QC standards and blanks were included within sample sequence P385851 through P385857 corresponding to the sequence associated with channel samples. Two standards and one blank were included in this labeled with letter “R” (Table 4.5, Figure 4.18). The standard used for QAQC was CDN-GS-6G. Analytical results of this standard were between 2 and 3 standard deviations of the recommended value (6.3 g/t Au; with 0.3 g/t “between laboratory” two standard deviation).

It is the Author’s opinion that the sample collection, preparation, security, analytical and QA/QC procedures were adequate for this stage of exploration at the Golden Ivan Property.

Table 4.5. 2021 Golden Ivan Field QA/QC Sample Results

QC SAMPLE	Type	Au (g/t)	Ag (g/t)
P385852R	Standard: CDN-GS-6G	6.71	84.2
P385854R	Blank	<0.005	0.02
P385856R	Standard: CDN-GS-6G	6.62	86

Figure 4.18. 2021 Golden Ivan Field QA/QC Results



4.3.8 Data Verification

Data Verification Procedures

Mr. Alfonso Rodriguez, M.Sc., P. Geo., senior geologist with APEX completed a site visit between August 4 to August 24, 2021. The site visit included sampling and mapping within several historical showings of the Property to verify historical exploration results and to confirm the geology and mineralization of the Property. Mr. Rodriguez located historical mining sites consistent with those reported and recorded in the MINFILE and historical data compilation. Mr. Rodriguez visited showings and outcrops exhibiting mineralization features (Figure 4.18). Mr. Rodriguez collected a total of 61 rock grab samples for which 59 samples were submitted for geochemical assays and 2 rock grab samples that were analyzed for whole rock. Sample P385801 returning 1.43 g/t Au, 39.10 g/t Ag and 0.16 % Cu (Molly B. East), sample P385797 returning 0.28 g/t Au (Lone Goat), sample P385840 returning 75.7 g/t Ag (Silverado Magee-Sky Annex South), sample P385809 returning 0.73 g/t Au, 46.9 g/t Ag and 0.27 % Cu (Ice Valley). The descriptions and geochemical results of the site visit samples are listed in Table 4.6.

The QP site verification samples were collected, bagged, sealed and samples were submitted via Bandstra courier located in Terrace, BC, to the ALS Geochemistry preparation laboratory in Langley, BC. ALS is an ISO 9001:2015 certified, ISO/IEC 17025:2005 accredited geo-analytical laboratory and is independent of Power Nickel and the Author of this Report. At the independent laboratory, the samples were subjected to ALS' standard sample preparation and analytical practices. Samples were assayed for 48 element (including copper) geochemistry using four-acid digestion with inductively coupled plasma mass spectrometry (ICP-MS) finish (ALS method ME-MS61). Samples with values exceeding 100 ppm Ag, 10,000 ppm Cu, 10,000 ppm Pb were also analyzed by OG62 (Ore grade by four acid digestion and ICP-AES for each element Ag, Cu, Pb respectively). Samples exceeding values of 10 ppm Au were analyzed by Au-GRA22 (gold by

50g fire assay gravimetric finish). For whole rock analysis the ME-MS81 analytical package was used. This package includes a combination of rare earth & trace elements from method ME-MS81 plus whole rock package by method ME-ICP06 for Total Alkali Vs Silica (TAS) Classification. Procedures are explained in more details in Section 4.3.7.

The Author of the Technical Report reviewed Power Nickel's surface sampling data. This database is considered by the Author to be acceptable for this stage of exploration.

Validation Limitation

Given the rugged terrain, not all historical showings were accessible, particularly in the west of the Project where historical Silverado trend showings (Figure 4.4) are located. However, helicopter support provided by the team allowed access to much of Property above the tree line.

Adequacy of the Data

The QP's reviewed the adequacy of the exploration information from the historical and recent exploration program completed by Power Nickel. Based on the data review along with the results of the traverses and QP sampling, the Author have no reason to doubt the reported exploration results from the recent and historical programs.

The QP is of the opinion that a slight variation in assays is expected due to the variable distribution of sulphide minerals within a rock sample.

The Author is satisfied, and takes responsibility, to include the recent exploration data as background information for the Technical Report.

It is the Author's opinion that the data verification methods and steps completed by Power Nickel and previous operators of the Golden Ivan Property were adequate for the purposes of the Technical Report.

Table 4.6 QP site visit sample locations, descriptions, and geochemical results.

Sample ID	East NAD83 zone 09	North NAD83 zone 09	Sample Type	Lithology	Au ppm	Ag ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm
P385690	440833	6199213	outcrop	Volcaniclastic	0.00	0.40	45.50	0.44	7.70	141.00
P385691	440800	6199149	float	Andesite	0.07	31.30	8220.00	1.34	171.00	377.00
P385797	440637	6199178	outcrop	Andesite	0.28	6.72	246.00	0.32	17.40	45.00
P385801	440063	6199286	outcrop	Quartz Vein	1.43	39.10	1610.00	20.20	21.60	144.00
P385802	440048	6199290	outcrop	Andesite	0.01	2.85	248.00	6.45	43.90	70.00
P385803	440004	6199255	outcrop	Quartz Vein	0.07	1.67	186.00	7.68	96.30	845.00
P385804	440977	6199227	float	Volcaniclastic	0.08	2.76	300.00	0.69	23.80	1260.00
P385805	440988	6199272	float	Andesite	0.02	1.20	134.00	1.75	11.20	119.00
P385806	440021	6199276	outcrop	Quartz Vein	0.00	0.67	47.70	2.78	3.60	20.00
P385807	442486	6198708	float	Andesite	0.01	0.18	28.50	1.19	4.50	27.00
P385808	442430	6198719	float	Volcaniclastic	0.03	0.39	7.70	5.40	16.10	49.00
P385809	442384	6198720	outcrop	Volcaniclastic	0.73	46.90	2670.00	4.23	12.60	74.00
P385810	442353	6198746	outcrop	Volcaniclastic	0.09	7.83	1800.00	34.90	11.20	66.00
P385811	442954	6199895	outcrop	Volcaniclastic	0.00	0.45	48.20	1.80	17.70	108.00
P385812	443055	6199808	outcrop	Andesite	0.00	0.05	8.30	1.07	1.60	21.00
P385813	443101	6199755	outcrop	Andesite	0.00	0.08	11.80	0.58	1.60	66.00
P385814	443311	6199781	outcrop	Andesite	0.00	0.20	55.70	0.83	3.90	112.00
P385815	443389	6199757	outcrop	Andesite	0.00	0.03	5.30	0.47	1.60	27.00
P385816	443559	6199484	subcrop	Volcaniclastic	0.01	0.32	713.00	0.80	2.70	99.00
P385817	441558	6197999	float	Quartz Vein	0.00	0.03	3.40	1.28	1.40	29.00
P385818	441571	6198040	outcrop	Andesite	0.00	0.15	34.60	2.21	4.40	76.00
P385819	441439	6198078	subcrop	Volcaniclastic	0.00	1.12	35.70	0.93	6.80	109.00
P385820	441375	6198120	subcrop	Andesite	0.00	0.76	10.10	1.85	43.60	174.00
P385821	441541	6198377	outcrop	Volcaniclastic	0.02	0.67	9.80	1.91	104.50	370.00
P385822	441440	6198563	outcrop	Andesite	0.00	3.40	99.90	13.10	40.50	39.00
Sample ID	East NAD83 zone 09	North NAD83 zone 09	Sample Type	Lithology	Au ppm	Ag ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm
P385823	441418	6198622	outcrop	Andesite	0.00	8.52	114.50	12.90	82.10	78.00
P385824	441590	6197859	outcrop	Andesite	0.00	0.42	20.00	0.70	6.30	85.00
P385825	441743	6197881	outcrop	Volcaniclastic	0.00	0.25	15.90	1.61	4.10	24.00
P385826	441814	6197852	outcrop	Volcaniclastic	0.01	0.45	22.60	2.79	8.40	26.00
P385827	441868	6197626	outcrop	Volcaniclastic	0.00	1.39	238.00	1.88	11.40	105.00
P385828	441144	6199409	outcrop	Silica Vein	0.00	1.21	165.50	0.42	12.60	136.00
P385829	441143	6199408	outcrop	Silica Vein	0.00	0.19	21.10	0.33	25.20	96.00
P385830	441215	6199434	outcrop	Silica Vein	0.00	1.32	133.50	0.58	21.60	86.00
P385831	441251	6199477	outcrop	Andesite	0.09	46.90	1805.00	0.34	18.20	118.00
P385832	441154	6199287	subcrop	Andesite	0.00	2.33	326.00	1.48	13.20	80.00
P385833	441205	6199304	outcrop	Silica Vein	0.11	4.58	710.00	0.67	31.10	81.00
P385834	441200	6199330	outcrop	Silica Vein	0.01	1.93	141.00	1.83	17.70	37.00
P385835	441211	6199322	outcrop	Andesite	0.00	0.19	6.60	0.69	18.50	132.00
P385836	441208	6199191	outcrop	Andesite	0.00	0.13	14.80	0.14	10.00	169.00

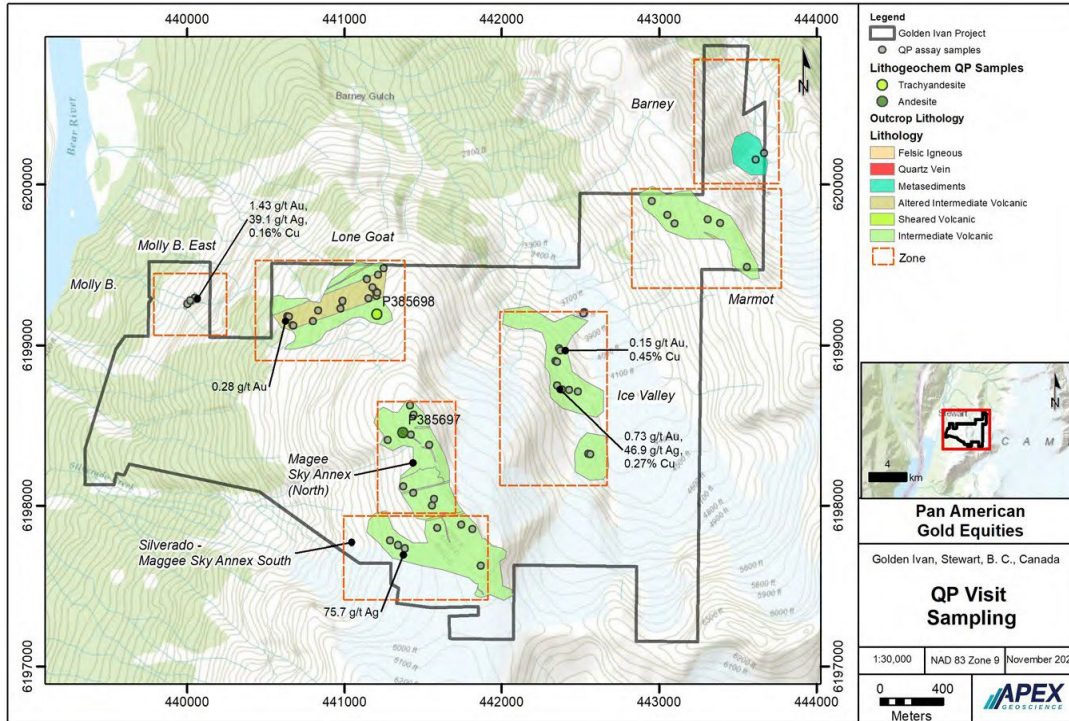
G-45

P385837	441180	6199356	outcrop	Silica Vein	0.00	0.21	13.30	0.68	17.50	69.00
P385838	443616	6200152	outcrop	Metasediments	0.01	1.13	88.60	3.92	4.90	25.00
P385839	443668	6200191	float	Metasediments	0.02	1.73	47.50	2.89	16.00	12.00
P385840	441385	6197733	outcrop	Volcaniclastic	0.01	75.70	284.00	5.19	156.00	313.00
P385841	441342	6197754	outcrop	Quartz Vein	0.01	27.30	62.80	20.40	11300.00	1040.00
P385842	441291	6197781	outcrop	Volcaniclastic	0.01	3.46	34.10	3.45	272.00	360.00
P385843	442551	6198323	outcrop	Volcaniclastic	0.01	0.72	2.20	0.51	38.80	125.00
P385844	442563	6198321	outcrop	Volcaniclastic	0.00	0.08	2.10	1.25	8.30	41.00
P385845	442365	6198978	float	Volcaniclastic	0.01	0.06	2.40	1.71	8.90	31.00
P385846	442373	6198966	float	Intermediate Intrusive	0.15	6.26	4480.00	8.71	27.60	92.00
P385847	442342	6198900	outcrop	Volcaniclastic	0.01	0.37	4.80	0.44	5.90	55.00
P385848	442354	6198893	outcrop	Volcaniclastic	0.01	0.26	61.30	6.47	10.80	33.00
P385849	442525	6199205	float	Quartz Vein	0.06	3.86	29.40	1.49	597.00	279.00
P385850	442520	6199197	float	Volcaniclastic	0.03	0.18	10.20	3.15	16.10	9.00
P385858	440649	6199177	float	Silica Vein	0.01	0.65	88.60	0.70	22.30	120.00
P385859	441424	6198443	outcrop	Quartz Vein	0.01	0.41	18.80	2.41	25.20	68.00
P385861	441373	6198454	subcrop	Felsic metavolcanic	0.00	0.06	5.10	0.13	22.30	105.00
P385862	441275	6198409	outcrop	Andesite	0.00	0.42	33.60	0.36	5.50	200.00
P385864	440671	6199122	outcrop	Silica Vein	0.02	0.86	62.30	0.38	9.80	139.00
P385865	440675	6199120	float	Silica Vein	0.13	2.25	43.50	0.61	11.70	126.00
P385697	441373	6198454	subcrop	Felsic metavolcanic	Whole rock Analysis. TAS Classification: Andesite					
P385698	441208	6199191	outcrop	Intermediate metavolcanics	Whole rock Analysis. TAS Classification: Trachyandesite					

Figure 4.19. Site review. A and B. Moly B East vein and host rock channel sampling. C. Lone Goat gossans and alteration. D. and E. Historical mining in Silverado trend. F. Malachite in quartz veins (Magee -Sky Annex). G. Sheeted veins (Lone goat/ east of Ice Valley).



Figure 4.20. QP site visit sample locations



4.3.9 Mineral Processing and Metallurgical Testing

Power Nickel has yet to conduct mineral processing metallurgical testing at the Golden Ivan Property.

4.3.10 Mineral Resources Estimates

Power Nickel has yet to conduct mineral resource/reserve modelling or estimations. There are no known mineral resources or reserves outlined at the Golden Ivan Property.

The Author advised items 15 to 22 of Form 43-101F1 *Technical Report* are not required to be included in the Technical Report as the Golden Ivan Property is an early-stage exploration project.

4.3.11 Adjacent Properties

The reader is cautioned that the following section discusses mineralization, mineral showings, mineral occurrences, historical mines and/or mineral deposits that are not located on the Golden Ivan Property but are in the vicinity of the Property. The author of this report has not had the opportunity to visit these sites and mineral deposits, or verify any of information presented below, and the reader is further cautioned that this information is not intended to imply that such mineralization exists at the Golden Ivan Property. The information provided in this section is simply intended to describe examples of the type and tenor of mineralization that exists in the region and is being explored for at the Golden Ivan Property. Relevant mineral occurrences and properties that are adjacent to the Golden Ivan Property are presented in Figure 4.21.

Premier and Red Mountain Property

The Premier Property (“**Premier**”) and the Red Mountain Property (“**Red Mountain**”) are located at 25 and 18 km respectively from the town of Stewart, BC. Premier and Red Mountain are 100% owned by Ascot Resources Ltd. (“**Ascot**”). Premier comprises four claim groups, identified as the Premier, Big Missouri, Dilworth, and Silver Coin groups, and includes three mining leases, totalling 392 ha, 175 Crown grants totalling 2,354 ha, and 107 mineral claims totalling 8,907.1 ha. Red Mountain consists of 47 contiguous mineral claims for a total of 17,125 ha (Bird et al., 2020).

Premier is mainly underlain by Jurassic-aged Hazelton Group rocks composed of a thick package of homogeneous andesitic tuffs, lapilli tuffs, and flows interpreted to have formed in an Island Arc setting. Gold–silver mineralization is hosted within structural zones expressed by quartz breccias, quartz veins and stockwork often within large areas of quartz-sericite-pyrite alteration (Bird et al., 2020).

The geology of the Red Mountain is characterized by Upper Triassic to Lower Jurassic metasedimentary and tuffitic units that have been intruded by a multi-phase intermediate intrusive complex. The intrusive rocks show porphyry style alteration with K-spar alteration and tourmaline as well as lower temperature quartz-sericite-pyrite alteration. Gold mineralization is hosted in a series of pyrite rich breccia bodies and stockwork zones associated with the brecciated contact zone at the edge of the intrusive body. Eocene intrusions of the Coast Plutonic Complex occur to the west and south of Red Mountain and are associated with high-grade silver-lead-zinc occurrences; gold-silver-bismuth ± copper-lead-zinc mineralization recently identified in the Lost Valley area is likely of Eocene age. (Bird et al., 2020).

In May 2020, Ascot filed a Feasibility Study for its 100% owned Premier and Red Mountain projects (Bird, et al., 2020). According to Bird et al. (2020), resources for Premier estimated at 3.5 g/t AuEq Cut off, including a total indicated 1.07 Moz of Au and 4.7M oz of Ag at 8.01 g/t and 35.1 g/t Ag (including Premier, Big Missouri, Silver Coin, Martha Ellen prospects) and inferred resources of 1.18 Moz of Au and 4.67 Moz of Ag at 7.25 g/t Au and 28.7 g/t Ag (including Premier, Big Missouri, Silver Coin, Martha- Ellen., Dillworth).

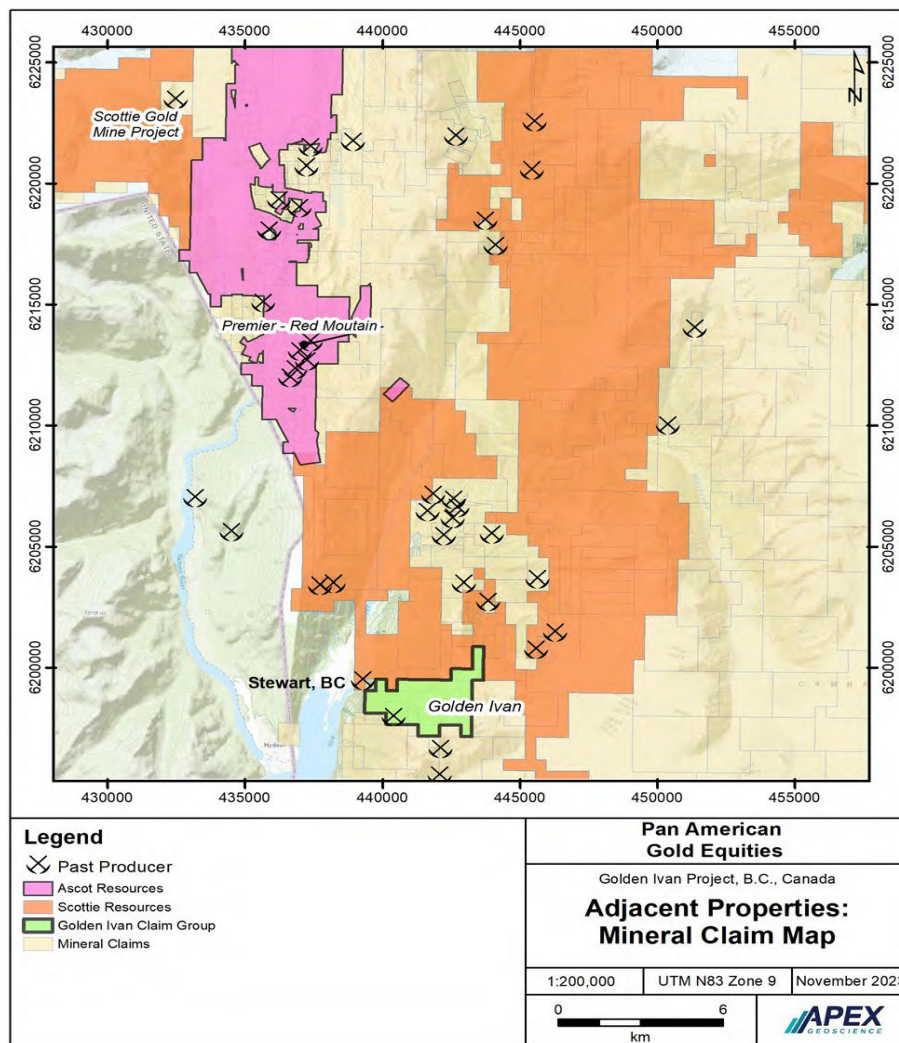
Similarly, according to Bird et al. (2020), resources at Red Mountain, estimated at 3.0 g/t Au Cut-off for underground development, include Total Measured and Indicated of 782.6 koz of Au and 2.16 Moz of Ag at 7.63 g/t and 21.02 g/t Ag, and indicated resources of 69.3 koz of Au and 95.5 koz of Ag at 5.32 g/t Au and 7.33 g/t Ag. According to Bird et al. (2020) CIM definition standards for mineral resources and mineral reserves (CIM, 2014) were followed for the Mineral Resource Estimate.

The feasibility study outlines a low capital restart plan to feed the Premier mill at 2,500 tonnes per day (“**tpd**”) to produce approximately 1.1 million ounces (“**Moz**”) of Au and 3.0 Moz of Ag over eight years from four underground mining operations (Silver Coin, Big Missouri, Premier and Red Mountain). Premier road access, historical mining, milling, the nearby Long Lake Hydro power plant, tailings and mine waste stockpile infrastructure resulting in a low initial capital refurbishment cost. In the four planned operations, access for production will be through both new and existing adits utilizing a combination of new ramp development and refurbishment of existing underground infrastructure. Mining methods consist of low-cost long hole stoping for most of the ore, with limited use of inclined undercut long hole, room & pillar and cut & fill mining methods in specific shallow or flat lying stopes. Ore will be trucked to the processing facility and mining waste will be used underground as a combination of rockfill and cemented rockfill (Bird et al., 2020).

Scottie Gold Mine Property

Located north and immediately adjacent to the Golden Ivan Property is the Scottie Gold Mine Property (“**Scottie Project**”), 100% owned by Scottie Resources Corp., a Vancouver, BC-based mining company listed on the TSX Venture Exchange (TSX-V: SCOT). The Scottie Project consists of 20 mineral claims and 14 Crown granted claims for a total area of 8,534 ha. The Scottie Project includes the past-producing Scottie Gold Mine that operated from 1981 to 1985, and produced 95,426 oz gold at an average grade of 16.2 g/t. The Scottie Project is underlain by the same volcano-sedimentary and intrusive rocks that host the bulk of the Golden Triangle mineral deposits. Gold mineralization on the Scottie Property is hosted in intrusive-related shear vein arrays and recently discovered replacement-style zones. Scottie Resources Corp. has conducted fieldwork on the Scottie Project in 2016, 2018-2021, including rock/soil sampling, airborne and ground geophysical surveys, auger sampling and diamond drilling (Voordouw and Branson, 2021).

Figure 4.21. Adjacent Properties



4.3.12 Other Relevant Data and Information

The Author is not aware of any relevant data or information with respect to the Golden Ivan Property that is not disclosed in the Technical Report.

4.3.13 Interpretation and Conclusions

Results and Interpretation

The 2021 Golden Ivan exploration program completed by Power Nickel comprised compilation work, geological mapping, and rock and channel sampling, targeting porphyry-style, epithermal and/or polymetallic vein type precious and base metal mineralization common to the Stewart mining camp and Golden Triangle region. The areas examined were dominated by Mesozoic volcanics of the Hazelton Group, and Paleozoic marine sediments and volcanics of the Stikine assemblage. The Hazelton Group is of particular interest due to its association with numerous major mineral deposits.

Prior exploration and mining efforts were focused on the Silverado and Magee-Sky Annex areas, with significant gold and silver values mostly attributed to narrow veins/structures. The Silverado trend was found to be very difficult to access due to its steep hill side, however, samples from the southwest of the Project confirmed location of silver bearing narrow quartz-carbonate-galena veins.

A total of 218 rock samples were collected during the 2021 field program, including 7 channel samples and 8 rock grabs for whole rock geochemistry. Of the 210 rock samples assayed for precious metals, 17 returned values greater than 0.1 g/t Au. The most significant alteration and mineralization found during the program corresponded to the newly discovered Lone Goat and Molly B. East zones, located in the north and northeast portions of the Property.

The Lone Goat Zone exhibits significant hydrothermal alteration within an approximately 200 x 700 m east-northeast trending area. Veins in this zone are sub-vertical, locally dipping steeply north. Multi-phase quartz-epidote-chlorite-sericite-carbonate altered andesites are crosscut by tabular bodies of sulphide-bearing black silica, associated with local gossans. Lone Goat rock grab sample include 16.2 g/t Au with 25 g/t Ag and 1.56% Cu from talus, and 3.41 g/t Au with 14 g/t Ag from outcrop.

The Molly B. East zone is characterized mainly by quartz-pyrrhotite±chalcopyrite veins hosted by altered mafic to intermediate fine grained volcanic rocks with fine grained sulphide halos. Molly B. East include a channel sample with 15.1 g/t Au and 10 g/t Ag over 0.75 metres, and 1.43 g/t Au with 39 g/t Ag from a vein outcrop grab sample.

Sampling returned anomalous gold, silver and copper values from sheeted quartz veins in the Ice Valley Zone. Sampling at the Silverado trend and Magee-Sky Annex silver zones returned anomalous silver, copper and lead values.

Rock geochemistry from the 2021 Golden Ivan program indicate that only 6 out of 218 samples fall within the prospective field for porphyry environment. These samples were mainly located in the northern portions of the property. Magnetic susceptibility measurements indicate that magnetic high values identified in previous geophysical surveys can likely be attributed to layered volcanic rocks and dykes mostly of andesitic composition rather than a near surface porphyry system.

Based upon a review of available information, historical data, Power Nickel's recent exploration and the author's site visit, Mr. Rodriguez considers the Golden Ivan Property to be prospective for the discovery of precious metal-rich polymetallic vein type mineralization. The Property is underlain by favorable geological units including the Mesozoic Hazelton Group which is of particular interest due to its association with numerous major mineral deposits in the Golden Triangle. Anomalous geochemical target areas defined by previous explorers remain untested, these include significant Au, Ag and Cu geochemical anomalies.

Risk and Uncertainties

The Golden Ivan Property is subject to the typical external risks that apply to all mining projects, such as change in metal prices, availability of investment capital, changes in government regulations, community engagement and general environmental concerns. However, British Columbia is a mining friendly province with well-established mining law and permitting processes.

There is no guarantee that further exploration and follow-up drilling on the Property will result in the discovery of additional mineralization, definition of a mineral resource, or an economic mineral deposit. Nevertheless, in the Authors' opinion there are no significant risks or uncertainties, other than mentioned above, that could reasonably be expected to affect the reliability or confidence in the currently available exploration information with respect to the Golden Ivan Property.

4.3.14 Recommendations

Additional work is warranted to determine the extent and nature of hydrothermal alteration and mineralization at the lone goat and molly b. East zones. A two-phase exploration program is recommended, with an approximate total cost of \$750,000 (Table 4.7):

Phase 1: geophysics and sampling: three dimension induced polarization (3d ip) and resistivity geophysics should be completed in the lone goat and molly b. Zones together with a surface rock sampling program focusing on channel sampling. Multi-element analysis suitable for rock geochemistry along with hyperspectral analysis is recommended to define alteration zonation. Follow-up work should also be completed at ice valley with surface rock sampling. The Phase 1 budget is estimated at \$280,000.

Phase 2: drilling: pending results of Phase 1, diamond drilling should be completed at the lone goat and molly b. Zones to define the down dip extension of the hydrothermal system and associated surface mineralization. An initial drilling program of 1,000 m is recommended with additional drilling subject to results. The Phase 2 budget is estimated at \$470,000.

Table 4.7 Golden Ivan Property Proposed Exploration Program Budget

Phase	Budget Item		Estimated Cost
	Personnel	Field Geologists	\$30,000.00
		Data compilation and reporting	\$15,000.00
	Geophysics	3D Induced polarization survey (15 days) and processing	\$145,000.00
	Surface Field Geology and Geochemistry	Rocks	\$5,000.00

Phase 1: Surface Program	Accommodation, Transportation, General Logistics	Accommodation and gear	\$20,000.00
		General transportation	\$20,000.00
		Helicopter	\$45,000.00
	Total Cost (Phase 1)		\$280,000.00
Phase 2: Drilling Program	Diamond drilling	1,000 metre @ \$470/metre all inclusive	\$470,000.00
Total Project Costs (Excluding GST)			\$750,000.00

4.4 The Zulema Project

In 2013, Power Nickel acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema Project mining concessions in Chile's Third Region. In 2014, Power Nickel acquired nine additional mining concessions totaling 724 hectares from a third party. In March 2015, Power Nickel completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema Project now consists of 4,300 hectares (10,626 acres). Following the Arrangement, all concessions comprising the Zulema Project will be 100% held by Spinco through its wholly-owned subsidiary Minera Palo Negro Ltda., with no underlying third party royalty or net profits interest. The Zulema Project is located 30 kilometers from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

During the year ended December 31, 2017, Power Nickel commenced drilling on the Zulema Project. With the Candelaria mine as a model, the exploratory drill program tested two geologically distinct targets: a 1+ square kilometer area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank (the "IP Target"). The initial results released by Power Nickel via its news release dated February 27, 2017 suggest it had found in its assessment, Iron Oxide-Copper-Gold ("IOCG") style mineralization.

Drill holes 1, 6 and 7 assisted in defining the boundaries of the eastern skarn and related sulfide mineralization. Drill hole 4, targeting the IP target, was terminated before reaching bedrock. The target remains open. Hole 3 had a six meter section from 285.32 – 291.32 meters which contained 0.66% Cu, 23.6% Fe and 0.52 g/t Au. It also contained an additional intercept from 325.20 to 335.20 that assayed 0.34% Cu, 10.0 % Fe and 0.16 g/t Au. Hole 5 located 272 meters north and east of 3 also had some interesting highlights. In particular, observed were several lenses of two and four meters in length with individual 2 meters sections assaying up to 0.43% Cu, 4.9 % Fe and 0.29 g/t Au.

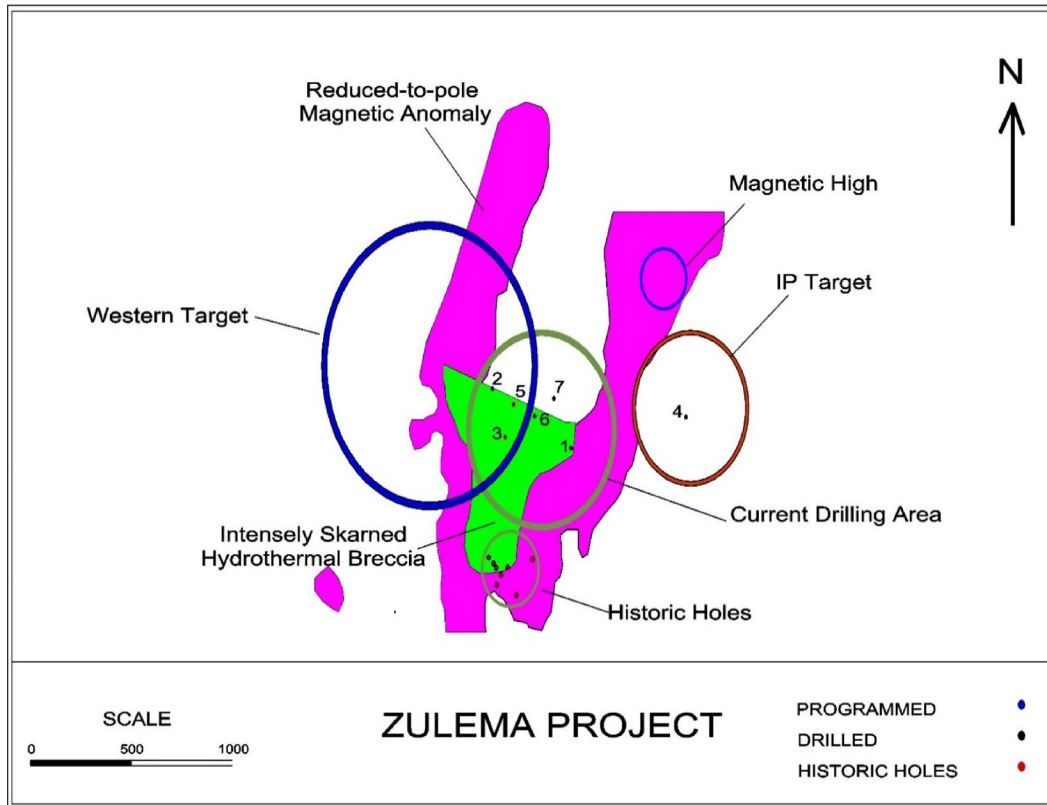
Initial drill results confirm that host rocks and alteration fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite in drill hole 5, biotite magnetite alteration, potassic (K-spar), magnetite and hematite veining and local mineralized breccias suggests proximity to the main mineralized target.

A review of the drill core has been completed with the results suggesting the focus of ongoing exploration should be towards the west near drill holes 2, 3 and 5 where the skarn appears a

more receptive host for mineralization. In drill hole 2, quartz stock-working and siliceous breccia suggest proximity to a high temperature heat source / intrusion.

Directly east of drill hole 2 at drill-hole 5, widespread low grade copper mineralization is accompanied by a more robust style of chalcopyrite occurring as large 1 cm. clots within the skarn. Due south of 5, drill hole 3 contained large sections of skarn including several lenses of iron rich, IOCG style copper mineralization. The assay results of holes 2, 3, 5 were reported in detail by Power Nickel via its news release dated April 3, 2017.

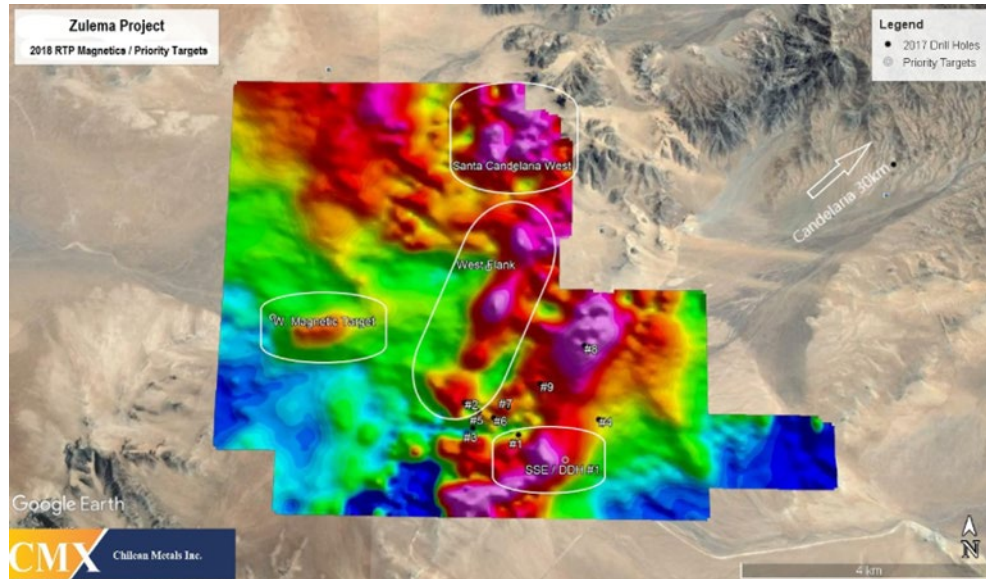
Figure 4.22 Zulema Project



Power Nickel engaged Southern Rock Geophysics, a consulting firm with over 20 years experience in the Andean Region. Familiar with both the Porphyry and IOCG depositional models, Southern Rock brings the expertise required to search for a blind target in the challenging desert of Chile.

242-line kilometers of data was collected along 55 north – south survey line segments in order to assist in target selection prior to Power Nickel's planned phase 2 drill program. The results of the survey were positive, delineating 4 key target areas for detailed follow-up in 2019.

Figure 4.23 2018 RTP Magnetics / Priority Targets



The magnetic survey delineated a 2 km wide corridor trending northeast from the southern margin of the survey area north to the Santa Candelaria workings as shown in Figure 4.23. A preliminary review of the data indicates there are 4 target areas that require detailed follow-up. From north to south, the targets are Santa Candelaria West, the West Flank, SW Magnetic High and SSE / DDH#1.

The Santa Candelaria target lies due west of the Santa Candelaria mine workings where Cu mineralization is characterized by chalcopyrite disseminations and veins within a magnetite / hematite calcsilicate skarn. Exposure is relatively abundant west of the workings and will be investigated prior to the commencement of a gravity survey.

The West Flank of the magnetic corridor is a priority target due to the style of mineralization encountered in drill hole 5 where coarse-grained chalcopyrite was noted at depth. Elevated magnetics northwest of Drill hole 5 in addition to a large peak along the western edge of the corridor are priority targets.

In the western portion of the Zulema Project, the SW Magnetic Target is easily identifiable and located due east of a copper showing and along a NW trending lineament. The target is covered by alluvial material and will require additional ground geophysics and processing to resolve its potential.

To the southeast of drill hole 1, a magnetic high has been identified along the eastern edge of the magnetic corridor. This target is along the eastern edge of a copper bearing hydrothermal breccia that was drilled in 2017. Its location along a very sharp magnetic boundary at an interpreted intersection of the same NW trending lineament crosscutting the SW Magnetic Target makes it a priority.

Following the Arrangement, Spinco intends to conduct additional IP Ground work on specific Zulema Project targets.

4.5 The Tierra de Oro Project

Following the Arrangement, Spinco will have an interest in the Tierra de Oro Project, which is an advanced stage exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. Spinco will hold its interest in the Tierra de Oro Project through its wholly-owned subsidiary Minera Tierra de Oro Ltda. (Chile). The Tierra de Oro Project lies about 50 kilometers south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chancharo gold camp and numerous areas of historic oxide copper workings.

Power Nickel initially became involved in the Tierra de Oro Project in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chancharo gold camp was re-discovered and added to the Tierra de Oro Project. In 1998 Power Nickel bought out Princeton's interest. The Tierra de Oro Project was dormant between 1999 and 2002 but reactivated in late 2003. To date Power Nickel has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, Power Nickel commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the Tierra de Oro Project justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ("IP") survey, Power Nickel announced the discovery of an IP anomaly in the Chancharo zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open to extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011 Power Nickel completed an Airborne ZTEM (Z-Tipper Axis Electromagnetic) survey over the Tierra de Oro Project in areas where potential IOCG targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chancharo zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

In the spring and summer of 2013 a complete review and analysis of the Tierra de Oro Project was completed by Dr. Chris Hodgson, Ph.D., P Eng. As a result, Power Nickel identified two potential bulk copper-gold targets that Power Nickel believed warranted a targeted exploratory drill program.

During the year ended December 31, 2019, Power Nickel engaged the services of Windfall Geotek (formerly Albert Mining); a leading artificial intelligence firm in the mining sector. Windfall Geotek used its proprietary CARDS (Computer Aided Resource Detection System) to analyze the many years of geological, geophysical and geochemical data accumulated by Power Nickel. The data identified five areas of interest. One is the primary drilling target previously identified as Chancharo. The other four are gold copper targets.

On November 18, 2020, Power Nickel announced via news release that it has started on phase 1 of drilling the Tierra de Oro Project in third Region of Atacama about 75 km south of Copiapó, Chile.

The phase 1 drilling program at the Tierra de Oro Project was focused on the Chanchero zone and further confirmed the existence of a strong hydrothermal system in the local area. Drilling demonstrated discontinuous fault bound zones of characteristic phyllic-propylitic-argillic alteration, and widespread pyrite mineralization in stockworks and veins in most of the drillholes. A total of five diamond drill holes were completed for a total of 1,500 m of recovered core, resulting in approximately 850 collected samples. Laboratory results have been received for all of the 5 holes completed. The preliminary highlight of the program was intersected in Hole 3 where a two-metre sample at 120 m depth encountered anomalous grades of 716 g/t Silver and 0.453% Copper, adjacent to a highly fractured fault zone with no core recovery.

The Tierra de Oro Project area is structurally controlled by the Elisa de Bordos fault, separating 2 domains; an intrusive one associated with gold, where the Chancheros project is located, and another volcanoclastic domain associated with copper-silver, where the Las Lomitas and Jaqueline projects are located.

The artificial intelligence study performed by Windfall Geotek delivered targets for surface exploration at Las Lomitas where the results obtained from ground truth sampling from nine (9) rock chip samples graded between 0.77% to 3.23% copper and 22 to 169 g/t silver. The next exploration steps at Tierra de Oro Project are to perform geophysics on these areas to identify new targets of drilling.

4.6 Other Chilean Properties

Spinco will also have an interest (via subsidiary entities) in additional mining concessions in Chile related to the Hornitos, Palo Negro and Tabaco properties. Spinco will not have an interest in Power Nickel's Chilean Copaquire property.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

Spinco was incorporated on September 23, 2024 and has not yet completed a financial year. But upon completion of the Arrangement, the Golden Ivan Property will form the primary business of Spinco. As a result, included as Appendix J to the Circular are the audited Spinco Carve-Out Annual Financial Statements years ended December 31, 2023 and 2022 related to the Golden Ivan Property (and certain Chilean properties). The Spinco Carve-Out Annual Financial Statements were prepared in accordance with International Financial Reporting Standards.

The following table sets out selected financial information in respect of Spinco for the years ended December 31, 2023 and 2022, all of which is qualified by the more detailed information contained in the Spinco Carve-Out Annual Financial Statements included as Appendix J to the Circular.

Selected Financial Statement Information Carve-out Statements of Loss and Comprehensive Loss		
	Year ended December 31, (\$)	
	2023	2022
Operating expenses		
Administration fees	4,813	37,048
Amortization	2,704	3,864
Bank and interest (income) fees	902	646
Exploration expenditures	(254,277)	216,002
Foreign exchange loss (gain)	60,753	(17,251)
Investor relations	41,561	161,481
Office and miscellaneous	41,152	49,416
Professional fees (note 6)	19,957	29,118
Transfer and regulatory	867	10,593
Travel, promotion and mining shows	11,938	12,563
Total expenses before other items	69,630	(503,480)
Other items		
Sale of equipment	-	4,490
Net (profit) loss and comprehensive (profit) loss for the	69,630	(498,990)

5.2 Quarterly Information

Spinco was incorporated on September 23, 2024 and has not yet completed a financial quarter. But upon completion of the Arrangement, the Golden Ivan Property will form the primary business of Spinco. As a result, included as Appendix J to the Circular are the unaudited Spinco Carve-Out Interim Financial Statements for the three and six months ended June 30, 2024 related to the Golden Ivan Property (and certain Chilean properties).

The following table sets out selected financial information in respect of Spinco for the six months ended June 30, 2024 and 2023, all of which is qualified by the more detailed information contained in the Spinco Carve-Out Interim Financial Statements included as Appendix J to the Circular.

Selected Financial Statement Information Carve-out Statements of Loss and Comprehensive Loss		
	Six months ended June 30, (\$)	
	2024	2023
Operating expenses		
Administration fees	11,851	1,750
Amortization	948	1,352
Bank and interest (income) fees	322	358
Exploration expenditures	408,091	75,227
Foreign exchange loss (gain)	10,580	102,161
Investor relations	153,063	15,559
Office and miscellaneous	33,108	24,041
Professional fees (note 6)	16,889	7,105
Transfer and regulatory	2,705	322
Travel, promotion and mining shows	5,147	545
Net loss and comprehensive loss for the year	(642,704)	(228,420)

5.3 Dividends

Spinco has not paid dividends since its incorporation. While there are no restrictions precluding Spinco from paying dividends, it has no source of cash flow and anticipates using all available cash resources toward its stated business objectives. At present, Spinco's policy is to retain earnings, if any, to finance its business operations. The board of directors of Spinco (the "**Spinco Board**" or "**Board**") will determine if and when dividends should be declared and paid in the future based on Spinco's financial position, financial requirements and other conditions existing at the relevant time.

5.4 Foreign GAAP

Not applicable.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

6.1 General

A copy of the management's discussion and analysis for the year ended December 31, 2023 related to the Golden Ivan Property (and certain Chilean properties) is attached to the Circular as Appendix K. It includes financial information from, and should be read in conjunction with, the Spinco Carve-Out Annual Financial Statements and the notes thereto, which are attached as Appendix J to the Circular, as well as the disclosure contained throughout this Appendix G and the Circular.

6.2 Selected Financial Information

The following is selected financial data derived from the Spinco Carve-Out Annual Financial Statements at December 31, 2023 and December 31, 2022.

	Year ended December 31, 2023 (\$)	Year ended December 31, 2022 (\$)
Total revenues	Nil	Nil
Total (profit) loss	69,630	(498,990)

	As at December 31, 2023 (\$)	As at December 31, 2022 (\$)
Total assets	14,525	26,923
Total non-current financial liabilities	Nil	Nil

6.3 Result of Operations

6.3.1 Net Sales or Total Revenues

For the year ended December 31, 2023, Spinco had no revenues.

6.3.2 Any other Significant Factors causing Changes in Net Sales or Total Revenues

This section is not applicable to Spinco as Spinco has had no revenues for the year ended December 31, 2023.

6.3.3 Cost of Sales or Gross Profit

This section is not applicable to Spinco as Spinco has had no revenues for the year ended December 31, 2023.

6.3.4 Golden Ivan Property

Upon completion of the Arrangement, Spinco plans to commence exploration and, as warranted, development of the Golden Ivan Property pursuant to the recommendations in the Technical Report. Spinco will undertake Phase 1 of the recommended exploration program. Phase 2 will be contingent on the results of Phase 1.

Further details regarding the Golden Ivan Property can be found at this Appendix G, “*The Golden Ivan Property*”.

6.4 Summary of Quarterly Results

Quarter Ended	Revenues	(Profit) Loss for the Period	Exploration (recoveries) expenditures
December 31, 2023	\$ nil	\$ (333,802)	\$ (342,073)
September 30, 2023	\$ nil	\$ 35,752	\$ 12,179
June 30, 2023	\$ nil	\$ 45,449	\$ 44,885
March 31, 2023	\$ nil	\$ 182,971	\$ 30,342
December 31, 2022	\$ nil	\$ 209,841	\$ 108,316
September 30, 2022	\$ nil	\$ 70,097	\$ 35,250
June 30, 2022	\$ nil	\$ 51,539	\$ 10,679
March 31, 2022	\$ nil	\$ 167,513	\$ 61,755

6.5 Liquidity and Capital Resources

The Golden Ivan Property is comprised of no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Golden Ivan Property has relied upon its owners' investments to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations. Since the Golden Ivan Property does not expect to generate any revenues in the near future, it will continue to rely upon the owners' investments. There can be no assurance that the owners' investments will be available to the Golden Ivan Property when required, or on terms satisfactory to the Golden Ivan Property. At December 31, 2023, the Golden Ivan Property had \$8,210 in cash.

As at December 31, 2023, the Project had current assets of \$8,210 (December 31, 2022 - \$17,904) and current liabilities of \$219,364 (December 31, 2022 - \$741,575).

6.6 Off-Balance Sheet Arrangements

Spinco is not a party to any off-balance sheet arrangements.

6.7 Related Party Balances and Transactions

The Golden Ivan Property has entered into agreements with officers of Power Nickel and private companies controlled by officers and directors of Power Nickel for management consulting, geological consulting and other services required by the Golden Ivan Property.

Spinco will be party to the Arrangement Agreement (see in this Appendix G, "*General Development of Spinco's Business*", "*Promoters*" and "*Interests of Management and Other in Material Transactions*").

As at the date of the Circular, Spinco is Power Nickel's wholly-owned subsidiary and the sole director of Spinco is also a director and officer of Power Nickel. See in this Appendix G, "*Directors and Executive Officers*".

6.8 Changes in Accounting Policies

During the year ended December 31, 2023, Power Nickel adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards this includes the amended to IAS 1. These new standards and changes did not have any material impact on the Spinco Carve-Out Annual Financial Statements.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact and have been excluded.

6.9 Financial Instruments and Other Instruments

See Note 3(h) to the Spinco Carve-Out Annual Financial Statements, which are attached as Appendix J to, and form part of, the Circular.

6.10 Interim MD&A

A copy of the management’s discussion and analysis for the three and six months ended June 30, 2024 related to the Golden Ivan Property (and certain Chilean properties) is attached to the Circular as Appendix K. It includes financial information from, and should be read in conjunction with, the Spinco Carve-Out Interim Financial Statements and the notes thereto, which are attached as Appendix J to the Circular, as well as the disclosure contained throughout this Appendix G and the Circular.

6.11 Additional Disclosure for Issuers without Significant Revenue

	Year ended	
	December 31, 2023	2022
Operating expenses		
Administration fees	\$ 4,813	\$ 37,048
Amortization	2,704	3,864
Accretion, bank and interest fees	902	646
Exploration expenditures	(254,277)	216,002
Foreign exchange loss (gain)	60,753	(17,251)
Investor relations	41,561	161,481
Office and miscellaneous	41,152	49,416
Professional fees	19,957	29,118
Transfer and regulatory	867	10,593
Travel, promotion and mining shows	11,938	12,563
Total expenses before other items	69,630	(503,480)
Other items		
Sale of equipment	-	4,490
Net loss and comprehensive loss for the year	\$ 69,630	\$ (498,990)

6.12 Description of Securities

Spinco has one class of shares outstanding, being common shares without par value (as previously defined herein, the “**Spinco Shares**”). Spinco was incorporated on September 23, 2024 and as at the date of the Circular, one Spinco Share is issued and outstanding. See in this Appendix G, “*Description of Securities*”, “*Description of Securities - Prior Sales*” and “*Consolidated Capitalization*”.

As of the date of this Circular, Spinco has not granted any stock options under the Spinco Stock Option Plan, or otherwise, nor has it issued any other rights or securities to purchase Spinco Shares. See in this Appendix G, “*Options and Other Rights to Purchase Securities*”.

7. MARKET FOR SECURITIES

Spinco will be an unlisted reporting issuer after completion of the Arrangement. There is no concurrent application for listing of Spinco on any stock exchange, though there may be a listing application made at a future date. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

8. CONSOLIDATED CAPITALIZATION

The following table sets out the share and loan capital of Spinco. The table should be read in conjunction with the Spinco Carve-Out Annual Financial Statements attached as Appendix J of the Circular as well as with the other disclosure contained in this Appendix G and in the Circular. See also in this Appendix G, “*Description of Securities*” and “*Description of Securities - Prior Sales*”.

Capital	Authorized	Amount outstanding as of the date of Circular	Amount outstanding assuming completion of the Arrangement
Spinco Shares	Unlimited	1	19,500,000
Spinco Stock Options	10% of the issued and outstanding Spinco Shares	Nil	948,928
Long term debt	N/A	Nil	Nil

9. OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

9.1 Spinco Stock Options

9.1.1 Spinco Stock Option Plan

As the Power Nickel Stock Option Plan will not carry forward to Spinco, and in contemplation of the Arrangement becoming effective, the Spinco Board has adopted the Spinco Stock Option Plan. At the Meeting, Power Nickel Shareholders will be asked to approve and ratify the Spinco Stock Option Plan. The Spinco Stock Option Plan was approved by the Spinco Board on October 15, 2024. A copy of the Spinco Stock Option Plan is attached as Appendix B to the Circular.

If the Spinco Stock Option Plan is approved by Power Nickel Shareholders, it is expected that approximately 1,950,000 Spinco stock options will be available for grant, which will represent 10% of the issued and outstanding Spinco Shares at the time of completion of the Arrangement (with each such Spinco stock option exercisable into one Spinco Share). The Spinco Stock Option Plan is a “rolling 10% plan” (also known as an evergreen plan) such that exercised, cancelled and expired options are returned and available for grant under the Spinco Stock Option Plan.

Shareholders may also obtain copies of the Spinco Stock Option Plan from Power Nickel prior to the Meeting on written request. The following is a summary of the material terms of Spinco Stock Option Plan.

9.1.2 Summary of the Spinco Stock Option Plan

Spinco has adopted the Spinco Stock Option Plan in order to govern stock options of Spinco that will be issued as part of the Arrangement and to provide incentive compensation to directors, officers, employees and consultants of Spinco as well as to assist Spinco in attracting, motivating and retaining qualified directors, management personnel and consultants. The purpose of the Spinco Stock Option Plan is to provide additional incentive for participants’ efforts to promote the growth and success of the business of Spinco. The Spinco Stock Option Plan will be administered

by the Spinco Board, or committee thereof, which will designate, from time to time, the recipients of grants and the terms and conditions of each grant, in each case in accordance with applicable Securities Laws.

The terms of Spinco Stock Option Plan are substantially the same as those of the Power Nickel Stock Option Plan, though with certain provisions that are slightly different to comply with the Canadian Securities Exchange (the “**CSE**”) policies now in effect, although such CSE policies will not apply to the Spinco Stock Option Plan until such time as the Spinco Shares become listed on the CSE (or such earlier date imposed by the CSE in contemplation of listing). If Spinco applies to list on a stock exchange other than the CSE, the Spinco Stock Option Plan permits the Board to modify the plan to comply with the applicable policies of such other stock exchange. As disclosed elsewhere in this Appendix G, at present there is no concurrent application for listing of Spinco on any stock exchange, though there may be a listing application made at a future date. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

The Spinco Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the CSE’s requirements (upon such requirements becoming applicable), grant to directors, officers, employees and consultants to Spinco, non-transferable options to purchase Spinco Shares. The Spinco Stock Option Plan provides that the number of common shares reserved for issuance (under the grant of stock options or any other security based compensation) must not exceed 10% of the Spinco Shares outstanding at any the time and grants to any one person must not exceed 5% of the Spinco Shares in any 12 month period, calculated at the date of grant. Individual stock option grants must comply with the terms of the Spinco Stock Option Plan and upon becoming applicable the policies of the CSE as they related to the minimum exercise price (which must be no lower than the greater of \$0.05 and the then market price of the Spinco Shares), amendments and filing requirements.

The Spinco Stock Option Plan provides that:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death, if exercised within one year of the optionee’s death;
- (b) options may be exercisable for a maximum of 10 years from the date of grant;
- (c) options to acquire no more than 5% of the issued Spinco Shares may be granted to any one person (and companies wholly owned by that person) in any 12 month period;
- (d) following the listing of the Spinco Shares on the CSE, options may not be amended once issued, and if an option is cancelled before its expiry date, the Board may not grant new options to the same option holder until 30 days have elapsed from the date of cancellation;
- (e) for stock options granted to directors, officers, Employees, Consultants or Management Company Employees (as defined in the Spinco Stock Option Plan), Spinco represents that the optionee is a bona fide director, officer, Employee, Consultant or Management Company Employee, as the case may be; and
- (f) for stock options granted to any optionee who is a director, officer, Employee, Consultant or Management Company Employee, the stock options must expire within a reasonable

period (which must be no longer than 12 months) following the date the option holder ceases to be a director, officer, Employee, Consultant or Management Company Employee, unless the option holder is terminated for cause or resigns, in which case the option will terminate on the date of such cessation.

See in the Circular, "*Particulars of Other Matters to be Acted Upon – Shareholder Approval of Spinco Stock Option Plan*". A copy of the Spinco Stock Option Plan is attached as Appendix B to the Circular.

9.2 Warrants

As of the date of the Circular, Spinco has no warrants outstanding.

Spinco does not intend to issue any warrants either pursuant to the Arrangement Agreement.

10. DESCRIPTION OF SECURITIES

10.1 Authorized Capital

Spinco's authorized share capital consists of an unlimited number of common shares without par value, of which one (1) Spinco Share (held by Power Nickel) is issued and outstanding as fully paid and non-assessable as of the date of the Circular. Assuming completion of the Arrangement pursuant to its terms, approximately 19,500,000 Spinco Shares will be issued and outstanding as fully paid and non-assessable, 50% of which will be owned by Power Nickel Shareholders, with Power Nickel holding the remaining 50%.

10.2 Spinco Shares

Spinco Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any of the Spinco Shares, all of which rank equally as to all benefits which might accrue to the holders of the Spinco Shares. All holders of Spinco Shares are entitled to receive a notice of any general meeting to be convened by Spinco. At any general meeting of Spinco, subject to the restrictions on joint registered owners of Spinco Shares, every Shareholder has one vote for each Spinco Share of which he or she is the registered owner. Voting rights may be exercised in person or by proxy.

The holders of Spinco Shares are entitled to share pro rata in any: (i) dividends if, as and when declared by the Spinco Board, and (ii) such assets of Spinco as are distributable to shareholders upon liquidation of Spinco. The aggregate Spinco Shares outstanding upon completion of the Arrangement will be fully paid and non-assessable.

10.3 Spinco Warrants

As of the date of the Circular, Spinco does not have any warrants outstanding. Spinco does not intend to issue any warrants pursuant to the Arrangement Agreement.

10.4 Spinco Stock Options

As of the date of the Circular, Spinco does not have any stock options outstanding.

As part of the Arrangement, holders of Power Nickel stock options under the Power Nickel Stock Option Plan will become optionholders in both companies and will receive one Power Nickel Replacement Option (as defined in the Circular) and one Spinco stock option to acquire 0.05 of a Spinco Share. Assuming completion of the Arrangement pursuant to its terms, it is expected that Spinco stock options to purchase an aggregate of 948,928 Spinco Shares will be outstanding.

10.5 Prior Sales

On September 23, 2024, Spinco issued one Spinco Share to Power Nickel.

Other than the one Spinco Share held by Power Nickel, Spinco has not issued any other shares as of the date of the Circular. Upon completion of the Arrangement, it is expected that 19,500,000 Spinco Shares will be issued and outstanding as fully paid and non-assessable, of which 50% of which will be owned by Power Nickel Shareholders, with Power Nickel holding the remaining 50%.

10.6 Listing of Spinco Shares

Spinco will be unlisted reporting issuer after completion of the Arrangement. There is no concurrent application for listing of Spinco on any stock exchange, though there may be a listing application made at a future date. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

11. ESCROWED SECURITIES

As of the date of the Circular, and upon completion of the Arrangement, none of the Spinco Shares are or are anticipated to be in escrow or are subject to a contractual restriction on transfer.

12. PRINCIPAL SHAREHOLDERS

As of the date of the Circular, Power Nickel holds 100% of the issued and outstanding Spinco Shares. Assuming completion of the Arrangement and to the knowledge of Spinco's directors and officers, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the then issued Spinco Shares, other than Power Nickel, who will hold 50% of the outstanding Spinco Shares.

13. DIRECTORS AND OFFICERS

13.1 Directors and Executive Officers of Spinco

As at the date of the Circular, Spinco's sole director is Terry Lynch, who is also a director and the Chief Executive Officer and President of Power Nickel. Mr. Lynch was elected as Spinco's director by Power Nickel, Spinco's sole shareholder.

Upon completion of the Arrangement, certain directors and officers of Power Nickel will be the directors and officers of Spinco, the names, place of residence, positions and offices and principal occupations of which are as follows:

Name and place of residence	Principal occupation ⁽³⁾	Number and Percentage of Spinco Shares owned ⁽³⁾⁽⁴⁾	Date of appointment as director or officer of Spinco
Conor Lynch ⁽¹⁾ Nassau, The Bahamas	Founder and CEO of Punchast Inc., a social media technology company (founded in 2011). Launched WealthPress, a financial newsletter publication (launched in 2018; Mr. Conor Lynch sold his position in WealthPress in 2022). Helped found Great Northern Energy Metals Inc., a junior uranium exploration company (founded in 2022).	544,398 (2.79%)	Proposed CEO and Director
Terry Lynch ⁽¹⁾ Nassau, The Bahamas	CEO, President and director of Power Nickel.	482,500 (2.47%)	September 23, 2024 (Director) Proposed Chairman of the Board
Peter Kent ⁽²⁾ Ontario, Canada	Chairman of Power Nickel and retired lawyer.	73,092 (0.37%)	Proposed Director
Rob Suttie Ontario, Canada	CFO of multiple public companies through work at Marrelli Support Services Inc.	29,200 (0.15%)	Proposed CFO

Notes:

- (1) Proposed Member of the Audit Committee.
- (2) Proposed Chair of the Audit Committee.
- (3) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of Spinco and has been furnished by the respective individuals.
- (4) Figures calculated based on 19,500,000 Spinco Shares issued and outstanding, assuming the completion of the Arrangement, based on such individual's ownership of Power Nickel Shares as of the date of the Circular.

13.2 Period of Service of Directors

By approving the Arrangement Resolution, Power Nickel Shareholders will be deemed to have approved the proposed directors of Spinco.

The directors of Spinco will thereafter be elected by the shareholders of Spinco at each annual general meeting of shareholders and will hold office until the next annual general meeting of Spinco, or until his or her successor is duly elected or appointed, unless: (i) his or her office is earlier vacated in accordance with the constating documents of Spinco; or (ii) he or she becomes disqualified to act as a director.

The articles of Spinco include advance notice provisions (the “**Spinco Advance Notice Provisions**”), which include, among other things, a provision that requires advance notice be given to Spinco in circumstances where nominations of persons for election to the Spinco Board

are made by shareholders of Spinco. In the case of an annual general meeting of shareholders, notice to Spinco must be made not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders. In the case of a special meeting (which is not also an annual general meeting) of shareholders of Spinco, notice to Spinco must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. The Spinco Advance Notice Provisions will be available for viewing in the articles of Spinco which will be filed under Spinco's profile on SEDAR+ at www.sedarplus.ca upon Spinco becoming a reporting issuer.

13.3 Directors' and Officers' Common Share Ownership

As at the date of the Circular, there are no Spinco Shares beneficially owned, directly or indirectly, or control or direction was exercised over those shares, by the directors and executive officers of Spinco. Upon completion of the Arrangement, each of the directors and executive officers of Spinco will beneficially own, directly or indirectly, or control or direct 0.05 of one Spinco Share for each Power Nickel Share held. It is expected that, upon completion of the Arrangement, 1,129,190 Spinco Shares, or approximately 5.79% of the Spinco Shares then issued and outstanding on a non-diluted basis, will be beneficially owned, directly or indirectly, or control or direction will be exercised over those shares, by the directors and executive officers of Spinco as a group.

13.4 Board Committees

13.4.1 Audit Committee

Upon completion of the Arrangement, Spinco will have an audit committee (the "**Audit Committee**") consisting of Peter Kent, Terry Lynch and Conor Lynch, each of whom is a director and financially literate in accordance with National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). Peter Kent will be the Chair of the Audit Committee.

The Spinco Board may from time to time establish additional committees.

13.5 Principal Occupation of Directors and Executive Officers

Information on directors' and executive officers' principal occupation is set out in Section 13.1 – *Directors and Executive Officers of Spinco*.

13.6 Cease Trade Orders and Bankruptcies

No proposed director or officer of Spinco or a shareholder holding a sufficient number of securities of Spinco to affect materially the control of Spinco, is, or within 10 years before the date hereof has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any

exemption under securities legislation, for a period of more than 30 consecutive days;

- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of Spinco to affect materially control of Spinco.

13.7 Penalties or Sanctions

No proposed director or executive officer of Spinco, or a shareholder holding a sufficient number of Spinco's securities to affect materially the control of Spinco, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

The foregoing has been furnished by the respective directors, executive officers and shareholders holding a sufficient number of securities of Spinco to affect materially control of Spinco.

13.8 Settlement Agreements

Not applicable.

13.9 Personal Bankruptcies

No director or officer of Spinco, or a shareholder holding sufficient securities of Spinco to affect materially the control of Spinco, or a personal holding company of any such persons has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Potential Conflicts of Interest

Certain directors and officers of Spinco (including proposed directors and officers of Spinco) are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties, including Power Nickel. Such associations to other public companies in the resource sector may give rise to

conflicts of interest from time to time. As a result, opportunities provided to a director of Spinco may not be made available to Spinco, but rather may be offered to a company with competing interests. The directors and senior officers of Spinco are required by law to act honestly and in good faith with a view to the best interests of Spinco and to disclose any personal interest which they may have in any project or opportunity of Spinco, and to abstain from voting on such matters.

The directors and officers of Spinco (including proposed directors and officers of Spinco) are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and Spinco will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

14. EXECUTIVE COMPENSATION

Compensation of Executive Officers

To date, Spinco has not carried on any active business other than entering into the Arrangement Agreement. No compensation has been paid to date by Spinco to its proposed directors or executive officers.

Following completion of the Arrangement, it is anticipated that Spinco will adopt a compensation structure for its executive officers that is appropriate for its size and the nature of its operations, while also providing an incentive for growth. It is anticipated that executive officers of Spinco will receive cash compensation and stock option grants in line with market practice for companies in the same industry and market and of the same size as Spinco.

Spinco has not established an annual retainer fee or meeting attendance fee for directors. However, Spinco expects to establish directors' fees in the future and expects to reimburse directors for reasonable expenses incurred in the course of the performance of their duties as directors.

14.1 Option-based Awards

Spinco has adopted the Spinco Stock Option Plan in order to provide incentive compensation to directors, officers, employees and consultants of Spinco as well as to assist Spinco in attracting, motivating and retaining qualified directors, management personnel and consultants. The purpose of the Spinco Stock Option Plan is to provide additional incentive for participants' efforts to promote the growth and success of the business of Spinco. The Spinco Stock Option Plan will be administered by the Spinco Board, or committee thereof, which will designate, from time to time, the recipients of grants and the terms and conditions of each grant, in each case in accordance with applicable Securities Laws. See in this Appendix G, "*Options and Other Rights to Purchase Securities - Spinco Stock Options – Summary of the Spinco Stock Option Plan*".

As part of the Arrangement, holders of Power Nickel stock options under the Power Nickel Stock Option Plan will become optionholders in both companies and will receive one Power Nickel Replacement Option and one Spinco stock option to acquire 0.05 of a Spinco Share. Assuming completion of the Arrangement pursuant to its terms, it is expected that Spinco stock options to purchase an aggregate of 948,928 Spinco Shares will be outstanding.

14.2 Pension Plan Benefits

Spinco does not have defined benefit or defined contribution plans.

14.3 Director Compensation

Upon completion of the Arrangement, it is anticipated that Spinco will pay cash compensation to its directors in amounts paid to directors of comparable Canadian companies for services rendered in their capacity as directors.

15. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of Spinco, a proposed nominee for election as a director of Spinco, and each associate of any such director, executive officer or proposed nominee: (a) is, or at any time since the beginning of the most recently completed financial year of Spinco has been indebted to Spinco or any of its subsidiaries or (b) has indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Spinco or any of its subsidiaries.

16. RISK FACTORS

An investment in Spinco Shares is highly speculative due to the high-risk nature of its business and the present stage of its development. Shareholders of Spinco may lose their entire investment. The risks described below are not the only ones facing Spinco. Additional risks not currently known to Spinco, or that Spinco currently deems immaterial, may also impair Spinco's operations. If any of the following risks actually occur, Spinco's business, financial condition and operating results could be adversely affected.

Power Nickel Shareholders should consult with their professional advisors to assess the Arrangement and their resulting investment in Spinco. In evaluating Spinco and its business and whether to vote in favour of the Arrangement, Power Nickel Shareholders should carefully consider, in addition to the other information contained in the Circular and the risk factors which follow, as well as the risks associated with the Arrangement (see in the Circular "*The Arrangement — Risks Associated with the Arrangement*"). These risk factors may not be a definitive list of all risk factors associated with the Arrangement, an investment in Spinco or in connection with Spinco's business and operations.

Spinco Shares Will Not Be Listed on Any Stock Exchange

Spinco will be unlisted reporting issuer after completion of the Arrangement. The Spinco Shares are not currently listed on any stock exchange and there is no current plan to list the Spinco Shares on any stock exchange. Until the Spinco Shares are listed on a stock exchange, shareholders of Spinco may not be able to sell their Spinco Shares. This may affect the pricing of the Spinco Shares in the secondary market and the liquidity of the Spinco Shares. Investors are advised to consult their legal advisors with respect to trading of the Spinco Shares. Even if a listing is obtained, the holding of Spinco Shares will involve a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Any future listing application will be subject to Spinco meeting the listing requirements of that stock exchange.

Qualification under the Tax Act for a Registered Plan

Provided the Spinco Shares will not be listed on a designated stock exchange in Canada or if Spinco does not otherwise satisfy the conditions in the Tax Act to be a “public corporation”, the Spinco Shares will not be considered to be a qualified investment for a Registered Plan (as defined in the Tax Act) from their date of issue. Where a Registered Plan acquires a Spinco Share in circumstances where the Spinco Share is not a qualified investment under the Tax Act for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant under the Registered Plan, including that the Registered Plan may become subject to penalty taxes, the annuitant of such Registered Plan may be subject to a penalty tax or, in the case of a registered education savings plan, such plan may have its tax exempt status revoked.

Limited Business History

Spinco has a short history of operations and has no history of earnings. The likelihood of success of Spinco must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. Spinco has limited financial resources and there is no assurance that funding will be available to it when needed. There is also no assurance that Spinco can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans.

Unknown Environmental Risks for Past Activities

Exploration and mining operations incur risks of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids having acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. Companies may be liable for environmental contamination and natural resource damages relating to properties that they currently own or operate or at which environmental contamination occurred while or before they owned or operated the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at Spinco’s mineral properties do not exist.

Sale of Spinco Shares by Power Nickel as Funding for its Canadian withholding tax obligations, if required

If Power Nickel determines that a deemed dividend will arise as a consequence of the Arrangement Agreement, Power Nickel will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to a Power Nickel Shareholder that is not resident in Canada for Canadian tax purposes (including the Spinco Shares) such amounts as Power Nickel is required, entitled or permitted to deduct and withhold under the Tax Act. To the extent that Power Nickel is required to deduct and withhold from consideration that is not cash, including the Spinco Shares, Power Nickel is entitled to liquefy such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations. Any such sales may negatively impact the trading price of the Spinco Shares where such shares are listed.

Acquisitions and Joint Ventures

Spinco will evaluate from time to time opportunities to acquire and joint venture mining assets and businesses. These acquisitions and joint ventures may be significant in size, may change the

scale of Spinco's business and may expose it to new geographic, political, operating, financial and geological risks. Spinco's success in its acquisition and joint venture activities will depend on its ability to identify suitable acquisition and joint venture candidates and partners, acquire or joint venture them on acceptable terms and integrate their operations successfully with those of Spinco. Any acquisitions or joint ventures would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Spinco's ongoing business; the inability of management to maximize the financial and strategic position of Spinco through the successful incorporation of acquired assets and businesses or joint ventures; additional expenses associated with amortization of acquired intangible assets; the maintenance of uniform standards, controls, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; dilution of Spinco's present shareholders or of its interests in its subsidiaries or assets as a result of the issuance of shares to pay for acquisitions or the decision to grant earning or other interests to a joint venture partner; and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that Spinco would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions or joint ventures. There may be no right for shareholders to evaluate the merits or risks of any future acquisition or joint venture undertaken except as required by applicable laws and regulations.

Additional Financing and Dilution

Spinco plans to focus on exploring for minerals and will use its working capital to carry out such exploration. However, Spinco will require additional funds to further such activities. To obtain such funds, Spinco may sell additional securities including, but not limited to, its common shares or some form of convertible security, the effect of which would result in a substantial dilution of the equity interests of Spinco's shareholders.

Spinco has limited financial resources and provides no assurance that it will obtain additional funding for future acquisitions and development of projects or to fulfill its obligations under applicable agreements. Spinco provides no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Golden Ivan Property with the possible dilution or loss of such interests. Further, revenues, financings and profits, if any, will depend upon various factors, including the success, if any, of exploration programs and general market conditions for natural resources. Spinco provides no assurance that it can operate profitably or that it will successfully implement its plans for its further exploration and development of the Golden Ivan Property.

No Mineral Resources and no Mineral Reserves have been estimated at Golden Ivan Property

The Golden Ivan Property is in the exploration stage and sufficient work has not been done to define a mineral resource or mineral reserve. There is no assurance given by Spinco that continuing work on the Golden Ivan Property will lead to defining the mineralization with enough confidence and in sufficient quantities to report it as a mineral resource or a mineral reserve.

No History of Mineral Production or Mining Operations

Spinco has never had a producing property. There is no assurance that commercial quantities of gold or ore will be discovered nor is there any assurance that Spinco's exploration program will

yield positive results. Even if commercial quantities of gold or ore are discovered, there can be no assurance that any property, including the Golden Ivan Property, will ever be brought to a stage where gold resources can profitably be produced therefrom. Factors which may limit the ability to produce gold resources include, but are not limited to, the price of gold, availability of additional capital and financing and the nature of any mineral deposits. Spinco does not have a history of mining operations that would guarantee it will produce revenue, operate profitably or provide a return on investment in the future. Spinco has not paid dividends in the past and Spinco does not have any plans to pay dividends in the foreseeable future.

Economics of Developing Mineral Properties

Mineral exploration and development is speculative and involves a high degree of risk. While the discovery of an ore body may result in substantial rewards, few properties which are explored are commercially mineable and ultimately developed into producing mines.

Should any mineral resources and reserves exist, substantial expenditures will be required to confirm mineral reserves which are sufficient to commercially mine and to obtain the required environmental approvals and permitting required to commence commercial operations. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (1) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (2) availability and costs of financing; (3) ongoing costs of production; (4) silver and gold prices; (5) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (6) political climate and/or governmental regulation and control. Development projects are also subject to the successful completion of engineering studies, issuance of necessary governmental permits, and availability of adequate financing. Development projects have no operating history upon which to base estimates of future cash flow.

The ability to sell, and profit from the sale of any eventual mineral production from any property will be subject to the prevailing conditions in the minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end-users' demand for mineral products. Many of these factors are beyond the control of a mining company and therefore represent a market risk which could impact the long term viability of Spinco and its operations.

Factors Beyond the Control of Spinco

The potential profitability of mineral properties is dependent upon many factors beyond Spinco's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways Spinco cannot predict and are beyond Spinco's control, and such fluctuations will impact on profitability and may

eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Spinco.

The mining industry is intensely competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for the sale of the same. There can be no assurance that metal prices will be such that the Golden Ivan Property can be mined at a profit. Factors beyond the control of Spinco may affect the marketability of any minerals discovered. Metal prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, international investment patterns, national fiscal policies, monetary systems, speculative activities and increased production due to improved mining and production methods. The supply of, and demand for, Spinco's principal exploration target, gold, is affected by various factors, including political events, economic conditions and production costs. The price of gold and other metals has fluctuated widely in recent years. Future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on Spinco's business, financial condition and result of operations. Moreover, the ability of Spinco to fund its activities and the valuation of investor companies will depend significantly upon the market price of precious and other metals. The effect of these factors, individually or in the aggregate, is impossible to predict with accuracy.

Spinco's proposed operations will require access to adequate infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Spinco's operations, financial condition and results of operations.

Following the Arrangement, Spinco may be unable to make the changes necessary to operate as an independent entity and may incur greater costs

Following the Arrangement, the separation of Spinco from Power Nickel may materially affect Spinco. Spinco may not be able to implement successfully the changes necessary to operate independently. Spinco may incur additional costs relating to operating independently that could materially affect its cash flows and results of operations. Spinco may require Power Nickel to provide Spinco with certain services and facilities on a transitional basis. Spinco may, as a result, be dependent on such services and facilities until it is able to provide or obtain its own.

Regulatory Requirements

The current or future operations of Spinco, including development activities and possible commencement of production on its properties, requires permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as

a result of the need to comply with the applicable laws, regulations and permits. Spinco will require licenses and permits from various governmental and non-governmental authorities for its operations. Spinco has obtained, or plans to obtain all necessary licenses and permits required carrying on the activities it is currently conducting or which it proposes to conduct under applicable laws and regulations. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that all permits which Spinco may require for the development and construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which Spinco might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments or changes to current laws, regulations government policies and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in costs or require abandonment or delays in the development of new mining properties.

Operating in a Foreign Country

Spinco has properties located in Chile and, as such, Spinco's day to day operations and ownership of its projects are subject to local laws, politics and customs in Chile. The economy and political system of Chile are less predictable than in countries such as Canada and the United States. The possibility that the current, or a future, government may adopt substantially different policies or take arbitrary action which might halt exploration, the cancellation of mining and exploration rights and/or changes in taxation treatment and royalties cannot be ruled out, any of which could have a material and adverse effect on Spinco's future cash flows, earnings, results of operations and financial condition.

Spinco's operations and its ability to carry on its business in the normal course may be adversely affected by local factors including labour disputes, corruption, sovereign risk, political instability, the failure of foreign parties, courts or governments to honour or enforce contractual relations, changing government regulations with respect to mining (including environmental requirements, taxation, land tenure, foreign investments, income repatriation and capital recovery), fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to Spinco's title to properties or mineral rights, problems renewing licenses and permits, opposition to mining from environmental or other non-governmental organizations, increased financing costs, instability due to economic under-development, inadequate infrastructure, and the expropriation of property interests. In addition, the enforcement by Spinco of its legal rights to exploit its properties or to utilize its permits and licenses may not be recognized by the court systems in Chile. These risks could have a material and adverse effect on the viability and financial performance of Spinco's foreign operations, which could have a material and adverse effect on its future cash flows, earnings, results of operations and financial condition. Any of these events could also result in conditions that delay or prevent Spinco from exploring or developing its properties in Chile even if economic quantities of minerals are present.

Insurance

Spinco's business is capital intensive and subject to a number of risks and hazards, including environmental pollution, accidents or spills, industrial and transportation accidents, labour disputes, changes in the regulatory environment, natural phenomena (such as inclement weather conditions, earthquakes, pit wall failures and cave-ins) and encountering unusual or unexpected geological conditions. Many of the foregoing risks and hazards could result in damage to, or destruction of, Spinco's mineral properties or future processing facilities, personal injury or death, environmental damage, delays in or interruption of or cessation of their exploration or development activities, delay in or inability to receive necessary regulatory approvals, or costs, monetary losses and potential legal liability and adverse governmental action. Spinco may be subject to liability or sustain loss for certain risks and hazards against which they do not or cannot insure or which it may reasonably elect not to insure because of the cost. This lack of insurance coverage could result in material economic harm to Spinco.

Current Global Financial Condition

Spinco will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Current financial and economic conditions globally have been subject to increased uncertainties. Access to financing has been negatively affected by these economic uncertainties. These factors may affect the ability of Spinco to obtain equity and/or debt financing in the future and, if obtained, influence the terms available to Spinco. If these increased levels of volatility and market turmoil continue, Spinco may not be able to secure appropriate debt or equity financing. If additional capital is raised by the issuance of shares from the treasury of Spinco, shareholders may suffer dilution. Future borrowings by Spinco or its subsidiaries may increase the level of financial and interest rate risk to Spinco as Spinco will be required to service future indebtedness.

Environmental Risks and Hazards

All phases of Spinco's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the general, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Spinco's operations. Environmental hazards may exist on the properties which are unknown to Spinco at present and which have been caused by previous or existing owners or operators of the properties. Reclamation costs are uncertain and planned expenditures estimated by management may differ from the actual expenditures required.

Spinco is not insured against most environmental risks. Insurance against environmental risks (including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Spinco will periodically evaluate the cost and coverage of the insurance against certain environmental risks that is available to determine if it would be appropriate to obtain such insurance.

Without such insurance, and if Spinco becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds Spinco has to pay such liabilities and result in bankruptcy. Should Spinco be unable to fund fully the remedial cost of an environmental problem, Spinco might be required to enter into interim compliance measures pending completion of the required remedy.

Litigation Risk

All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which Spinco holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of Spinco.

No Assurance and Risk of Loss of Title to Property

There may be challenges to title to the mineral properties in which Spinco holds a material interest. If there are title defects with respect to any properties, Spinco might be required to compensate other persons or perhaps reduce its interest in the affected property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs. Although steps to verify title to the properties on which Spinco will be conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee Spinco's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. Spinco's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

Spinco's Chilean mineral property maintenance payments are in arrears and as a result, the Copiapó Court has been notified by the General Treasury of the Republic of Chile. The Copiapó Court may initiate the auction of Spinco's Chilean properties. If Spinco's claims are put up for auction Spinco, as concession holder, is not allowed to place bids on its claims under auction; however, Spinco understands that the concession holder may remove a concession from auction by paying the penalty amount which is equal to double the patent amount outstanding. Accordingly, there is a risk that Spinco will not be able to retain title to its mineral claims in Chile.

Dependence on Key Individuals

Spinco is and will be dependent on a relatively small number of key personnel, particularly Terry Lynch, a director and the proposed Chairman of the Board, Conor Lynch, the proposed CEO and a proposed director, Peter Kent, a proposed director, and Rob Suttie, the proposed CFO, the loss of any one of whom could have an adverse effect on Spinco. At this time, Spinco does not maintain key-person insurance on the lives of any of its key personnel.

In addition, Spinco will be highly dependent upon contractors and third parties in the performance of its exploration and development activities. Spinco provides no guarantee that such contractors and third parties will be available to carry out such activities on behalf of Spinco or be available upon commercially acceptable terms.

Risk of Amendments to Laws

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Spinco and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Conflicts of Interest

Some of the directors and officers of Spinco are directors and officers of other companies, some of which are in the same business as Spinco. Some of Spinco's directors and officers will continue to pursue the acquisition, exploration and, if warranted, the development of mineral resource properties on their own behalf and on behalf of other companies, and situations may arise where they will be in direct competition with Spinco. Spinco's directors and officers are required by law to act in the best interests of Spinco. They may have the same obligations to the other companies in respect of which they act as directors and officers. Discharge of their obligations to Spinco may result in a breach of their obligations to the other companies and, in certain circumstances, this could expose Spinco to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of Spinco. Such conflicting legal obligations may expose Spinco to liability to others and impair its ability to achieve its business objectives.

Influence of Third Party Stakeholders

The lands in which Spinco holds an interest, or the exploration equipment and roads or other means of access which Spinco intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Spinco's work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for Spinco.

Markets for Securities

The Spinco Shares do not currently trade on any stock exchange or market. An active and liquid market for the Spinco Shares may not develop following completion of the Arrangement or, if developed, may not be maintained. If an active public market does not develop or is not maintained, investors may have difficulty selling their Spinco Shares at any given time at a price that the investor may consider reasonable. The lack of an active market may also reduce the fair market value and increase the volatility of the Spinco Shares and may impair Spinco's ability to raise capital by selling Spinco Shares.

In addition, the disruptions recently experienced in the international and domestic markets have led to reduced liquidity and increased credit risk premiums for certain companies and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of

credit or increases in financing costs, which could result in them experiencing financial difficulty. The availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Currency Risk

Currency fluctuations may affect the cash flow which Spinco may realize from its operations, since most mineral commodities are sold in a world market in United States dollars. Spinco's costs are incurred primarily in Canadian dollars.

Spinco is further exposed to the currency risk related to the fluctuation of foreign exchange rates as some of Spinco's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on Spinco's results of operations, financial position and/or cash flows. Spinco has not hedged its exposure to currency fluctuations.

Competitive Factors in the Precious and Base Metals Markets

Most mineral resources including precious and base metals are essentially commodities markets in which we would expect to be a small producer with an insignificant impact upon world production. As a result, production, if any, would be readily sold and would likely have no impact on world market prices. In recent months due to the significant downturn in the world economies has driven the commodities prices much lower which has made raising capital more difficult than past years.

Substantial Number of Authorized but Unissued Spinco Shares

Spinco has an unlimited number of common shares which may be issued by the Spinco Board without further action or approval of Spinco's shareholders. While the Spinco Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, Spinco Shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of Spinco's shareholders.

17. PROMOTERS

Power Nickel took the initiative of founding and organizing Spinco and its business and operations and, as such, may be considered to be the promoter of Spinco for the purposes of applicable securities legislation. As at the date of the Circular, Power Nickel is the sole (100%) shareholder of Spinco and will transfer its interest in the Golden Ivan Property (through Consolidated Gold and Copper Inc.) to Spinco to hold and operate as contemplated by the terms of the Arrangement. See in this Appendix G, "*General Development of Spinco's Business — General — Golden Ivan Property*" and "*Description of Securities — Prior Sales*". See also in the Circular, "*The Arrangement — Reasons for the Arrangement*".

During the 10 years prior to the date of the Circular, Power Nickel has not been subject to:

- (a) a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order), or
- (b) an order similar to a cease trade order, or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days; nor has Power Nickel been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision; nor has Power Nickel become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold its assets.

18. LEGAL PROCEEDINGS AND REGULATORY ACTIONS

18.1 Legal Proceedings

Spinco is not aware of any material legal proceedings to which Spinco or a proposed subsidiary is a party or to which the Golden Ivan Property are subject, nor is Spinco aware that any such proceedings are contemplated.

18.2 Regulatory Actions

There are currently no: (a) penalties or sanctions imposed against Spinco by a court relating to securities legislation or by a securities regulatory authority; (b) other penalties or sanctions imposed by a court or regulatory body against Spinco that would likely be considered important to a reasonable investor in making an investment decision in Spinco; and (c) settlement agreements Spinco entered into before a court relating to securities legislation or with a securities regulatory authority since Spinco was incorporated.

19. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Since Spinco's incorporation, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Spinco Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect Spinco other than Power Nickel in connection with Spinco's incorporation (see in this Appendix G, "*Corporate Structure*" and "*Promoters*"), the entering into of the Arrangement Agreement (see in the Circular, "*The Arrangement*"), and the transfer of assets to Spinco in connection with the Arrangement (see in this Appendix G,

“Introduction – Structure of the Transaction” and *“General Development of Spinco’s Business”*). See also in this Appendix G, *“Material Contracts”* below.

Certain directors and officers (including proposed directors and officers) of Power Nickel are also the directors and officers of Spinco. See in the Circular under the heading *“The Arrangement — Background to the Arrangement”*, *“The Arrangement — Recommendation of the Board”*, *“The Arrangement — Reasons for the Arrangement”*.

20. AUDITORS, TRANSFER AGENTS AND REGISTRARS

20.1 Auditor

The auditor of Spinco is DNTW Toronto LLP, Chartered Professional Accountants of Toronto, Ontario, who have been Spinco’s auditor since incorporation.

20.2 Transfer Agent and Registrar

The registrar and transfer agent of Spinco and for the Spinco Shares is or will be Endeavor Trust Corporation, located at 702 - 777 Hornby Street, Vancouver, British Columbia.

21. MATERIAL CONTRACTS

The Arrangement Agreement will be filed on Spinco’s SEDAR+ profile at www.sedarplus.ca following the completion of the Arrangement.

22. INTEREST OF EXPERTS

DNTW Toronto LLP, the auditor of Spinco, has confirmed that it is independent with respect to Spinco within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters relating to the Arrangement and Spinco will be passed upon by Cozen O’Connor LLP of Vancouver, British Columbia, legal counsel to Spinco.

The disclosure with respect to the Golden Ivan Property in this Appendix G is based on the Technical Report prepared by Alfonso L. Rodriguez Madrid, M.Sc., P. Geo.

None of the aforementioned persons nor any directors, officers, employees or partners, as applicable, of each of the aforementioned companies and partnerships, has received or will receive as a result of the Arrangement a direct or indirect interest in a property of Spinco or any associate or affiliate of Spinco, nor is currently expected to be elected, appointed or employed as a director, officer or employee of Spinco or any associate or affiliate of Spinco.

23. OTHER MATERIAL FACTS

There are no other material facts other than as disclosed in the preceding items and that are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to Spinco and its securities.

24. FINANCIAL STATEMENTS

24.1 Financial Statements

A copy of the Spinco Carve-Out Annual Financial Statements are attached as Appendix J to the Circular and the related management's discussion and analysis are attached as Appendix K to the Circular. A copy of the Spinco Carve-Out Interim Financial Statements are attached as Appendix J to the Circular and the related management's discussion and analysis are attached as Appendix K to the Circular.

24.2 Re-Qualifying Issuer

Not applicable.

**APPENDIX H
FAIRNESS OPINION SUMMARY**

Please see attached.



October 15, 2024

Power Nickel Inc.

The Canadian Venture Building
82 Richmond St East, Suite 202
Toronto, ON M5C 1P1

Attention: Board of Directors
Fairness Opinion Summary regarding Power Nickel Inc. Shareholders

RwE Growth Partners, Inc. ("RwE", "we" or "us") understands that Power Nickel Inc. ("Power Nickel", "PNPN" or the "Company") is proposing to enter into an arrangement agreement (the "Arrangement Agreement") with Chilean Metals Inc. ("Spinco" or "CMI").

Power Nickel and CMI have entered into a Definitive Arrangement Agreement (the "Arrangement Agreement") pursuant to which they are proposing to complete a statutory plan of arrangement of Power Nickel (the "Arrangement"). The Arrangement involves, among other things: (i) an alteration of Power Nickel's existing authorized share structure, and (ii) a distribution of common shares (each, a "Spinco Share" and collectively, the "Spinco Shares") in the authorized capital of Spinco, a wholly-owned subsidiary of Power Nickel, to shareholders of Power Nickel ("Power Nickel Shareholders" or the "PNPN Shareholders") such that each Power Nickel Shareholder will receive, for every common share of Power Nickel (each, a "Power Nickel Share" or "PNPN Share") held by the Power Nickel Shareholder, one New Power Nickel Share (as such term is defined in the Circular) and 0.05 of a Spinco Share in exchange for each Power Nickel Share. Under the Arrangement the authorized share structure of PNPN will be altered as follows: (1) the existing PNPN Shares will be renamed and redesignated as "Class A common shares without par value" and the special rights and restrictions attached to those shares will be amended to provide the holders with two votes in respect of each share held. Under the Arrangement these are the "Power Nickel Class A Common Shares"; (2) the authorized share structure will also be altered to create a new class of shares ("New Power Nickel Shares") consisting of an unlimited number of "common shares without par value" with terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the Effective Time. The New Power Nickel Shares will be exchanged for the Power Nickel Class A Common Shares; and (3) at the end the class of shares known as the Power Nickel Class A Common Shares, of which there will be no holders as they are now exchanged for the New Power Nickel Shares, will be eliminated. The provisions of the Arrangement Agreement are the result of non-arms' length negotiation between representatives of Power Nickel and CMI.

Upon completion of the Arrangement and pursuant an internal reorganization of Power Nickel to be completed prior to the Arrangement, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly-owned subsidiary of Power Nickel which holds Power Nickel's interests in the Golden Ivan Property along with the Chilean Properties and exploration assets and liabilities; (ii) hold exactly C\$1,000,000 in cash; and (iii) be 50% owned by the Power Nickel Shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares. Detailed information regarding the Arrangement is contained in the DRAFT Information Circular for the annual general and special meeting of Power Nickel Shareholders (the "Meeting") at which the Power Nickel Shareholders will vote on the special resolution to approve the Arrangement with CMI (the "DRAFT Information Circular"). RwE was advised by PNPN's Board that CMI will be an unlisted reporting issuer in British Columbia and Alberta after completion of the Arrangement. There is no concurrent application for listing of CMI on any stock exchange, though there may be a listing application made at a future date.

All of the above is referred to as the "Proposed Transaction"



RwE further understands that:

- The issuance of Spinco Shares as consideration pursuant to the Arrangement is also subject to approval by at least a majority of the votes cast by Power Nickel Shareholders in accordance with TSX Venture Exchange (“TSX-V”) requirements. In addition to approval of the PNP Shareholders at the Meeting, approval of the Supreme Court of British Columbia, the Proposed Transaction is subject to applicable regulatory approvals including the TSX-V approval, and the satisfaction of certain other closing conditions customary in a transaction of this nature.
- Complete details of the Proposed Transaction is included in the final management information circular to be dated October 21, 2024, to be delivered to the PNP shareholders and/or securityholders (the “Final Information Circular”). It is anticipated that closing of the Proposed Transaction, subject to satisfying all necessary conditions and receipt of all required approvals, will take place in Q4 of 2024.
- *PNP’s Board Stated Benefits of the Proposed Transaction:*
 - *Enhanced Capital Markets Focus for PNP: Enhanced capital markets strategy to be led clearly by its cornerstone NISK Property to continue to create value for shareholders.*
 - *CMI Creation Provides a Renewed Exploration Commitment for the Spinco Properties: Exploration efforts are expected to be intensified for the Spinco Properties, focusing on expanding the current resource areas. An experienced CMI team will oversee these efforts, aiming to simultaneously advance all of the Spinco Properties as appropriate.*
 - *Growth Strategy: PNP is actively pursuing a proactive strategy to assess and undertake strategic transactions that are synergistic to, and aimed at strengthening, its NISK Property. The Proposed Transaction separation of the Spinco Properties assists PNP in this.*

The terms and conditions of the Arrangement will be fully described in the Circular and respectively mailed to, among others, the PNP Shareholders in connection with the meetings of the PNP Shareholders to consider the Arrangement and related matters.

Engagement of RwE Growth Partners, Inc.

By letter agreement in 2023 (the "Engagement Agreement"), PNP retained RwE to provide a Fairness Opinion (the “Report” or “Opinion”) as to the fairness of the Transaction from a financial point of view to PNP. A full Report was prepared for the PNP Board. RwE was not engaged to act as financial advisor to PNP in connection with the Proposed Transaction and/or any proposed business transaction. Pursuant to the Engagement Agreement, PNP’s board of directors has requested that we prepare and deliver a written Report as to the fairness, from a financial point of view, of the consideration to be received by PNP for the Spinco Properties pursuant to the Arrangement. RwE was paid a fixed fee + GST for rendering the Opinion, no portion of which is conditional upon the Opinion being favorable or the completion of the Arrangement. RwE will not be paid an additional fee if the Arrangement is completed. PNP has also agreed to indemnify RwE in respect of certain liabilities that might arise out of our Engagement.

Credentials of RwE Growth Partners, Inc.

RwE is an independent professional valuation and business advisory firm with expertise in fairness



opinions, valuation and business plans as well as being involved in mergers and acquisitions. The opinion expressed herein is the opinion of RwE and the form and content herein have been approved for release by its principal, who is experienced in mergers, acquisition, divestiture and valuation matters.

Independence of RwE Growth Partners, Inc.

Neither RwE, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (BC) or the rules made thereunder) of PNP, CMI or any of their respective associates or affiliates (collectively, the "Interested Parties").

RwE has not been engaged to provide any financial advisory services nor has it participated in any financings involving PNP or CMI within the past two years, other than acting as financial advisor to PNP pursuant to the Engagement Agreement.

RwE has no other understandings, agreements or commitments between itself and PNP or CMI with respect to any current or future business dealings which would be material to the Opinion. RwE may in the future, in the ordinary course of business, provide financial advisory, valuation, or other financial services to one or more of PNP and/or CMI.

Scope of Review

In connection with rendering the Opinion, we have reviewed and relied upon, among other things, the following:

- i. the DRAFT Arrangement Agreement and the FINAL Arrangement, dated October 15, 2024.
- ii. the DRAFT Information Circular and the FINAL Information Circular, to be dated October 21, 2024.
- iii. Interviews of certain financial, technical and business management and Board members of PNP as well as management.
- iv. Collected data regarding the past, present and planned development of the Spenco Properties and CMI and the plans to work with its financial partners.
- v. Relied on data and information from PNP and CMI and PNP's website and online sources.
- vi. Collected basic and preliminary data on the Spenco Properties.
- vii. Collected data on the Spenco Properties and reviewed the available NI 43-101 Technical Reports and reviewed the merits, opportunities and challenges facing the Spenco Properties in understanding their efforts related to exploring their various properties going forward.
- viii. Also collected general business data from Bloomberg, Reuters, Capital IQ, Bank of Canada, Toronto Dominion Bank, Scotiabank, Moodys, Financial Week, Barrons, The Globe and Mail, mergermarket, TD Securities, BMO Capital Markets, CIBC World Markets, National Bank, The Economist, Morningstar Dividend Investor and Standard Bank.
- ix. Reviewed the exploration expenditures of PNP as provided by PNP.
- x. Reviewed the PNP historical expenditures and efforts by PNP of the Spenco Properties. A review of such, highlights the financing requirements likely for CMI.
- xi. Reviewed financial and stock market trading data on comparable companies in the precious metals markets and whose shares trade on stock exchanges.
- xii. In addition to reviewing financial information, RwE reviewed the operations of these various companies to determine if any had undertaken any material or relevant strategic partners with capital markets access.
- xiii. Reviewed the PNP and CMI financial statements and information.
- xiv. Reviewed data on PNP on <https://www.sedarplus.ca/landingpage/>.

To the best of our knowledge, RwE has not been denied access by PNP to any information under the Company's control that has been requested by us.



Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below. We have not been asked to prepare, and have not prepared, an independent evaluation, or separate valuation report of the securities or assets of PNP or any of their respective affiliates, nor were we provided with any such evaluations, valuations or appraisals.

We did not conduct any physical inspection of the Spenco Properties. Our Opinion should not be construed as advice as to the price at which the securities of PNP may trade at any time and does not address any legal, tax or regulatory aspects of the Arrangement.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, documents, materials, advice, opinions and representations obtained by us, including information provided by PNP in relation to the Company, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company, or any of their affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations.

We have not met separately with the independent auditors of the Company in connection with preparing the Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the audited financial statements of PNP and CMI and the reports of the auditors thereon and the interim unaudited financial statements of PNP and CMI.

With respect to any forecasts, projections, estimates or budgets provided to us concerning PNP and/or CMI and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company, as applicable, having regard to the Company's, as applicable, business, plans, financial condition and prospects and are not, in the reasonable belief of management of the Company, as applicable, misleading in any material respect.

The Company has represented to us, in a Representative and Warranty Letter, among other things, that the financial and other information, data, opinions and representations provided to us by or on behalf of PNP (collectively, the "Information"), are complete, true and correct at the date the Information was provided to us and was and is as of the date of the certificate, complete, true and correct in all material respects and did not and does not contain a misrepresentation (as defined in the *Securities Act* (BC)). We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Arrangement or the sufficiency of this letter for your purposes.

Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and CMI as they are reflected in the information and as they were represented to us in our discussions with management of the Company or their affiliates and advisors. In our analysis and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Arrangement. We have also assumed that all of the conditions required to implement the Arrangement will be met.

The Opinion is being provided to the Board of Directors of PNP for their exclusive use only in considering the Arrangement and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of RwE, provided that the Opinion may be



reproduced in full in the PNP Circular (in a form acceptable to us).

Our Opinion does not address the relative merits of the Arrangement as compared to other business strategies or transactions that might be available to the Company or in which the Company might engage.

Our Opinion is not intended to be and does not constitute a recommendation to the Board of Directors or to any PNP Shareholders with respect to the Arrangement. Additionally, we do not express any opinion as to the prices at which the PNP Shares or the CMI Shares may trade, or be priced at, at any time in the future.

RwE believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion.

The preparation of an opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such partial analysis or summary description could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and although we reserve the right to change or withdraw the Opinion if we learn that any of the information and the assumptions made that we relied upon and made in preparing the Opinion are inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date hereof.

Opinion

Based upon and subject to the analysis in the full RwE Fairness Opinion Report and all of the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the Proposed Transaction pursuant to the Arrangement is fair, from a financial point of view, to PNP and the PNP Shareholders.

RwE GROWTH PARTNERS, INC.

Richard W. Evans, MBA, CBV, ASA
Principal

Chartered Business Valuator, Canadian Institute of Chartered Business Valuators
Accredited Senior Appraiser, American Society of Appraisers

**APPENDIX I
PRO FORMA FINANCIAL STATEMENTS OF POWER NICKEL**

Please see attached.

POWER NICKEL INC.
UNAUDITED PRO FORMA
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)

Power Nickel Inc.
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

	Power Nickel Inc.	Carve-out Golden Ivan and Chilean properties	Note Ref.	Pro Forma Adjustments	Pro Forma Balance
ASSETS					
Current assets					
Cash	\$ 18,613,916	\$ (57,452)		\$ -	\$ 18,556,464
Amounts receivable	1,321,873	-		-	1,321,873
Prepaid expenses	170,012	-		-	170,012
Total current assets	20,105,801	(57,452)		-	20,048,349
Non-current assets					
Equipment	5,367	(5,367)		-	-
Investment in Consolidated Copper	-	-	2(d)	4,940,000	4,940,000
Total assets	\$ 20,111,168	\$ (62,819)		\$ 4,940,000	\$ 24,988,349
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	\$ 5,052,859	\$ (237,332)	2(c)	\$ 60,000	\$ 4,875,527
Due to related parties	43,481	-		-	43,481
Flow-through liability	1,837,729	-		-	1,837,729
Advances from shareholders	7,000	-		-	7,000
Total current liabilities	6,941,069	(237,332)		60,000	6,763,737
Non-current liabilities					
Other liabilities	55,464	-		-	55,464
Total liabilities	6,996,533	(237,332)		60,000	6,819,201
SHAREHOLDERS' DEFICIENCY					
Issued capital	96,282,491	-	2(d)	(260,000)	96,022,491
Contribution from Power Nickel Inc.	-	(19,153,368)		19,153,368	-
Contributed surplus	3,201,405	-		-	3,201,405
Warrants	7,251,385	-		-	7,251,385
Deficit	(93,620,646)	19,327,881		(14,013,368)	(88,306,133)
Total shareholders' deficiency	13,114,635	174,513		4,880,000	18,169,148
Total liabilities and shareholders' deficiency	\$ 20,111,168	\$ (62,819)		\$ 4,940,000	\$ 24,988,349

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

Power Nickel Inc.
PRO FORMA CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For The Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

	Power Nickel Inc. (audited)	Carve-out Golden Ivan and Chilean properties	Note Ref.	Pro Forma Adjustments	Pro Forma Consolidated
Expenses					
Administration fees	\$ 225,000	\$ (11,851)		\$ -	\$ 213,149
Amortization	948	(948)		-	-
Accretion, bank and interest (income) fees	6,345	(322)		-	(322)
Exploration expenditures and recoveries	7,339,707	(408,091)		-	6,931,616
Foreign exchange loss (gain)	48,045	(10,580)		-	37,465
Investor relations	2,905,975	(153,063)		-	2,752,912
Office and miscellaneous	40,036	(33,108)		-	6,928
Professional fees	205,902	(16,889)	2(c)	60,000	249,013
Share-based payments	678,720	-		-	678,720
Transfer and regulatory	51,357	(2,705)		-	48,652
Travel, promotion and mining shows	97,722	(5,147)		-	92,575
Total expenses before other items	(11,599,757)	642,704		(60,000)	(11,010,708)
Other items					
Flow-through liability amortization	3,844,806	-		-	3,844,806
Fair value of mineral properties disposed	-	-	2(d)	5,200,000	5,200,000
Net loss and comprehensive loss for the period	\$ (7,754,951)	\$ 642,704		\$ 5,140,000	\$ (1,965,902)
Net loss per share					
- Basic and diluted				\$	0.01
Weighted average number of common shares outstanding					
- basic and diluted					158,344,467

The accompanying notes are an integral part of these unaudited pro forma consolidated financial statements.

1. SPIN-OUT TRANSACTION

The accompanying pro-forma consolidated financial statements have been compiled for purposes of inclusion in the Management Information Circular (“Info Circular”) of Power Nickel Inc. (“the Company” or “Power Nickel”) dated October 23, 2024 which gives effect to a spin out of the Golden Ivan and Chilean mineral exploration stage properties of Power Nickel (collectively, the “Spin-out Properties”) to its current shareholders via Spin Co. (“Spin Co”). Upon closing of the transaction, Spin Co will own mineral exploration-stage projects located in Chile and British Columbia, Canada and no longer be a 100% owned subsidiary of Power Nickel.

Power Nickel and Spin Co entered into the Arrangement Agreement (“Arrangement”). Subject to shareholder approval and regulatory consents, Spin Co will spin out the Spin-out Properties to its current shareholders on the basis of one Spin Co share distributed for every one share of Power Nickel owned, for its warrant holders one Spin Co warrant for every one warrants of Power Nickel owned and for its option holders one Spin Co option for every one options of Power Nickel held, pursuant to the Plan of Arrangement. Accordingly, Spin Co will cease to be a subsidiary of Power Nickel. In connection with the Arrangement, Spin Co will assume all of Power Nickel's interest in the Spin out Properties.

The unaudited pro forma financial statements of Power Nickel as at and for the three and six months ended June 30, 2024 have been prepared by management in accordance with the recognition and measurement requirements of International Financial Reporting Standards (“IFRS”), for illustrative purposes only, after giving effect to the Arrangement. They have been prepared for inclusion in the Management Information Circular of Power Nickel dated October 23, 2024 (the “Circular”) with respect to the proposed spin-out of the Spin-out Properties. The unaudited pro forma financial position has been prepared from information derived from and should be read in conjunction with the following:

- a) The unaudited consolidated financial statements of Power Nickel for the three and six months ended June 30, 2024; and
- b) The unaudited carve-out financial statements of Golden Ivan and Chilean Properties for the three and six months ended June 30, 2024.

The unaudited pro forma statement of financial position removes the carve-out statement of financial position of the Spin-out Properties from the statement of financial position of Power Nickel Inc as at June 30, 2024 and is intended to reflect the financial position of Power Nickel as if the transaction had been effected on December 31, 2023. The unaudited pro forma financial statements are not necessarily indicative of the financial position or results of operations which would have occurred if the transaction had actually occurred on December 31, 2023.

The pro-forma consolidated statement of financial position and statement of operations have been prepared in accordance with International Financial reporting Standards (“IFRS”) and the accounting principles as disclosed in the financial statements of Power Nickel. In the opinion of management, the unaudited pro-forma consolidated statement of financial position and statement of operations include the adjustments necessary for the fair presentation of the proposed transaction in accordance with IFRS.

The pro-forma consolidated statement of financial position and statement of operations are not necessarily indicative of Power Nickel at the time of closing of the transaction referred to above.

The unaudited pro-forma financial statements are not intended to reflect the results of operations or the financial position of the Company which would actually have resulted had the proposed transaction been effected on the dates indicated. Further, the unaudited pro-forma financial information is not necessarily indicative of the results of operations that may be obtained in the future. The actual pro-forma adjustments will depend on a number of factors, and could result in a change to the unaudited pro-forma financial statements.

Power Nickel Inc.

Notes to Pro Forma Consolidated Financial Statements

Three and six months ended June 30, 2024

(Expressed in Canadian Dollars, except where noted)

Unaudited

2. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

- a) Power Nickel has executed an arrangement agreement whereby the business of Power Nickel will be reorganized into two companies. The accounts of Consolidated Copper and Gold Inc. ("Consolidated Copper"), no longer considered a wholly-owned subsidiary of Power Nickel upon completion of spin out, were deconsolidated.
- b) The Spin-out Properties is spun out to Spin Co, per the Arrangement, and no longer form part of Power Nickel's assets.
- c) Direct transaction costs are estimated to total \$60,000 with respect to legal, audit and accounting related, and financial advisory fees. These costs are paid with cash and have been expensed.
- d) For every common share of Power Nickel held at closing on the day before the effective date of the Arrangement, entitles each shareholder to one New Power Nickel Share and 0.05 of a Consolidated Copper. Whereby Power Nickel will control 95% of the common shares and the shareholders of Power Nickel will control the remaining 5% of the common shares of Consolidated Copper. The Spin-out Properties have an estimated fair value of \$5,200,000, based on the fairness opinion.

Contribution from Power Nickel	5,200,000
Ownership of shares distributed to shareholders of Power Nickel	5.00 %
<u>Amount transferred to share capital</u>	<u>260,000</u>

3. SHAREHOLDERS' DEFICIENCY

	Common Shares		Contributed Surplus	Warrants	Deficit	Total
	Number of Shares	Share Capital				
Opening Balance	149,873,243	\$ 96,282,491	\$ 7,251,385	\$ 3,201,405	\$ (93,620,646)	\$ 13,114,635
Disposition of assets and liabilities upon spinout	-	-	-	-	(174,513)	(174,513)
Deconsolidation of the accounts of Spin Co	-	(260,000)	-	-	5,140,000	4,880,000
Balance, June 30, 2024	149,873,243	\$ 96,022,491	\$ 7,251,385	\$ 3,201,405	\$ (88,655,159)	\$ 17,820,122

4. LOSS PER SHARE – BASIC AND DILUTED

The calculation of the pro forma consolidated basic and diluted loss per share in the pro forma consolidated statement of operations for the three and six months ended June 30, 2024 are based upon the assumption that the transaction contemplated in the Arrangement occurred on June 30, 2024 and were based upon the weighted average number of shares of 158,344,467 for basic and diluted loss per share calculation.

APPENDIX J
GOLDEN IVAN AND CHILEAN PROPERTIES CARVE-OUT FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2023 (AUDITED) AND FOR THE THREE AND SIX MONTH
PERIOD ENDED JUNE 30, 2024 (UNAUDITED)

Please see attached.

GOLDEN IVAN AND CHILEAN PROPERTIES
CARVE-OUT FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2024
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

Golden Ivan and Chilean Properties

Carve-out Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

As at,	June 30, 2024	December 31, 2023
ASSETS		
<i>Current</i>		
Cash	\$ 57,452	\$ 8,210
Total current assets	57,452	8,210
Non-current assets		
Equipment (note 3)	5,367	6,315
Total assets	\$ 62,819	\$ 14,525
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (notes 5 and 7)	\$ 237,332	\$ 219,364
Total liabilities	237,332	219,364
DEFICIENCY		
Owner's investment	19,153,368	18,480,338
Deficit	(19,327,881)	(18,685,177)
Total deficiency	(174,513)	(204,839)
Total liabilities and deficiency	\$ 62,819	\$ 14,525

Nature of operations and going concern (note 1)

Commitments and contingencies (notes 4 and 7)

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Carve-out Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Operating expenses				
Administration fees (note 5)	\$ 5,621	\$ (789)	\$ 11,851	\$ 1,750
Amortization (note 3)	474	676	948	1,352
Bank and interest (income) fees	164	181	322	358
Exploration expenditures (note 4)	226,068	44,885	408,091	75,227
Foreign exchange loss (gain)	10,950	(13,618)	10,580	102,161
Investor relations	102,382	694	153,063	15,559
Office and miscellaneous	11,205	12,829	33,108	24,041
Professional fees (note 5)	8,704	2,358	16,889	7,105
Transfer and regulatory	612	55	2,705	322
Travel, promotion and mining shows	5,147	(1,824)	5,147	545
Net loss and comprehensive loss for the period	\$ (371,327)	\$ (45,447)	\$ (642,704)	\$ (228,420)

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Carve-out Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

	Six months ended June 30,	
	2024	2023
Operating activities		
Loss for the period	\$ (642,704)	\$ (228,420)
<i>Items not affecting cash:</i>		
Amortization	948	1,352
<i>Changes in non-cash working capital items:</i>		
Accounts payable and accrued liabilities	17,968	(85,176)
Net cash used in operating activities	(623,788)	(312,244)
Financing activities		
Contributions by owner	673,030	330,004
Net cash provided by financing activities	673,030	330,004
(Decrease) increase in cash	49,242	17,760
Cash, beginning of period	8,210	17,904
Cash, end of period	\$ 57,452	\$ 35,664

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties
Carve-out Statements of Changes in Deficiency
(Expressed in Canadian Dollars)
(Unaudited)

	Owner's Investment	Deficit	Total
Balance, December 31, 2021	\$ 18,040,155	\$ (18,754,807)	\$ (714,652)
Contributions	330,004	-	330,004
Net loss for the period	-	(228,420)	(228,420)
Balance, June 30, 2023	\$ 18,370,159	\$ (18,983,227)	\$ (613,068)
Balance, December 31, 2022	\$ 18,480,338	\$ (18,685,177)	\$ (204,839)
Contributions	673,030	-	673,030
Net loss for the period	-	(642,704)	(642,704)
Balance, June 30, 2024	\$ 19,153,368	\$ (19,327,881)	\$ (174,513)

The notes to the unaudited condensed consolidated interim financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

1. Basis of preparation

Power Nickel Inc. (the "Company") holds the Golden Ivan and Chilean projects (the "Project") which consists of certain mineral claims in British Columbia and Chile. The Company has announced its intention to transfer the Project to the Spin Co by way of plan of arrangement under the Business Corporations Act (British Columbia). These carve-out financial statements have been prepared on a carveout basis from the financial records of the Company.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Project undertaken by the Company for the three and six months ended June 30, 2024 and 2023.

The purpose of carve-out financial statements is to provide general purpose historical financial information of the Project in connection with the option of the Project by the Company. These condensed interim carve-out financial statements reflect the Project expenditures as if the Project had been operating separately during the years presented. Therefore, these carve-out financial statements present the historical exploration and evaluation expenditures incurred by the Company related to the Project plus an allocation of corporate overhead charges.

The following basis of preparation for the carve-out financial statements has been applied:

- All assets and liabilities directly related to the Project have been attributed to the Project. These do not include assets and liabilities that are not specifically identifiable with the Project.
- Expenses directly related to the Project have been entirely attributed to the Project.
- During the three and six months ended June 30, 2024 and 2023, the Project received services and support functions from the Company and the operations of the Project were dependent upon the Company's ability to perform these services and support functions. These services and support functions costs are used by the Project and are paid by the Company and have been allocated to the Project based on the proportionate exploration expenses attributed to the Project compared to the total exploration expenses of the Company.

Expenses that have been allocated to the Project for the purposes of these carve-out financial statements have been recorded as contributions from the Company within owner's investment. Owner's investment represents the cumulative owner's investment in the Project through the dates presented and includes cumulative operating results.

Management believes the assumptions and allocations underlying the carve-out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the Company to be a reasonable reflection of the utilization of services provided to or the benefit received by the Project during the years presented. However, these assumptions and allocations are not necessarily indicative of the costs the Project would have incurred if it had operated on a stand-alone basis or as an entity independent of the Company.

The Company's Board of Directors authorized the issuance of the carve-out financial statements on October 21, 2024.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

2. Nature of operations and going concern

The Project requires financing to support future operating activities and does not have adequate cash resources to fund its operations over the next year and will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. Accordingly, a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. These carve-out financial statements do not include the adjustments that would be necessary should the Project be unable to continue as a going concern. Such adjustments could be material. These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Company's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The Company's Chilean mineral property maintenance payments are in arrears (see note 7) and as a result, the Copiapó Court has been notified by the General Treasury of the Republic of Chile. The Copiapó Court may initiate the auction of the properties. If the Company's claims are put up for auction the Company, as concession holder, is not allowed to place bids on its claims under auction; however, the Company understands that the concession holder may remove a concession from auction by paying the penalty amount which is equal to double the patent amount outstanding. Accordingly, there is a risk that the Company will not be able to retain title to its mineral claims in Chile.

It has not yet been determined whether the Project contains mineral reserves that are economically recoverable. The continued operations of the Project are dependent upon the existence of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

3. Equipment

<i>Cost</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2022, December 31, 2023 & June 30, 2024	\$ 16,342	\$ 83,278	\$ 126,697	\$ 226,317

<i>Accumulated amortization</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2022	\$ 8,807	\$ 82,810	\$ 125,681	\$ 217,298
Additions	2,260	140	304	2,704
Balance, December 31, 2023	11,067	82,950	125,985	220,002
Additions	792	50	106	948
Balance, June 30, 2024	\$ 11,859	\$ 83,000	\$ 126,091	\$ 220,950

<i>Net book value</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2023	\$ 5,275	\$ 328	\$ 712	\$ 6,315
Balance, June 30, 2024	\$ 4,483	\$ 278	\$ 606	\$ 5,367

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

4. Mineral exploration expenditures

Exploration and acquisition costs for the six months ended June 30, 2024 and June 30, 2023 are as follows:

	Zulema	Golden Ivan	Total
Claim costs	\$ 7,233	\$ -	\$ 7,233
Field costs	8,294	-	8,294
Geological	50,920	8,780	59,700
Six months ended June 30, 2023	\$ 66,447	\$ 8,780	\$ 75,227

	Zulema	Golden Ivan	Total
Claim costs	\$ 161,163	\$ -	\$ 161,163
Drilling	3,485	-	3,485
Field costs	106,976	-	106,976
Geophysics and geological	123,838	12,629	136,467
Six months ended June 30, 2024	\$ 395,462	\$ 12,629	\$ 408,091

(a) Tierra de Oro, Chile

Tierra de Oro is an exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The Company owns a 100% interest in exploration concessions in Region III, Chile. See Note 1 and 7 for status of claims in Chile.

(b) Zulema also known as Chicharra Property, Chile

The Company owns 100% of the rights to certain exploitation concessions and certain exploration concessions in Region III, Chile. See Note 1 and 7 for status of claims in Chile.

(c) Other Properties, Chile

During the year ended December 31, 2020, the Government of Chile, released the Company from paying for a number of claims which had taxes owing (note 7). These claims related to non-core properties, and properties where the Company had ceased its exploration programs. See Note 1 and 7 for status of claims in Chile.

(d) Golden Ivan, British Columbia, Canada

On January 14, 2021, the Company announced it finalized an option agreement dated October 7, 2020, to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

- (i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at \$1,209,000 based on the trading price of the Company's shares on the date of issuance.
- (ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at \$620,100 based on the trading price of the Company's shares on the date of issuance.

The Company has completed all option payments and has acquired a 100% interest subject only to a 2.5% NSR royalty. The Company retains the option to purchase 40% of this royalty for a one-time payment of \$1,000,000.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

5. Related party balances and transactions

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three and six months ended June 30, 2024 was \$11,851 (June 30, 2023 - \$1,750).

6. Segmented information

The Company operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada and Chile. Geographical segmentation of the Company's non-current assets is as follows:

June 30, 2024	Canada	Chile	Total
Equipment	\$ -	\$ 5,367	\$ 5,367

December 31, 2023	Canada	Chile	Total
Equipment	\$ -	\$ 6,315	\$ 6,315

Three months ended June 30, 2024	Canada	Chile	Total
----------------------------------	--------	-------	-------

Operating expenses

Administration fees	\$ 5,621	\$ -	\$ 5,621
Amortization	-	474	474
Bank and interest (income) fees	-	164	164
Exploration expenditures	12,629	213,439	226,068
Foreign exchange loss (gain)	2,193	8,757	10,950
Investor relations	102,382	-	102,382
Office and miscellaneous	-	11,205	11,205
Professional fees	5,860	2,844	8,704
Transfer and regulatory	612	-	612
Travel, promotion and mining shows	5,147	-	5,147
Net loss and comprehensive loss	\$ (134,444)	\$ (236,883)	\$ (371,327)

Three months ended June 30, 2023	Canada	Chile	Total
----------------------------------	--------	-------	-------

Operating expenses

Administration fees	\$ (789)	\$ -	\$ (789)
Amortization	-	676	676
Bank and interest (income) fees	-	181	181
Exploration expenditures	8,780	36,105	44,885
Foreign exchange loss (gain)	39,998	(53,616)	(13,618)
Investor relations	694	-	694
Office and miscellaneous	(1,221)	14,050	12,829
Professional fees	322	2,036	2,358
Transfer and regulatory	55	-	55
Travel, promotion and mining shows	(1,824)	-	(1,824)
Net loss and comprehensive loss	\$ (46,015)	\$ 568	\$ (45,447)

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

6. Segmented information (continued)

Six months ended June 30, 2024	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 11,851	\$ -	\$ 11,851
Amortization	-	948	948
Bank and interest (income) fees	1	321	322
Exploration expenditures	12,629	395,462	408,091
Foreign exchange loss (gain)	2,192	8,388	10,580
Investor relations	153,063	-	153,063
Office and miscellaneous	-	33,108	33,108
Professional fees	10,510	6,379	16,889
Transfer and regulatory	2,705	-	2,705
Travel, promotion and mining shows	5,147	-	5,147
Net loss and comprehensive loss	\$ (198,098)	\$ (444,606)	\$ (642,704)

Six months ended June 30, 2023	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 1,750	\$ -	\$ 1,750
Amortization	-	1,352	1,352
Bank and interest (income) fees	-	358	358
Exploration expenditures (note 4)	8,780	66,447	75,227
Foreign exchange loss (gain)	-	102,161	102,161
Investor relations	15,559	-	15,559
Office and miscellaneous	-	24,041	24,041
Professional fees (note 5)	1,339	5,766	7,105
Transfer and regulatory	322	-	322
Travel, promotion and mining shows	545	-	545
Net loss and comprehensive loss	\$ (28,295)	\$ (200,125)	\$ (228,420)

7. Commitments and contingencies

Environmental and legal

The Company's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Company's operations are in compliance with current laws and regulations.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

Property taxes

As at June 30, 2024, the Company has unpaid property tax for various mineral exploration property claims totaling approximately 156,719,167 Chilean Pesos (\$222,853) (December 31, 2023 - 249,731,160 Chilean Pesos (\$375,479)) which has been included in accounts payable and accrued liabilities as at June 30, 2024. In the event that the claims are put up for tax auction, the Company expects to have a notice period to make the payment for the portion of this amount required (note 2). The property tax commitment for 2023 fiscal year is 53,904,794 Chilean Pesos (\$81,048).

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

8. Financial instruments and risk

The Project's financial instruments consist of trade payables and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:

Credit Risk

Financial instruments that potentially subject the Projects to concentrations of credit risks consist principally of cash. To minimize the credit risk the Project places cash with financial institutions. The Project current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

Liquidity Risk

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

Foreign Exchange Risk

The Project's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations. The sensitivity of the Company's net loss and comprehensive loss to changes in the exchange rate between the Canadian dollar and the Chilean peso resulting from a 1% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$574 (June 30, 2023 - \$356).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Project is not exposed to interest rate risk because it does not have loans that have a floating interest rate.

Commodity Price Risk

The Project's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and copper. The Project closely monitors commodity prices to determine the appropriate course of actions to be taken.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements

Three and Six Months Ended June 30, 2024

(Expressed in Canadian Dollars)

(Unaudited)

9. Subsequent events

On October 18, 2024, the Company announced that it has entered into an arrangement agreement for a strategic reorganization of its business pursuant to which the Company's interest in the Golden Ivan property, along with certain Chilean exploration assets and liabilities, will be spun out to Power Nickel shareholders (the "Spin-Out") through Chilean Metals Inc., a wholly owned subsidiary of the Company ("Spinco"). Power Nickel will continue to focus on the advancement of the Nisk project, while Spinco will focus on advancing the Golden Ivan property and the Chilean assets. The Golden Ivan property is located in Terrace, British Columbia and comprises of 13 mineral claims, covering a total area of 797 hectares. Spinco will also acquire the Company's interests in the Zulema, Tierra de Oro, Palo Negro, Hornitos and Tabaco projects located in Chile. Power Nickel will retain its royalty interest in the Chilean Copaque project.

Spin-Out

The Spin-Out will be completed as part of a strategic reorganization to unlock value in Power Nickel's Golden Ivan property. The Spin-Out will proceed by way of a statutory plan of arrangement (the "Arrangement") pursuant to the Business Corporations Act (British Columbia). Common shares of Spinco (the "Spinco Shares") will be distributed to shareholders of Power Nickel in proportion to their shareholdings of Power Nickel, based on the ratio described herein. Before the Arrangement, Power Nickel will complete an internal reorganization, pursuant to which the following will occur: (i) Power Nickel will transfer its shares of Consolidated Gold and Copper Inc. (a directly wholly owned subsidiary of Power Nickel) to Spinco in exchange for Spinco Shares; and (ii) Power Nickel will subscribe for \$1 million worth of further Spinco Shares for cash. On closing of the Arrangement Spinco will (by operation of law) operate as a reporting issuer in British Columbia and Alberta, but there is no current plan to list the Spinco Shares on a public stock exchange. Completion of the proposed Arrangement will be subject to approval of the Power Nickel shareholders (by a two-thirds majority), and the approvals of the Supreme Court of British Columbia and the TSX Venture Exchange (the "TSXV").

The Arrangement Agreement

Power Nickel has executed an arrangement agreement whereby the business of Power Nickel will be reorganized into two companies. In connection with the Arrangement, Power Nickel will apply for an interim order from the Supreme Court of British Columbia authorizing the Company to call a shareholder meeting to approve the Arrangement.

The Arrangement involves, among other things, the distribution of Spinco Shares to the Power Nickel shareholders such that each shareholder will receive, for every common share of Power Nickel (each, a "Power Nickel Share") held at closing on the day before the effective date of the Arrangement, one New Power Nickel Share (as defined below) and 0.05 of a Spinco Share. A newly created class of common shares of Power Nickel (each, a "New Power Nickel Share") will be issued in accordance with the Arrangement. The New Power Nickel Shares will have terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the effective time of the Arrangement. In addition, option holders of Power Nickel will be issued, for each one stock option to acquire a Power Nickel Share held, one replacement stock option to acquire one New Power Nickel Share and one Spinco stock option to acquire 0.05 of a Spinco Share.

Upon completion of the internal reorganization described herein and the Arrangement, which is expected to occur by the end of 2024, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company (through which Power Nickel holds its interests in the Golden Ivan property and the Chilean exploration assets and liabilities); (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Spinco shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares. The Arrangement will be described in more detail in the information circular ("Circular") that is expected to be mailed to shareholders in late October, for the Company's annual general and special meeting of shareholders scheduled for November 22, 2024, at which the shareholders of the Company will vote on the Arrangement, as well as usual AGM items. The Circular will contain detailed information about Spinco.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Three and Six Months Ended June 30, 2024
(Expressed in Canadian Dollars)
(Unaudited)

9. Subsequent events (continued)

After closing of the Arrangement, the New Power Nickel Shares will continue trading on the TSXV in Canada, on the OTC Market in the United States and on the Frankfurt Stock Exchange in Germany. Spinco Shares will not be listed on any stock exchange after completion of the Arrangement, but Spinco will be a reporting issuer in British Columbia and Alberta and will comply with its continuous disclosure obligations under applicable Canadian securities laws.

GOLDEN IVAN AND CHILEAN PROPERTIES
CARVE-OUT FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN CANADIAN DOLLARS)



CHARTERED
PROFESSIONAL
ACCOUNTANTS

7100 Woodbine Ave, Suite 219
Markham, Ontario Canada L3R 5J2

Tel: 905-415-9666

Fax: 647-930-7939

dntw.audit@dntw.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Power Nickel Inc.

Report on the Audit of the Carve-out Financial Statements

Opinion

We have audited the Carve-out Financial Statements of Golden Ivan and Chilean Properties (the "Project") of Power Nickel Inc. (the "Company"), which comprise the carve-out statements of financial position as at December 31, 2023 and 2022, and the carve-out statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the years then ended, and notes to the Carve-out Financial Statements, including material accounting policy information.

In our opinion, the accompanying carve-out financial statements present fairly, in all material respects, the carve-out financial position of the Project as at December 31, 2023 and 2022, and its carve-out financial performance and its carve-out cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Project in accordance with the ethical requirements that are relevant to our audit of the Carve-out Financial Statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the carve-out financial statements, as of December 31, 2023 and 2022, the Project's current liabilities exceeded its total assets, and the Project incurred net losses during the years ended December 31, 2023 and 2022. These events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the carve-out financial statements of the current period. The matters were addressed in the context of our audit of the carve-out financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter of the Material Uncertainty Related to Going Concern described above, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis for the year ended December 31, 2023, which we obtained prior to the date of this auditor's report.

Our opinion on the carve-out financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the carve-out financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the carve-out financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the carve-out financial statements, management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Project's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the carve-out financial statements or, if such disclosures are inadequate, to

modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Project to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the carve-out financial statements, including the disclosures, and whether the carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Project as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the carve-out financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Julia Zhou.

October 21, 2024
Markham, Ontario

DNTW Toronto LLP

Chartered Professional Accountants
Licensed Public Accountants

Golden Ivan and Chilean Properties

Carve-out Statements of Financial Position

(Expressed in Canadian Dollars)

As at,	December 31, 2023	December 31, 2022
ASSETS		
<i>Current</i>		
Cash	\$ 8,210	\$ 17,904
Total current assets	8,210	17,904
Non-current assets		
Equipment (note 4)	6,315	9,019
Total assets	\$ 14,525	\$ 26,923
LIABILITIES		
<i>Current</i>		
Accounts payable and accrued liabilities (notes 6 and 8)	\$ 219,364	\$ 741,575
Total liabilities	219,364	741,575
DEFICIENCY		
Owner's investment	18,480,338	18,040,155
Deficit	(18,685,177)	(18,754,807)
Total deficiency	(204,839)	(714,652)
Total liabilities and deficiency	\$ 14,525	\$ 26,923
Nature of operations and going concern (note 1)		
Commitments and contingencies (notes 5 and 8)		

On behalf of the Board:

(Signed) "*Terry Lynch*"

Terry Lynch, Director

(Signed) "*Peter Kent*"

Peter Kent, Director

The notes to the carve-out financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties
Carve-out Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year ended December 31,	
	2023	2022
Operating expenses		
Administration fees (note 6)	\$ 4,813	\$ 37,048
Amortization (note 4)	2,704	3,864
Bank and interest (income) fees	902	646
Exploration expenditures (note 5)	(254,277)	216,002
Foreign exchange loss (gain)	60,753	(17,251)
Investor relations	41,561	161,481
Office and miscellaneous	41,152	49,416
Professional fees (note 6)	19,957	29,118
Transfer and regulatory	867	10,593
Travel, promotion and mining shows	11,938	12,563
Total expenses before other items	69,630	(503,480)
Other items		
Sale of equipment	-	4,490
Net (profit) loss and comprehensive (profit) loss for the year	\$ 69,630	\$ (498,990)

The notes to the carve-out financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Carve-out Statements of Cash Flows

(Expressed in Canadian Dollars)

	Year ended December 31,	
	2023	2022
Operating activities		
Loss for the year	\$ 69,630	\$ (498,990)
<i>Items not affecting cash:</i>		
Amortization	2,704	3,864
<i>Changes in non-cash working capital items:</i>		
Accounts payable and accrued liabilities	(522,211)	51,228
Net cash used in operating activities	(449,877)	(443,898)
Financing activities		
Contributions by owner	440,183	419,856
Net cash provided by financing activities	440,183	419,856
(Decrease) increase in cash	(9,694)	(24,042)
Cash, beginning of year	17,904	41,946
Cash, end of year	\$ 8,210	\$ 17,904

The notes to the carve-out financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Carve-out Statements of Changes in Deficiency

(Expressed in Canadian Dollars)

	Owner's Investment	Deficit	Total
Balance, December 31, 2021	\$ 17,620,299	\$ (18,255,817)	\$ (635,518)
Contributions	419,856	-	419,856
Net loss for the year	-	(498,990)	(498,990)
Balance, December 31, 2022	\$ 18,040,155	\$ (18,754,807)	\$ (714,652)
Contributions	440,183	-	440,183
Net income for the year	-	69,630	69,630
Balance, December 31, 2023	\$ 18,480,338	\$ (18,685,177)	\$ (204,839)

The notes to the carve-out financial statements are an integral part of these statements.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

1. Basis of preparation

Power Nickel Inc. (the "Company") holds the Golden Ivan and Chilean projects (the "Project") which consists of certain mineral claims in British Columbia and Chile. The Company has announced its intention to transfer the Project to the Spin Co by way of plan of arrangement under the Business Corporations Act (British Columbia). These carve-out financial statements have been prepared on a carveout basis from the financial records of the Company.

These carve-out financial statements reflect the assets, liabilities, expenses and cash flows of the Project undertaken by the Company for the years ended December 31, 2023 and 2022.

The purpose of carve-out financial statements is to provide general purpose historical financial information of the Project in connection with the option of the Project by the Company. These carve-out financial statements reflect the Project expenditures as if the Project had been operating separately during the years presented. Therefore, these carve-out financial statements present the historical exploration and evaluation expenditures incurred by the Company related to the Project plus an allocation of corporate overhead charges.

The following basis of preparation for the carve-out financial statements has been applied:

- All assets and liabilities directly related to the Project have been attributed to the Project. These do not include assets and liabilities that are not specifically identifiable with the Project.
- Expenses directly related to the Project have been entirely attributed to the Project.
- During the years ended December 31, 2023 and 2022, the Project received services and support functions from the Company and the operations of the Project were dependent upon the Company's ability to perform these services and support functions. These services and support functions costs are used by the Project and are paid by the Company and have been allocated to the Project based on the proportionate exploration expenses attributed to the Project compared to the total exploration expenses of the Company.

Expenses that have been allocated to the Project for the purposes of these carve-out financial statements have been recorded as contributions from the Company within owner's investment. Owner's investment represents the cumulative owner's investment in the Project through the dates presented and includes cumulative operating results.

Management believes the assumptions and allocations underlying the carve-out financial statements are reasonable and appropriate under the circumstances. The expenses and cost allocations have been determined on a basis considered by the Company to be a reasonable reflection of the utilization of services provided to or the benefit received by the Project during the years presented. However, these assumptions and allocations are not necessarily indicative of the costs the Project would have incurred if it had operated on a stand-alone basis or as an entity independent of the Company.

The Company's Board of Directors authorized the issuance of the carve-out financial statements on October 21, 2024.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

2. Nature of operations and going concern

The Project requires financing to support future operating activities and does not have adequate cash resources to fund its operations over the next year and will require additional financing in order to conduct its planned work programs and discharge its liabilities as they become due. Accordingly, a material uncertainty exists that may cast significant doubt on the Project's ability to continue as a going concern. These carve-out financial statements do not include the adjustments that would be necessary should the Project be unable to continue as a going concern. Such adjustments could be material. These carve-out financial statements have been prepared on a going concern basis, which assumes that the Project will be able to realize its assets and discharge its liabilities in the normal course of business.

Although the Project has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Project's title. Property title may be subject to unregistered prior agreements, unregistered claims, aboriginal claims and non-compliance with regulatory and environmental requirements. The Project's property interests may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty. The Project's Chilean mineral property maintenance payments are in arrears (see note 8) and as a result, the Copiapó Court has been notified by the General Treasury of the Republic of Chile. The Copiapó Court may initiate the auction of the properties. If the Project's claims are put up for auction, the Project, as concession holder, is not allowed to place bids on its claims under auction; however, the Project understands that the concession holder may remove a concession from auction by paying the penalty amount which is equal to double the patent amount outstanding. Accordingly, there is a risk that the Project will not be able to retain title to its mineral claims in Chile.

It has not yet been determined whether the Project contains mineral reserves that are economically recoverable. The continued operations of the Project are dependent upon the existence of economically recoverable reserves, the ability of the Project to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of the properties.

3. Material accounting policies

(a) Equipment

Equipment is recorded at cost less accumulated amortization less impairment losses. Amortization method, useful life and residual values are assessed annually and currently is recognized on the declining balance basis at the following rates per annum:

Automobile	30%
Furniture and office equipment	30%
Field equipment	30%

Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment. Subsequent costs to replace parts of an item of equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Project and the cost of the item can be measured reliably. The costs of day-to-day servicing are recognized in profit or loss as incurred.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

(b) Exploration and evaluation

Exploration and evaluation (“E&E”) expenditures include the direct costs of mineral exploration rights, licenses, technical services and studies, environmental studies, exploration drilling and testing, production scale manufacturing tests, directly attributable overhead and administrative expenses including remuneration of operating personnel and supervisory management, and all costs relating to the acquisition of mineral properties determined to be the acquisition of assets and liabilities for accounting purposes.

E&E expenditures are expensed as incurred to the date that costs incurred are determined to be economically recoverable, the assessment of which would require the completion of a feasibility study that demonstrates a positive commercial outcome, and for the Project to decide to move forward with development of the property into a commercial operation such that it is probable that the future economic benefits will flow to the Project.

Government assistance

Government assistance related to exploration properties is recognized as a recovery of exploration expenses in the carve-out statement of loss when there is reasonable assurance that the Project will comply with the conditions attached to them and that the assistance will be received.

(c) Impairment

The Project's tangible assets are reviewed for indications of impairment at each statement of financial position date. If indications of impairment exist, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the year. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(d) Decommissioning liabilities

The Project is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities and may from time to time incur decommissioning liabilities and the associated retirement costs related to site reclamation and abandonment. The fair value of the liability for an asset retirement obligation is recorded when it is incurred and the corresponding increase to the asset is depreciated over the life of the asset. The liability is increased over time to reflect an accretion element considered in the initial measurement at fair value. As at December 31, 2023 and 2022, the Project had not incurred any decommissioning liabilities related to the exploration of its mineral properties.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

(e) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

(f) Foreign currency translation

The reporting currency of the Project is the Canadian dollar.

The functional currency of the Project and its Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation of monetary assets and liabilities not denominated in the functional currency of an entity at period end exchange rates are recognized in the statement of loss.

Management determines the functional currency by examining the primary economic environment in which it operates. The Project considers the following factors in determining its functional currency:

- (i) The currency that mainly influence labor, material and other costs of providing goods;
- (ii) The currency in which funds from financing activities are generated;
- (iii) The currency in which receipts from operating activities are usually retained; and
- (iv) Whether the activities are carried out as an extension of the Project rather than being carried out with a significant degree of autonomy.

(g) Income taxes

The Project utilizes the asset and liability method of accounting for income taxes. Under this method, deferred income taxes and liabilities are recognized to reflect the expected deferred tax consequences arising from temporary differences between the carrying value and the tax bases of the deferred tax assets and liabilities and are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. Deferred tax assets are not recognized if it is probable that the asset will not be realized.

The following temporary differences do not result in deferred tax assets or liabilities:

- (v) the initial recognition of assets or liabilities, not arising in a business combination, that does not affect accounting or taxable profit; and
- (vi) investments in subsidiaries, associates and jointly controlled entities where the timing of reversal of the temporary differences can be controlled and reversal in the foreseeable future is not probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Project intends to settle its current tax assets and liabilities on a net basis.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

(h) Financial instruments

Financial instruments are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial instruments: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Classification	Measurement
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Project determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Project's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest". The Project's cash, amounts receivable, amounts due from related parties, and advances are classified as financial assets measured at amortized cost.

Financial liabilities

Financial liabilities are classified as either financial liabilities at amortized cost or FVTPL. The Project determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Project's accounts payable and accrued liabilities do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

(h) Financial instruments (continued)

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Project derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

The Project assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Project considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Project in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Project determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Use of estimates and judgments

The preparation of these carve-out financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgments and estimates. The carve-out financial statements include judgments and estimates which, by their nature, are uncertain. The impacts of such judgments and estimates are pervasive throughout the carve-out financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in future periods when the revision affects both current and future periods.

(i) Income taxes

Income, value added, withholding and other taxes the Project is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Project's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Project recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Project's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Project's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

3. Material accounting policies (continued)

Use of estimates and judgments (continued)

(ii) Restoration, rehabilitation and environmental provisions

The Project assumes no material restoration, rehabilitation and environmental provisions based on facts and circumstances that existed as of each reporting period. The Project must review this assumption in accordance with exploration results, existing laws, contracts and other policies. A material restoration obligation involves a number of estimates relating to timing, type of costs and associated contract negotiations, and a review of potential methods and technical advancements.

(iii) Contingencies

See note 8.

(iv) Determination of functional currency

Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of the Project and its subsidiaries, the Project considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

4. Equipment

<i>Cost</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2021, December 31, 2022 & December 31, 2023	\$ 16,342	\$ 83,278	\$ 126,697	\$ 226,317

<i>Accumulated amortization</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2021	\$ 5,579	\$ 82,610	\$ 125,245	\$ 213,434
Additions	3,228	200	436	3,864
Balance, December 31, 2022	8,807	82,810	125,681	217,298
Additions	2,260	140	304	2,704
Balance, December 31, 2023	\$ 11,067	\$ 82,950	\$ 125,985	\$ 220,002

<i>Net book value</i>	Automobiles	Field Equipment	Furniture and office equipment	Total
Balance, December 31, 2022	\$ 7,535	\$ 468	\$ 1,016	\$ 9,019
Balance, December 31, 2023	\$ 5,275	\$ 328	\$ 712	\$ 6,315

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

5. Mineral exploration expenditures

Exploration and acquisition costs for the year ended December 31, 2023 and December 31, 2022 are as follows:

	Zulema	Golden Ivan	Total
Assays	\$ 80,957	\$ -	\$ 80,957
Field costs	8,065	-	8,065
Geological	102,423	24,557	126,980
Year ended December 31, 2022	\$ 191,445	\$ 24,557	\$ 216,002

	Zulema	Golden Ivan	Total
Claim costs	\$ 10,159	\$ -	\$ 10,159
Field costs	16,055	-	16,055
Geophysics and geological	98,847	11,419	110,266
Write down of claim taxes	(390,757)	-	(390,757)
Year ended December 31, 2023	\$ (265,696)	\$ 11,419	\$ (254,277)

(a) Tierra de Oro, Chile

Tierra de Oro is an exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The Project owns a 100% interest in exploration concessions in Region III, Chile. See Note 1 and 8 for status of claims in Chile.

(b) Zulema also known as Chicharra Property, Chile

The Project owns 100% of the rights to certain exploitation concessions and certain exploration concessions in Region III, Chile. See Note 1 and 8 for status of claims in Chile.

(c) Other Properties, Chile

During the year ended December 31, 2020, the Government of Chile, released the Project from paying for a number of claims which had taxes owing (note 8). These claims related to non-core properties, and properties where the Project had ceased its exploration programs. See Note 1 and 8 for status of claims in Chile.

(d) Golden Ivan, British Columbia, Canada

On January 14, 2021, the Project announced it finalized an option agreement dated October 7, 2020, to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

- (i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at \$1,209,000 based on the trading price of the Project's shares on the date of issuance.
- (ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at \$620,100 based on the trading price of the Project's shares on the date of issuance.

The Project has completed all option payments and has acquired a 100% interest subject only to a 2.5% NSR royalty. The Project retains the option to purchase 40% of this royalty for a one-time payment of \$1,000,000.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

6. Related party balances and transactions

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the year ended December 31, 2023 was \$40,000 (December 31, 2022 - \$38,500).

7. Segmented information

The Project operates in one industry segment, namely exploration of mineral resources in two geographic regions, Canada and Chile. Geographical segmentation of the Project's non-current assets is as follows:

December 31, 2023	Canada	Chile	Total
Equipment	\$ -	\$ 6,315	\$ 6,315

December 31, 2022	Canada	Chile	Total
Equipment	\$ -	\$ 9,019	\$ 9,019

Year ended December 31, 2023	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 4,813	\$ -	\$ 4,813
Amortization	-	2,704	2,704
Bank and interest (income) fees	-	902	902
Exploration expenditures	11,419	(265,696)	(254,277)
Foreign exchange loss (gain)	4	60,749	60,753
Investor relations	41,561	-	41,561
Office and miscellaneous	(10,351)	51,503	41,152
Professional fees	2,727	17,230	19,957
Transfer and regulatory	867	-	867
Travel, promotion and mining shows	11,648	290	11,938
Net loss (profit) and comprehensive loss (profit)	\$ (62,688)	\$ 132,318	\$ 69,630

Year ended December 31, 2022	Canada	Chile	Total
Operating expenses			
Administration fees	\$ 37,048	\$ -	\$ 37,048
Amortization	-	3,864	3,864
Bank and interest (income) fees	-	646	646
Exploration expenditures (note 5)	24,557	191,445	216,002
Foreign exchange loss (gain)	(1)	(17,250)	(17,251)
Investor relations	161,481	-	161,481
Office and miscellaneous	4	49,412	49,416
Professional fees (note 6)	16,929	12,189	29,118
Transfer and regulatory	10,593	-	10,593
Travel, promotion and mining shows	12,563	-	12,563
Total expenses before other items	(263,174)	(240,306)	(503,480)
Other items			
Sale of equipment	-	4,490	4,490
Net loss and comprehensive loss	\$ (263,174)	\$ (235,816)	\$ (498,990)

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

8. Commitments and contingencies

Environmental and legal

The Project's operations are subject to government environmental protection legislation. Environmental consequences are difficult to identify in terms of results, timetable and impact. At this time, to management's best knowledge, the Project's operations are in compliance with current laws and regulations.

The Project is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Project records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Project's financial condition, operations or liquidity.

Property taxes

As at December 31, 2023, the Project has unpaid property tax for various mineral exploration property claims totaling approximately 249,731,160 Chilean Pesos (\$375,479) (December 31, 2022 - 509,623,592 Chilean Pesos (\$815,398)) which has been included in accounts payable and accrued liabilities as at December 31, 2023. In the event that the claims are put up for tax auction, the Project expects to have a notice period to make the payment for the portion of this amount required (note 2). The property tax commitment for 2023 fiscal year is 53,904,794 Chilean Pesos (\$81,048).

9. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate on the net loss for the years ended December 31, 2023 and December 31, 2022 is as follows:

	Year ended December 31,	
	2023	2022
Net loss before income taxes	\$ 69,630	\$ (498,990)
Combined federal and provincial statutory income tax rate	26.50 %	26.50 %
Expected income tax recovery	\$ 18,000	\$ (1,125,000)
Permanent differences	248,000	405,000
Change in tax benefits not recognized	(266,000)	720,000
Income tax expense (recovery)	\$ -	\$ -

Deferred income taxes reflect the net tax effects of the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	As at December 31, 2023	As at December 31, 2022
Non-capital losses carried forward	\$ 54,075,000	\$ 53,512,000
Mineral exploration properties and equipment	199,000	188,000
	\$ 54,274,000	\$ 53,700,000

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

9. Income taxes (continued)

The Project has approximately \$53,000,000 of Chilean non-capital losses that carry forward indefinitely. The Project also has Canadian non-capital losses of approximately \$3,144,549 expiring as follows:

	Canada
2041	2,854,935
2042	238,614
2043	51,000
	\$ 3,144,549

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Project can use the benefits.

10. Capital management

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.

The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the years ended December 31, 2023 and 2022.

11. Financial instruments and risk

The Project's financial instruments consist of trade payables and accrued liabilities.

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:

Credit Risk

Financial instruments that potentially subject the Projects to concentrations of credit risks consist principally of cash. To minimize the credit risk the Project places cash with financial institutions. The Project current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

Liquidity Risk

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

11. Financial instruments and risk (continued)

Foreign Exchange Risk

The Project's functional currency is the Canadian dollar. However, the Project is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Project's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on the Project's results of operations, financial position and/or cash flows. The Project has not hedged its exposure to currency fluctuations. The sensitivity of the Project's net loss and comprehensive loss to changes in the exchange rate between the Canadian dollar and the Chilean peso resulting from a 1% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Project's net loss by approximately \$573 (December 31, 2022 - \$635).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Project is not exposed to interest rate risk because it does not have loans that have a floating interest rate.

Commodity Price Risk

The Project's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and copper. The Project closely monitors commodity prices to determine the appropriate course of actions to be taken.

12. Subsequent events

On October 18, 2024, the Company announced that it has entered into an arrangement agreement for a strategic reorganization of its business pursuant to which the Company's interest in the Golden Ivan property, along with certain Chilean exploration assets and liabilities, will be spun out to Power Nickel shareholders (the "Spin-Out") through Chilean Metals Inc., a wholly owned subsidiary of the Company ("Spinco"). Power Nickel will continue to focus on the advancement of the Nisk project, while Spinco will focus on advancing the Golden Ivan property and the Chilean assets. The Golden Ivan property is located in Terrace, British Columbia and comprises of 13 mineral claims, covering a total area of 797 hectares. Spinco will also acquire the Company's interests in the Zulema, Tierra de Oro, Palo Negro, Hornitos and Tabaco projects located in Chile. Power Nickel will retain its royalty interest in the Chilean Copaque project.

Spin-Out

The Spin-Out will be completed as part of a strategic reorganization to unlock value in Power Nickel's Golden Ivan property. The Spin-Out will proceed by way of a statutory plan of arrangement (the "Arrangement") pursuant to the Business Corporations Act (British Columbia). Common shares of Spinco (the "Spinco Shares") will be distributed to shareholders of Power Nickel in proportion to their shareholdings of Power Nickel, based on the ratio described herein. Before the Arrangement, Power Nickel will complete an internal reorganization, pursuant to which the following will occur: (i) Power Nickel will transfer its shares of Consolidated Gold and Copper Inc. (a directly wholly owned subsidiary of Power Nickel) to Spinco in exchange for Spinco Shares; and (ii) Power Nickel will subscribe for \$1 million worth of further Spinco Shares for cash. On closing of the Arrangement Spinco will (by operation of law) operate as a reporting issuer in British Columbia and Alberta, but there is no current plan to list the Spinco Shares on a public stock exchange. Completion of the proposed Arrangement will be subject to approval of the Power Nickel shareholders (by a two-thirds majority), and the approvals of the Supreme Court of British Columbia and the TSX Venture Exchange (the "TSXV").

Golden Ivan and Chilean Properties

Notes to Carve-out Financial Statements
Years Ended December 31, 2023 and 2022
(Expressed in Canadian Dollars)

12. Subsequent events (continued)

The Arrangement Agreement

Power Nickel has executed an arrangement agreement whereby the business of Power Nickel will be reorganized into two companies. In connection with the Arrangement, Power Nickel will apply for an interim order from the Supreme Court of British Columbia authorizing the Company to call a shareholder meeting to approve the Arrangement.

The Arrangement involves, among other things, the distribution of Spinco Shares to the Power Nickel shareholders such that each shareholder will receive, for every common share of Power Nickel (each, a "Power Nickel Share") held at closing on the day before the effective date of the Arrangement, one New Power Nickel Share (as defined below) and 0.05 of a Spinco Share. A newly created class of common shares of Power Nickel (each, a "New Power Nickel Share") will be issued in accordance with the Arrangement. The New Power Nickel Shares will have terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the effective time of the Arrangement. In addition, option holders of Power Nickel will be issued, for each one stock option to acquire a Power Nickel Share held, one replacement stock option to acquire one New Power Nickel Share and one Spinco stock option to acquire 0.05 of a Spinco Share.

Upon completion of the internal reorganization described herein and the Arrangement, which is expected to occur by the end of 2024, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company (through which Power Nickel holds its interests in the Golden Ivan property and the Chilean exploration assets and liabilities); (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Spinco shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares. The Arrangement will be described in more detail in the information circular ("Circular") that is expected to be mailed to shareholders in late October, for the Company's annual general and special meeting of shareholders scheduled for November 22, 2024, at which the shareholders of the Company will vote on the Arrangement, as well as usual AGM items. The Circular will contain detailed information about Spinco.

After closing of the Arrangement, the New Power Nickel Shares will continue trading on the TSXV in Canada, on the OTC Market in the United States and on the Frankfurt Stock Exchange in Germany. Spinco Shares will not be listed on any stock exchange after completion of the Arrangement, but Spinco will be a reporting issuer in British Columbia and Alberta and will comply with its continuous disclosure obligations under applicable Canadian securities laws.

**APPENDIX K
MD&A FOR THE CARVE-OUT FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2023 AND FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024**

Please see attached.

**GOLDEN IVAN AND CHILEAN PROPERTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS -
QUARTERLY HIGHLIGHTS
THREE AND SIX MONTHS ENDED JUNE 30, 2024**

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

Power Nickel Inc. ("Power Nickel" or the "Company") holds the Golden Ivan and Chilean project (the "Projects") which consists of certain mineral claims in British Columbia and Chile. The Company has announced its intention to transfer the Projects to the Company's subsidiary Consolidated Copper and Gold Inc. by way of plan of arrangement under the Business Corporations Act (British Columbia).

The following Interim Management's Discussion and Analysis ("Interim MD&A") of the Projects for the three and six months ended June 30, 2024 is dated as of October 21, 2024 and has been prepared to provide material updates to the business operations, liquidity and capital resources of the Projects since its last annual management discussion & analysis, being the Management Discussion & Analysis ("Annual MD&A") for the fiscal year ended December 31, 2023. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the unaudited condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2024 in addition to the audited annual consolidated financial statements for the years ended December 31, 2023 and 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's unaudited condensed consolidated interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS. Information contained herein is presented as of October 21, 2024, unless otherwise indicated.

All dollar amounts in this MD&A are express in Canadian dollars unless otherwise specified.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this Interim MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

Forward-looking statements	Assumptions	Risk factors
<p>Potential of the Project's properties to contain economic deposits of any precious and base metals discovered</p>	<p>Financing will be available for future exploration and development of the Project's properties; the actual results of the Project's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Project's expectations; the Project will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Project; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Project; no title disputes exist with respect to the Project's properties</p>	<p>Price volatility of precious and base metals; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Project's expectations; availability of financing for and actual results of the Project's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Project's ability to retain and attract skilled staff; availability of permits</p>
<p>The Project has no source of revenue and it will require additional cash resources to meet its administrative overhead and maintain its mineral investments for the next twelve months, starting from June 30, 2024</p> <p>The Project expects to incur further losses in the development of its business and will need to raise additional financing to meet its financial requirements</p>	<p>The operating and exploration activities of the Project for the next twelve months and beyond, starting from June 30, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Project</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions</p>
<p>The Project's ability to carry out anticipated exploration and maintenance on its property interests and its anticipated use of cash</p>	<p>The exploration and maintenance activities of the Company for the year ended December 31, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Project</p>	<p>Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits</p>
<p>Sensitivity analysis of financial instruments</p>	<p>Foreign exchange rates will not be subject to change in excess of plus or minus 1%</p>	<p>Changes in exchange rate fluctuations</p>

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

<p>Plans, costs, timing and capital for future exploration and development of the Project's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations</p>	<p>Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Project's current expectations; the Project will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Project will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Project's properties</p>	<p>Price volatility of any mineral discovered, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Project's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Project's ability to retain and attract skilled staff; availability of permits; market competition</p>
<p>Management's outlook regarding future trends, including the future price of any precious and base metals discovered and availability of future financing</p>	<p>Financing will be available for the Project's exploration and operating activities; the price of applicable minerals will be favourable to the Company</p>	<p>Price volatility of any precious and base metals discovered; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing</p>
<p>Prices and price volatility for precious and base metals</p>	<p>The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable</p>	<p>Changes in debt and equity markets and the spot price of precious and base metals, if available; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Project's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Project undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Project does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

QUALIFIED PERSON

Qualified Person Kenneth Williamson, P.Geo. (OGQ #01490, APGO #2176), Vice-President Exploration of Power Nickel, and Qualified Person under NI 43-101, has reviewed and approved the technical content of this Interim MD&A.

EXPLORATION

Golden Ivan Property

Golden Ivan is located approx. 3 kilometers to the east of Stewart, BC in the heart of the Golden Triangle. The Golden Ivan property consists of thirteen (13) mineral claims, all in good standing, for a total area of approximately 797 hectares.

On January 14, 2021, the Company announced it finalized an agreement dated October 7, 2020 to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate all the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

- (i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at \$1,209,000 based on the trading price of the Company's shares on the date of issuance.
- (ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at \$1,235,000 based on the trading price of the Company's shares on the date of issuance.

As a result, the Company acquired a 100% interest subject only to a 2.5% NSR royalty. The Company retains the option to purchase 40% of this royalty for a one-time payment of \$1,000,000.

Golden Triangle has reported mineral resources (past production and current resources) in total of 67 million ounces of gold, 569 million ounces of silver and 27 billion pounds of copper. This property hosts two known mineral showings (gold ore and magee), and a portion of the past-producing Silverado mine, which was reportedly exploited between 1921 and 1939. These mineral showings are described to be Polymetallic veins that contain quantities of silver, lead, zinc, plus/minus gold, and plus/minus copper.

In the summer of 2021, a highly successful prospecting and geologic mapping program has resulted in the discovery of two new high grade gold zones yielding 16.2 grams-per-tonne (g/t) gold (Au) and 15.1 g/t Au in outcrop.

The 2021 Golden Ivan Property campaign completed during July and August 2021, included the collection of 210 surface rock samples including 7 channel samples, in addition to reconnaissance geologic mapping and whole rock geochemical analysis throughout the Property. A total of 17 of the 210 rock samples returned greater than 0.1 g/t Au, and up to 16.2 g/t Au from the newly discovered Lone Goat Showing, and 15.1 g/t Au over 0.75 metres from a channel sample at the newly discovered Molly B. East showing in addition to significant silver and base metal values (**Table 1**).

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

Table 1. 2021 Golden Ivan Project 2021 Prospecting - Significant Results

Sample ID	Showing	Material	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	
P385752	Gold Zones	<i>Lone Goat (New)</i>	Talus	16.2	25	1.56	-
P385831			Outcrop	-	47	0.18	-
P385732			Outcrop	3.41	14	-	-
P385774			Outcrop	0.76	176	0.64	-
P385703			Float	-	22	1.14	0.15
P385691			Float	-	31	0.82	-
P385857		<i>Molly B. East (New)</i>	Channel (0.75 m)*	15.1	12	0.10	-
P385801			Outcrop	1.43	39	0.16	-
P385809		<i>Ice valley (New)</i>	Outcrop	0.73	47	0.27	-
P385760			Outcrop	0.53	5	-	-
P385840	Silver Zones	<i>Silverado No. 4 East trend (Historic)</i>	Outcrop	-	76	-	-
P385841			Outcrop	-	27	-	1.13
P385682			Float	-	30	-	0.73
P385739			Outcrop	-	19	1.82	-
P385693		<i>Magge Sky Annex (Historic)</i>	Outcrop	-	47	0.38	-

*The approximate true width of the channel sample is 80-100 sample width

Mineralization and Alteration of New Discoveries

The Molly B. East high-grade gold showing is associated with subvertical southeast trending quartz-pyrrhotite-chalcopyrite veins hosted within andesitic volcanic rocks with fine grained sulphide halos.

The Lone Goat high-grade gold showing comprises an approximately 700 x 200 metres NE-SW trending subvertical zone of multi-stage quartz-epidote-sericite-carbonate altered andesite that returned multiple anomalous (n=8 greater than 0.1 g/t Au) gold assays.

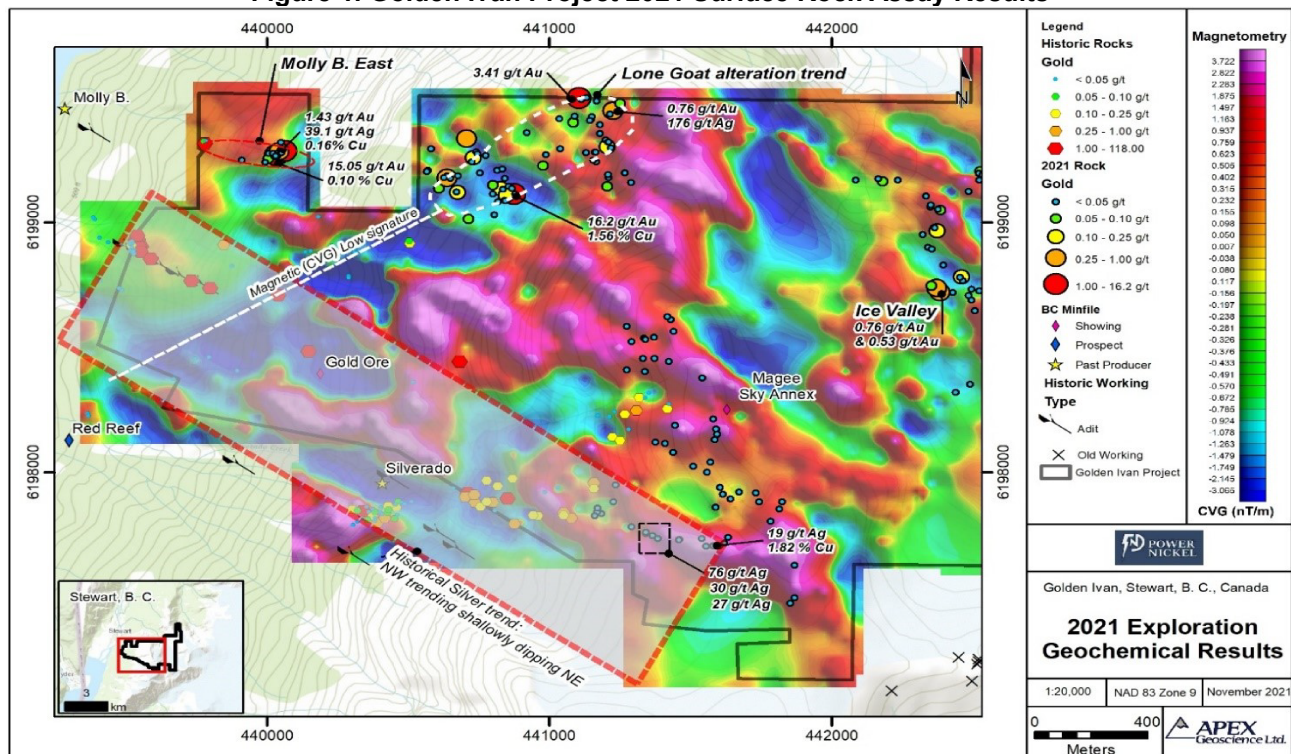
The newly discovered Lone Goat, Molly B. East gold showings and the historical high-grade gold-silver Molly B trend to the south are coincident with northeast and northwest trending airborne magnetic (low) lineaments respectively (**Figure 1**).

General Geology

The results of reconnaissance geologic mapping indicate the Golden Ivan Property is underlain by a layered sequence of andesitic volcanic and volcanoclastic rocks attributed to the lower Jurassic Hazelton Group. The volcanic package is cut by late andesite dykes and rhyolite bodies, while the northeast area of the Property lies in faulted contact with interpreted Stuhini Group metasediments.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

Figure 1. Golden Ivan Project 2021 Surface Rock Assay Results



Golden Ivan Historical Data Compilation

Prior to initiating the 2021 exploration, Power Nickel commissioned a digital historical data compilation with respect to the Golden Ivan Property. The compilation comprised publicly available mineral assessment reports and property files from as early as 1929 to date and as recently as 2020. Documented exploration within the Golden Ivan Property includes extensive prospecting, geochemical analysis of surface rock and chip/channel samples, trenching, small-scale underground development, and geophysical surveys (airborne magnetic, VLF-EM, multi frequency EM, and magnetic / radiometric surveys).

A total of 124 rock and rock chip/channel samples were digitized, which returned an average grade of 2.45 g/t Au and 79.4 g/t Ag, up to a maximum of 118 g/t Au and 2,400 g/t Ag. Of the 124 rock samples, a total of 17 returned greater than 1 g/t Au and a total of 16 returned greater than 50 g/t Ag, including seven samples returning both greater than 1 g/t Au and 50 g/t Ag.

Several small-scale historical workings occur within the Golden Ivan claim group, comprising surface pits, trenches, and short adits. These include the Gold Ore, Eagle & Big Bell, Magee Sky Annex, and Molly-B prospects near the western claim boundary. Molly B prospect sampling returned assays up to 45.7 g/t Au and 90.2 g/t Ag, with an average grade of 9.2 g/t Au on 11 samples collected intermittently over a 750 m NW trending zone. In addition, the area between the Silverado No. 4 and Magee Sky Annex shows a northeast trend returned assays including 6.2 g/t Au, 1,300 g/t Ag and 1.4 g/t Au, 2,400 g/t Ag. The significant Silverado No. 4 workings, located to the south outside the Property, returned values up to 60 g/t Au and 90 g/t Ag.

The historical compilation results demonstrate the potential to expand and further delineate historical high-grade gold-silver mineralization with continued exploration.

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

Zulema, Chile

In 2013, the Company acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema mining concessions in Chile's Third Region. In 2014, the Company acquired nine additional mining concessions totaling 724 hectares from a third party. In March 2015, the Company completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema property now consists of 4,300 hectares (10,626 acres). All concessions are held 100% by Minera Palo Negro Ltda, with no underlying third party royalty or net profits interest. The project is located 30 kilometres from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

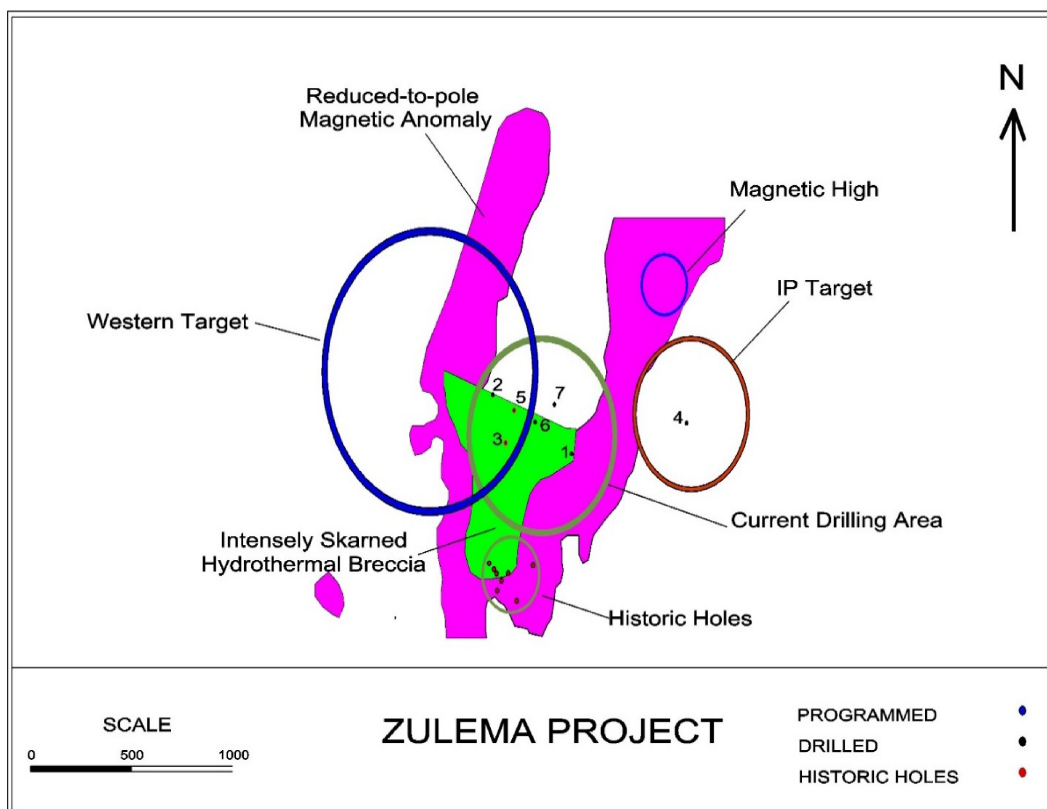
During the year ended December 31, 2017, the Company commenced drilling its Zulema project. With the Candelaria mine as a model, the exploratory drill program is testing two geologically distinct targets: a 1+ square km. area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank. (IP Target). The initial results released on February 27, 2017 suggested to Chilean that it had found in our assessment, IOCG style mineralization.

Drill holes 1, 6 and 7 assisted in defining the boundaries of the eastern skarn and related sulphide mineralization. Drill hole 4, targeting the IP target, was terminated before reaching bedrock. The target remains open. Hole 3 had a six meter section from 285.32 – 291.32 meters which contained 0.66% Cu, 23.6% Fe and 0.52 g/t Au. It also contained an additional intercept from 325.20 to 335.20 that assayed 0.34% Cu, 10.0 % Fe and 0.16 g/t Au. Hole 5 located 272 meters north and east of 3 also had some interesting highlights. In particular, we see several lenses of two and four meters in length with individual 2 meters sections assaying up to 0.43% Cu, 4.9 % Fe and 0.29 g/t Au.

Initial drill results confirm that host rocks and alteration fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite in drill hole 5, biotite magnetite alteration, potassic (K-spar), magnetite and hematite veining and local mineralized breccias suggests proximity to the main mineralized target.

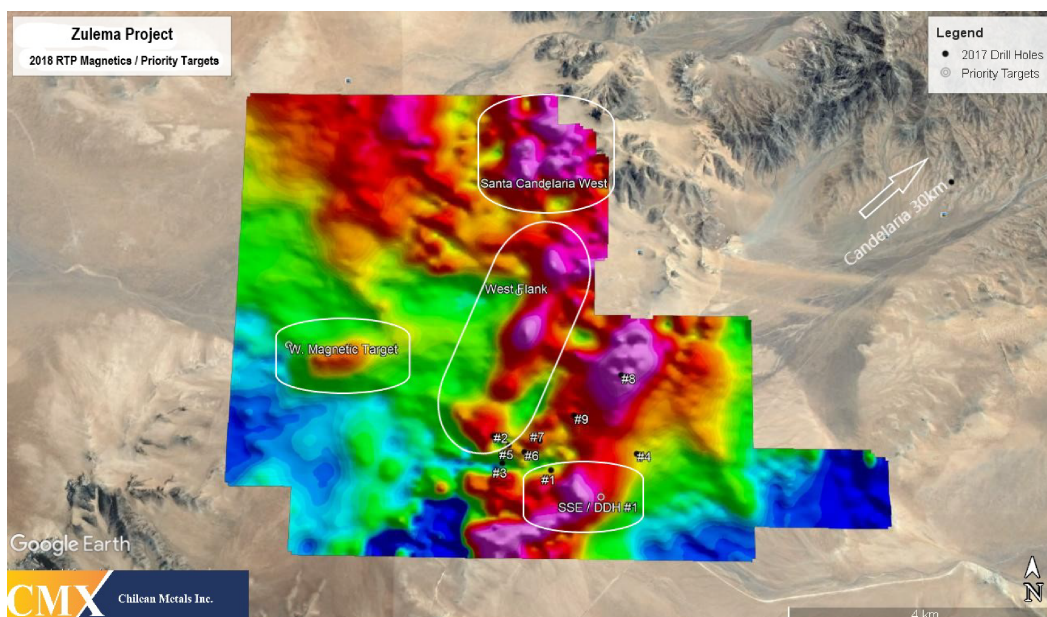
A review of the drill core has been completed with the results suggesting the focus of ongoing exploration should be towards the west near drill holes 2, 3 and 5 where the skarn appears a more receptive host for mineralization. In drill hole 2, quartz stock-working and siliceous breccia suggest proximity to a high temperature heat source / intrusion. Directly east of drill hole 2 at drill-hole 5, widespread low grade copper mineralization is accompanied by a more robust style of chalcopyrite occurring as large 1 cm. clots within the skarn. Due south of 5, drill hole 3 contained large sections of skarn including several lenses of iron rich, IOCG style copper mineralization. Holes 2, 3, 5 assays are reported in detail in the April 3, 2017 press release.

**Golden Ivan and Chilean Properties
 Management Discussion and Analysis - Quarterly Highlights
 Three And Six Months Ended June 30, 2024
 Dated - October 21, 2024**



The Company engaged Southern Rock Geophysics, a consulting firm with over 20 years experience in the Andean Region. Familiar with both the Porphyry and IOCG depositional models, Southern Rock brings the expertise required to search for a blind target in the challenging desert of Chile.

242-line kilometers of data was collected along 55 north – south survey line segments in order to assist in target selection prior to the Company’s planned Phase II drill program. The results of the survey were positive, delineating 4 key target areas for detailed follow-up in 2019.



**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

The magnetic survey delineated a 2km. wide corridor trending northeast from the southern margin of the survey area north to the Santa Candelaria workings as shown in Figure 1. A preliminary review of the data indicates there are 4 target areas that require detailed follow-up. From north to south, the targets are Santa Candelaria West, the West Flank, SW Magnetic High and SSE / DDH#1.

The Santa Candelaria target lies due west of the Santa Candelaria mine workings where Cu mineralization is characterized by chalcopyrite disseminations and veins within a magnetite / hematite calcisilicate skarn. Exposure is relatively abundant west of the workings and will be investigated prior to the commencement of a gravity survey.

The West Flank of the magnetic corridor is a priority target due to the style of mineralization encountered in drill hole #5 where coarse-grained chalcopyrite was noted at depth. Elevated magnetics northwest of Drill hole #5 in addition to a large peak along the western edge of the corridor are priority targets.

In the western portion of the project, the SW Magnetic Target is easily identifiable and located due east of a copper showing and along a NW trending lineament. The target is covered by alluvial material and will require additional ground geophysics and processing to resolve its potential.

To the southeast of drill hole #1, a magnetic high has been identified along the eastern edge of the magnetic corridor. This target is along the eastern edge of a copper bearing hydrothermal breccia that was drilled in 2017. Its location along a very sharp magnetic boundary at an interpreted intersection of the same NW trending lineament crosscutting the SW Magnetic Target makes it a priority.

The Company intends to conduct additional IP Ground work on specific Zulema targets prior to developing drilling plans which it expects to conduct in late 2023 after review of the updated Chilean Constitution.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The property lies about 50 kilometres south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chanchero gold camp and numerous areas of historic oxide copper workings.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chanchero gold camp was re-discovered and added to the property. In 1998 the Company bought out Princeton's interest. The property was dormant between 1999 and 2002 but reactivated in late 2003. To date the Company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, the Company commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the property justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ("IP") survey, the Company announced the discovery of an IP anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open to extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011 the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential iron oxide copper gold ("IOCG") targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chanchero zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Dr. Chris Hodgson. As a result, the Company has identified two potential bulk copper-gold targets that the Company believes warrant a targeted exploratory drill program.

During the year ended December 31, 2019, the Company engaged the services of Windfall Geotek (formerly Albert Mining); a leading Artificial Intelligence firm in the mining sector. Windfal used its proprietary CARDS (Computer Aided Resource Detection System) to analyze the many years of geological, geophysical and geochemical data accumulated by CMX. The data identified five areas of interest. One is the primary drilling target previously identified as Chanchero. The other four are gold copper targets.

On November 18, 2020, the Company announced that it has started on Phase 1 of drilling at its Tierra de Oro (Land of Gold) project in 3rd Region of Atacama about 75 km south of Copiapó, Chile.

The phase 1 drilling program at Tierra de Oro was focused on the Chanchero zone and further confirmed the existence of a strong hydrothermal system in the local area. Drilling demonstrated discontinuous fault bound zones of characteristic phyllic-propylitic-argillic alteration, and widespread pyrite mineralization in stockworks and veins in most of the drillholes. A total of five diamond drill holes were completed for a total of 1,500 m of recovered core, resulting in approximately 850 collected samples. Laboratory results have been received for all of the 5 holes completed. The preliminary highlight of the program was intersected in Hole 3 where a two-metre sample at 120 m depth encountered anomalous grades of 716 g/t Silver and 0.453% Copper, adjacent to a highly fractured fault zone with no core recovery.

The project area is structurally controlled by the Elisa de Bordos fault, separating 2 domains; an intrusive one associated with Gold, where the Chancheros project is located, and another volcanoclastic domain associated with Copper – Silver, where the Las Lomitas and Jacqueline projects are located.

The AI study delivered targets for surface exploration at Las Lomitas where the results obtained from ground truth sampling from nine (9) rock chip samples graded between 0.77% to 3.23% Copper and 22 to 169 g/t Silver. The next steps to follow is to perform geophysics on these areas to identify new targets of drilling.

Other Chile Properties

The Project owns additional mining concessions in Chile related to the Hornitos, Palo Negro and Tabaco properties.

Property Expenditures

Costs incurred on the Project's exploration and evaluation assets for the six months ended June 30, 2024 and June 30, 2023:

	Zulema	Golden Ivan	Total
Claim costs	7,233	-	7,233
Field costs	8,294	-	8,294
Geological	50,920	8,780	59,700
Six months ended June 30, 2023	\$ 66,447	\$ 8,780	\$ 75,227
Claim costs	\$ 161,163	\$ -	\$ 161,163
Drilling	3,485	-	3,485
Field costs	106,976	-	106,976
Geophysics & geological	123,838	12,629	136,467
Six months ended June 30, 2024	\$ 395,462	\$ 12,629	\$ 408,091

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

RESULTS OF OPERATIONS

Six months ended June 30, 2024, compared with six months ended June 30, 2023

The Project's profit for the six months ended June 30, 2024 was \$(642,704), compared to \$228,420 for the six months ended June 30, 2023. Significant variations are described below.

	For the six month June 30,		Variance	Comments
	2024	2023		
Exploration (recoveries) expenditures	408,091	75,227	332,864	The increase is due to claim taxes and additional exploration work in Chile.
Investor relations	153,063	15,559	137,504	The Project recognises it's proportional share of expenses based on its percentage share of exploration expense by Power Nickel, during the period increased activity related to promotional activities of the Power Nickel's properties, and new IR contracts entered into in the current period.
Other expenses and revenues	81,550	137,634	(56,084)	Non-significant variances in other expenses and revenues items.
Total	642,704	228,420	414,284	

Three months ended June 30, 2024, compared with three months ended June 30, 2023

The Project's profit for the three months ended June 30, 2024 was \$(371,327), compared to loss of \$45,447 for 2023. Significant variations are described below.

	For the three months ended June 30,		Variance	Comments
	2024	2023		
Exploration (recoveries) expenditures	226,068	44,885	181,183	The increase is due to claim taxes and additional exploration work in Chile.
Investor relations	102,382	694	101,688	The Project recognises it's proportional share of expenses based on its percentage share of exploration expense by Power Nickel, during the period increased activity related to promotional activities of the Power Nickel's properties, and new IR contracts entered into in the current period.
Other expenses and revenues	42,877	(132)	43,009	Non-significant variances in other expenses and revenues items.
Total	371,327	45,447	325,880	

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

LIQUIDITY AND CAPITAL RESOURCES

The Project is comprised of no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Project has relied upon its owners' investments to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations. Since the Project does not expect to generate any revenues in the near future, it will continue to rely upon the owners' investments. There can be no assurance that the owners' investments will be available to the Project when required, or on terms satisfactory to the Project. At June 30, 2024, the Project had \$57,452 in cash.

As at June 30, 2024, the Project had current assets of \$57,452 (December 31, 2023 - \$8,210) and current liabilities of \$237,332 (December 31, 2023 - \$219,364).

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below: Financial instruments that potentially subject the Projects to concentrations of credit risks consist principally of cash. To minimize the credit risk the Project places cash with financial institutions. The Project current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

Foreign currency risk

The Project's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations. The sensitivity of the Company's net loss and comprehensive loss to changes in the exchange rate between the Canadian dollar and the Chilean peso resulting from a 1% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$727 (June 30, 2024 - \$573).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Project is not exposed to interest rate risk because it does not have loans that have a floating interest rate.

The Project's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and copper. The Project closely monitors commodity prices to determine the appropriate course of actions to be taken.

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.

The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the six months ended June 30, 2024.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024**

ENVIRONMENTAL LIABILITIES

The Project is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

OFF BALANCE SHEET ARRANGEMENTS

The Project is not a party to any off-balance sheet arrangements or transactions.

RELATED PARTY BALANCES AND TRANSACTIONS

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the three and six months ended June 30, 2024 was \$11,851 (June 30, 2024 - \$1,750).

ACCOUNTING POLICIES

New standards adopted

During the six months ended June 30, 2024, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards this includes the amended to IAS 1. These new standards and changes did not have any material impact on the Project's carve-out financial statements.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded.

SUBSEQUENT EVENTS

On October 18, 2024, the Company announced that it has entered into an arrangement agreement for a strategic reorganization of its business pursuant to which the Company's interest in the Golden Ivan property, along with certain Chilean exploration assets and liabilities, will be spun out to Power Nickel shareholders (the "Spin-Out") through Chilean Metals Inc., a wholly owned subsidiary of the Company ("Spinco"). Power Nickel will continue to focus on the advancement of the Nisk project, while Spinco will focus on advancing the Golden Ivan property and the Chilean assets. The Golden Ivan property is located in Terrace, British Columbia and comprises of 13 mineral claims, covering a total area of 797 hectares. Spinco will also acquire the Company's interests in the Zulema, Tierra de Oro, Palo Negro, Hornitos and Tabaco projects located in Chile. Power Nickel will retain its royalty interest in the Chilean Copaquire project.

Spin-Out

The Spin-Out will be completed as part of a strategic reorganization to unlock value in Power Nickel's Golden Ivan property. The Spin-Out will proceed by way of a statutory plan of arrangement (the "Arrangement") pursuant to the Business Corporations Act (British Columbia). Common shares of Spinco (the "Spinco Shares") will be distributed to shareholders of Power Nickel in proportion to their shareholdings of Power Nickel, based on the ratio described herein. Before the Arrangement, Power Nickel will complete an internal reorganization, pursuant to which the following will occur: (i) Power Nickel will transfer its shares of Consolidated Gold and Copper Inc. (a directly wholly owned subsidiary of Power Nickel) to Spinco in exchange for Spinco Shares; and (ii) Power Nickel will subscribe for \$1 million worth of further Spinco Shares for cash. On closing of the Arrangement Spinco will (by operation of law) operate as a reporting

Golden Ivan and Chilean Properties
Management Discussion and Analysis - Quarterly Highlights
Three And Six Months Ended June 30, 2024
Dated - October 21, 2024

issuer in British Columbia and Alberta, but there is no current plan to list the Spinco Shares on a public stock exchange. Completion of the proposed Arrangement will be subject to approval of the Power Nickel shareholders (by a two-thirds majority), and the approvals of the Supreme Court of British Columbia and the TSX Venture Exchange (the "TSXV").

The Arrangement Agreement

Power Nickel has executed an arrangement agreement whereby the business of Power Nickel will be reorganized into two companies. In connection with the Arrangement, Power Nickel will apply for an interim order from the Supreme Court of British Columbia authorizing the Company to call a shareholder meeting to approve the Arrangement.

The Arrangement involves, among other things, the distribution of Spinco Shares to the Power Nickel shareholders such that each shareholder will receive, for every common share of Power Nickel (each, a "Power Nickel Share") held at closing on the day before the effective date of the Arrangement, one New Power Nickel Share (as defined below) and 0.05 of a Spinco Share. A newly created class of common shares of Power Nickel (each, a "New Power Nickel Share") will be issued in accordance with the Arrangement. The New Power Nickel Shares will have terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the effective time of the Arrangement. In addition, option holders of Power Nickel will be issued, for each one stock option to acquire a Power Nickel Share held, one replacement stock option to acquire one New Power Nickel Share and one Spinco stock option to acquire 0.05 of a Spinco Share.

Upon completion of the internal reorganization described herein and the Arrangement, which is expected to occur by the end of 2024, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company (through which Power Nickel holds its interests in the Golden Ivan property and the Chilean exploration assets and liabilities); (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Spinco shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares. The Arrangement will be described in more detail in the information circular ("Circular") that is expected to be mailed to shareholders in late October, for the Company's annual general and special meeting of shareholders scheduled for November 22, 2024, at which the shareholders of the Company will vote on the Arrangement, as well as usual AGM items. The Circular will contain detailed information about Spinco.

After closing of the Arrangement, the New Power Nickel Shares will continue trading on the TSXV in Canada, on the OTC Market in the United States and on the Frankfurt Stock Exchange in Germany. Spinco Shares will not be listed on any stock exchange after completion of the Arrangement, but Spinco will be a reporting issuer in British Columbia and Alberta and will comply with its continuous disclosure obligations under applicable Canadian securities laws.

RISKS AND UNCERTAINTIES

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk and Uncertainties" in the Company's annual management's discussion & analysis for the fiscal year ended December 31, 2023, available on SEDAR+ at www.sedarplus.ca.

**GOLDEN IVAN AND CHILEAN PROPERTIES
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2023**

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Power Nickel Inc. ("Power Nickel" or the "Company") holds the Golden Ivan and Chilean project (the "Projects") which consists of certain mineral claims in British Columbia and Chile. The Company has announced its intention to transfer the Projects to the Company's subsidiary Consolidated Copper and Gold Inc. by way of plan of arrangement under the Business Corporations Act (British Columbia).

DATE

The following MD&A, which is dated of October 21, 2024, provides a review of the activities, results of operations and financial condition of the Projects as at and for the year ended December 31, 2023, as well as future prospects of the Project. This MD&A should be read in conjunction with the audited carve-out financial statements of the Project as at and for the years ended December 31, 2023 and 2022, along with the notes thereto (the "Audited Carve-Out Financial Statements").

All dollar amounts in this MD&A are express in Canadian dollars unless otherwise specified.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

Forward-looking statements	Assumptions	Risk factors
Potential of the Project's properties to contain economic deposits of any precious and base metals discovered	Financing will be available for future exploration and development of the Project's properties; the actual results of the Project's exploration and development activities will be favourable; operating, exploration and development costs will not exceed the Project's expectations; the Project will be able to retain and attract skilled staff; all requisite regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company, and applicable political and economic conditions are favourable to the Project; the price of precious and base metals and applicable interest and exchange rates will be favourable to the Project; no title disputes exist with respect to the Project's properties	Price volatility of precious and base metals; uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Project's expectations; availability of financing for and actual results of the Project's exploration and development activities; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Project's ability to retain and attract skilled staff; availability of permits
<p>The Project has no source of revenue and it will require additional cash resources to meet its administrative overhead and maintain its mineral investments for the next twelve months, starting from December 31, 2023</p> <p>The Project expects to incur further losses in the development of its business and will need to raise additional financing to meet its financial requirements</p>	The operating and exploration activities of the Project for the next twelve months and beyond, starting from December 31, 2023, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Project	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; changes in the operations currently planned; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions
The Project's ability to carry out anticipated exploration and maintenance on its property interests and its anticipated use of cash	The exploration and maintenance activities of the Company for the year ended December 31, 2024, and the costs associated therewith, will be consistent with the Company's current expectations; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Project	Changes in debt and equity markets; timing and availability of external financing on acceptable terms; increases in costs; changes in the operations currently planned; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic conditions; receipt of applicable permits
Sensitivity analysis of financial instruments	Foreign exchange rates will not be subject to change in excess of plus or minus 1%	Changes in exchange rate fluctuations

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

<p>Plans, costs, timing and capital for future exploration and development of the Project's property interests, including the costs and potential impact of complying with existing and proposed laws and regulations</p>	<p>Financing will be available for the Company's exploration and development activities and the results thereof will be favourable; actual operating and exploration costs will be consistent with the Project's current expectations; the Project will be able to retain and attract skilled staff; all applicable regulatory and governmental approvals for exploration projects and other operations will be received on a timely basis upon terms acceptable to the Company; the Project will not be adversely affected by market competition; debt and equity markets, exchange and interest rates and other applicable economic and political conditions are favourable to the Company; the price of precious and base metals will be favourable to the Company; no title disputes exist with respect to the Project's properties</p>	<p>Price volatility of any mineral discovered, changes in debt and equity markets; timing and availability of external financing on acceptable terms; the uncertainties involved in interpreting geological data and confirming title to acquired properties; the possibility that future exploration results will not be consistent with the Project's expectations; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Project's ability to retain and attract skilled staff; availability of permits; market competition</p>
<p>Management's outlook regarding future trends, including the future price of any precious and base metals discovered and availability of future financing</p>	<p>Financing will be available for the Project's exploration and operating activities; the price of applicable minerals will be favourable to the Company</p>	<p>Price volatility of any precious and base metals discovered; changes in debt and equity markets; interest rate and exchange rate fluctuations; changes in economic and political conditions; availability of financing</p>
<p>Prices and price volatility for precious and base metals</p>	<p>The price of precious and base metals will be favourable; debt and equity markets, interest and exchange rates and other economic factors which may impact the price of precious and base metals will be favourable</p>	<p>Changes in debt and equity markets and the spot price of precious and base metals, if available; interest rate and exchange rate fluctuations; changes in economic and political conditions</p>

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Project's ability to predict or control. Please, in addition, also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Project undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Project does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

QUALIFIED PERSON

Qualified Person Kenneth Williamson, P.Geo. (OGQ #01490, APGO #2176), Vice-President Exploration of Power Nickel, and Qualified Person under NI 43-101, has reviewed and approved the technical content of this MD&A.

EXPLORATION

Golden Ivan Property

Golden Ivan is located approx. 3 kilometers to the east of Stewart, BC in the heart of the Golden Triangle. The Golden Ivan property consists of thirteen (13) mineral claims, all in good standing, for a total area of approximately 797 hectares.

On January 14, 2021, the Company announced it finalized an agreement dated October 7, 2020 to acquire 100% of the Golden Ivan property via a series of option payments and work commitments. On June 29, 2021, the agreement was revised to eliminate all the cash payments and work commitment and expedite the payment by shares while reducing the overall quantity of shares by 1,000,000 shares from the original agreement. The revised terms are as follows:

- (i) 3,900,000 common shares within five Business Days after receipt of the TSXV Approval. These common shares were valued at \$1,209,000 based on the trading price of the Company's shares on the date of issuance.
- (ii) 6,500,000 common shares on or before June 29, 2021 subject to TSXV Approval. These common shares were valued at \$1,235,000 based on the trading price of the Company's shares on the date of issuance.

As a result, the Company acquired a 100% interest subject only to a 2.5% NSR royalty. The Company retains the option to purchase 40% of this royalty for a one-time payment of \$1,000,000.

Golden Triangle has reported mineral resources (past production and current resources) in total of 67 million ounces of gold, 569 million ounces of silver and 27 billion pounds of copper. This property hosts two known mineral showings (gold ore and magee), and a portion of the past-producing Silverado mine, which was reportedly exploited between 1921 and 1939. These mineral showings are described to be Polymetallic veins that contain quantities of silver, lead, zinc, plus/minus gold, and plus/minus copper.

In the summer of 2021, a highly successful prospecting and geologic mapping program has resulted in the discovery of two new high grade gold zones yielding 16.2 grams-per-tonne (g/t) gold (Au) and 15.1 g/t Au in outcrop.

The 2021 Golden Ivan Property campaign completed during July and August 2021, included the collection of 210 surface rock samples including 7 channel samples, in addition to reconnaissance geologic mapping and whole rock geochemical analysis throughout the Property. A total of 17 of the 210 rock samples returned greater than 0.1 g/t Au, and up to 16.2 g/t Au from the newly discovered Lone Goat Showing, and 15.1 g/t Au over 0.75 metres from a channel sample at the newly discovered Molly B. East showing in addition to significant silver and base metal values (**Table 1**).

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

Table 1. 2021 Golden Ivan Project 2021 Prospecting - Significant Results

Sample ID	Showing	Material	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	
P385752	Gold Zones	<i>Lone Goat (New)</i>	Talus	16.2	25	1.56	-
P385831			Outcrop	-	47	0.18	-
P385732			Outcrop	3.41	14	-	-
P385774			Outcrop	0.76	176	0.64	-
P385703			Float	-	22	1.14	0.15
P385691			Float	-	31	0.82	-
P385857		<i>Molly B. East (New)</i>	Channel (0.75 m)*	15.1	12	0.10	-
P385801			Outcrop	1.43	39	0.16	-
P385809		<i>Ice valley (New)</i>	Outcrop	0.73	47	0.27	-
P385760			Outcrop	0.53	5	-	-
P385840	Silver Zones	<i>Silverado No. 4 East trend (Historic)</i>	Outcrop	-	76	-	-
P385841			Outcrop	-	27	-	1.13
P385682			Float	-	30	-	0.73
P385739			Outcrop	-	19	1.82	-
P385693			<i>Magge Sky Annex (Historic)</i>	Outcrop	-	47	0.38

*The approximate true width of the channel sample is 80-100 sample width

Mineralization and Alteration of New Discoveries

The Molly B. East high-grade gold showing is associated with subvertical southeast trending quartz-pyrrhotite-chalcopyrite veins hosted within andesitic volcanic rocks with fine grained sulphide halos.

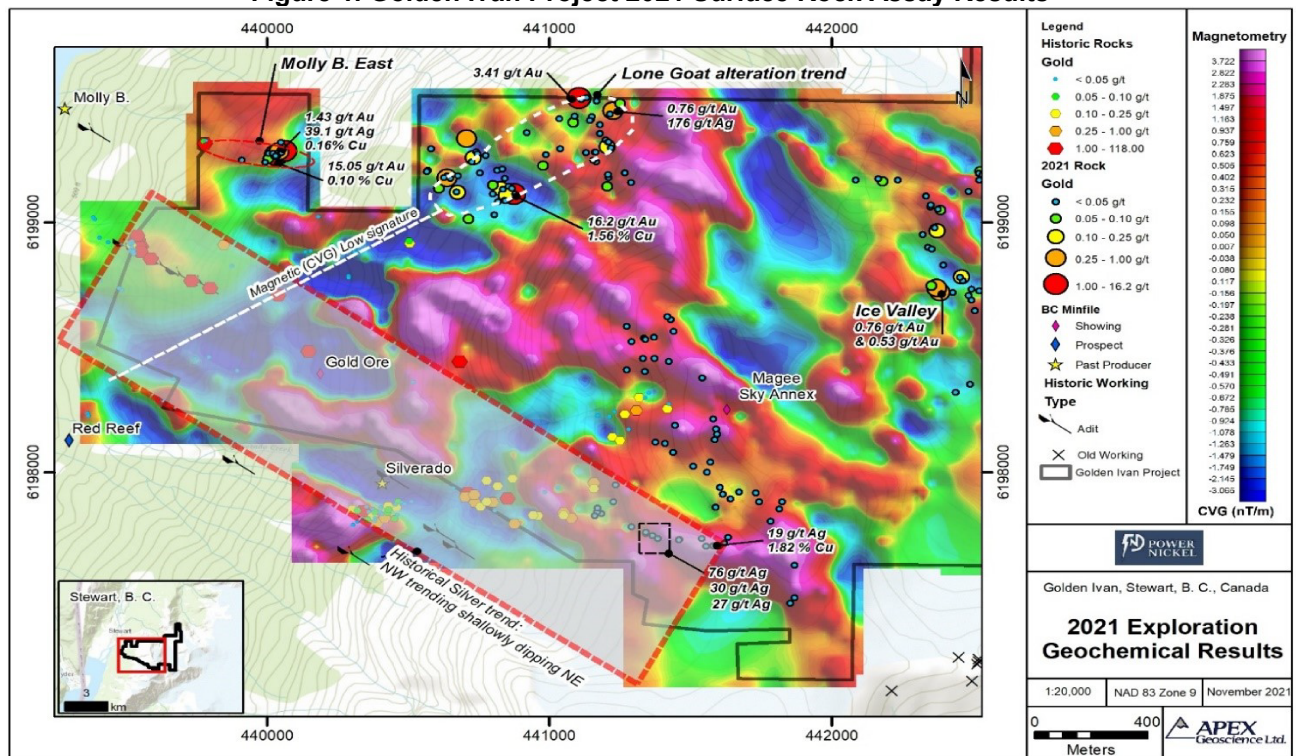
The Lone Goat high-grade gold showing comprises an approximately 700 x 200 metres NE-SW trending subvertical zone of multi-stage quartz-epidote-sericite-carbonate altered andesite that returned multiple anomalous (n=8 greater than 0.1 g/t Au) gold assays.

The newly discovered Lone Goat, Molly B. East gold showings and the historical high-grade gold-silver Molly B trend to the south are coincident with northeast and northwest trending airborne magnetic (low) lineaments respectively (**Figure 1**).

General Geology

The results of reconnaissance geologic mapping indicate the Golden Ivan Property is underlain by a layered sequence of andesitic volcanic and volcanoclastic rocks attributed to the lower Jurassic Hazelton Group. The volcanic package is cut by late andesite dykes and rhyolite bodies, while the northeast area of the Property lies in faulted contact with interpreted Stuhini Group metasediments.

Figure 1. Golden Ivan Project 2021 Surface Rock Assay Results



Golden Ivan Historical Data Compilation

Prior to initiating the 2021 exploration, Power Nickel commissioned a digital historical data compilation with respect to the Golden Ivan Property. The compilation comprised publicly available mineral assessment reports and property files from as early as 1929 to date and as recently as 2020. Documented exploration within the Golden Ivan Property includes extensive prospecting, geochemical analysis of surface rock and chip/channel samples, trenching, small-scale underground development, and geophysical surveys (airborne magnetic, VLF-EM, multi frequency EM, and magnetic / radiometric surveys).

A total of 124 rock and rock chip/channel samples were digitized, which returned an average grade of 2.45 g/t Au and 79.4 g/t Ag, up to a maximum of 118 g/t Au and 2,400 g/t Ag. Of the 124 rock samples, a total of 17 returned greater than 1 g/t Au and a total of 16 returned greater than 50 g/t Ag, including seven samples returning both greater than 1 g/t Au and 50 g/t Ag.

Several small-scale historical workings occur within the Golden Ivan claim group, comprising surface pits, trenches, and short adits. These include the Gold Ore, Eagle & Big Bell, Magee Sky Annex, and Molly-B prospects near the western claim boundary. Molly B prospect sampling returned assays up to 45.7 g/t Au and 90.2 g/t Ag, with an average grade of 9.2 g/t Au on 11 samples collected intermittently over a 750 m NW trending zone. In addition, the area between the Silverado No. 4 and Magee Sky Annex shows a northeast trend returned assays including 6.2 g/t Au, 1,300 g/t Ag and 1.4 g/t Au, 2,400 g/t Ag. The significant Silverado No. 4 workings, located to the south outside the Property, returned values up to 60 g/t Au and 90 g/t Ag.

The historical compilation results demonstrate the potential to expand and further delineate historical high-grade gold-silver mineralization with continued exploration.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

Zulema, Chile

In 2013, the Company acquired 23 exploration concessions totaling approximately 2,105 hectares surrounding its five then existing Zulema mining concessions in Chile's Third Region. In 2014, the Company acquired nine additional mining concessions totaling 724 hectares from a third party. In March 2015, the Company completed the acquisition from another third party of three additional mining concessions totaling 600 hectares. The Zulema property now consists of 4,300 hectares (10,626 acres). All concessions are held 100% by Minera Palo Negro Ltda, with no underlying third party royalty or net profits interest. The project is located 30 kilometres from the giant Cu Au Candelaria mine of Lundin Mining Corporation and in a very similar geological environment.

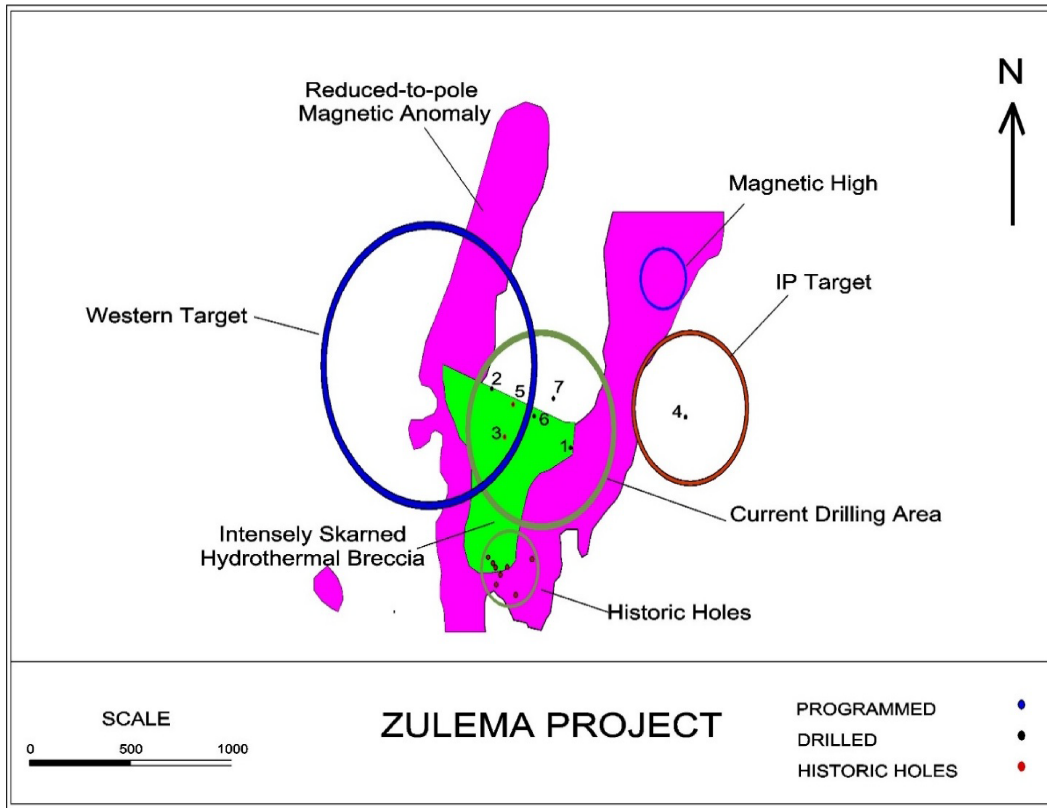
During the year ended December 31, 2017, the Company commenced drilling its Zulema project. With the Candelaria mine as a model, the exploratory drill program is testing two geologically distinct targets: a 1+ square km. area of intense garnet scapolite skarn breccia (Skarn Target) and a large Induced Polarization chargeability anomaly on its eastern flank. (IP Target). The initial results released on February 27, 2017 suggested to Chilean that it had found in our assessment, IOCG style mineralization.

Drill holes 1, 6 and 7 assisted in defining the boundaries of the eastern skarn and related sulphide mineralization. Drill hole 4, targeting the IP target, was terminated before reaching bedrock. The target remains open. Hole 3 had a six meter section from 285.32 – 291.32 meters which contained 0.66% Cu, 23.6% Fe and 0.52 g/t Au. It also contained an additional intercept from 325.20 to 335.20 that assayed 0.34% Cu, 10.0 % Fe and 0.16 g/t Au. Hole 5 located 272 meters north and east of 3 also had some interesting highlights. In particular, we see several lenses of two and four meters in length with individual 2 meters sections assaying up to 0.43% Cu, 4.9 % Fe and 0.29 g/t Au.

Initial drill results confirm that host rocks and alteration fit the Candelaria model. The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite in drill hole 5, biotite magnetite alteration, potassic (K-spar), magnetite and hematite veining and local mineralized breccias suggests proximity to the main mineralized target.

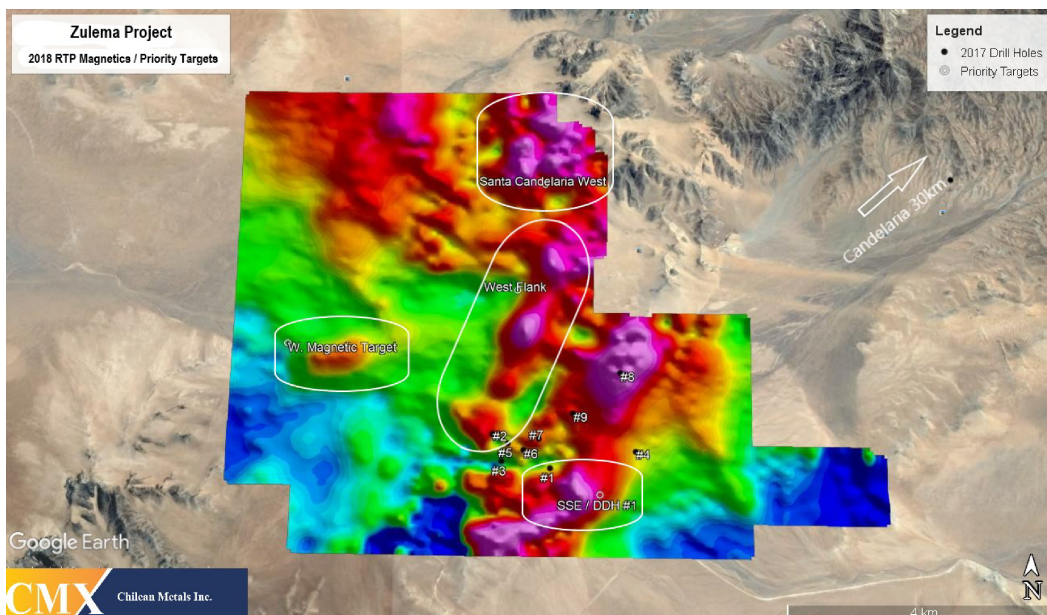
A review of the drill core has been completed with the results suggesting the focus of ongoing exploration should be towards the west near drill holes 2, 3 and 5 where the skarn appears a more receptive host for mineralization. In drill hole 2, quartz stock-working and siliceous breccia suggest proximity to a high temperature heat source / intrusion. Directly east of drill hole 2 at drill-hole 5, widespread low grade copper mineralization is accompanied by a more robust style of chalcopyrite occurring as large 1 cm. clots within the skarn. Due south of 5, drill hole 3 contained large sections of skarn including several lenses of iron rich, IOCG style copper mineralization. Holes 2, 3, 5 assays are reported in detail in the April 3, 2017 press release.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**



The Company engaged Southern Rock Geophysics, a consulting firm with over 20 years experience in the Andean Region. Familiar with both the Porphyry and IOCG depositional models, Southern Rock brings the expertise required to search for a blind target in the challenging desert of Chile.

242-line kilometers of data was collected along 55 north – south survey line segments in order to assist in target selection prior to the Company’s planned Phase II drill program. The results of the survey were positive, delineating 4 key target areas for detailed follow-up in 2019.



**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

The magnetic survey delineated a 2km. wide corridor trending northeast from the southern margin of the survey area north to the Santa Candelaria workings as shown in Figure 1. A preliminary review of the data indicates there are 4 target areas that require detailed follow-up. From north to south, the targets are Santa Candelaria West, the West Flank, SW Magnetic High and SSE / DDH#1.

The Santa Candelaria target lies due west of the Santa Candelaria mine workings where Cu mineralization is characterized by chalcopyrite disseminations and veins within a magnetite / hematite calcsilicate skarn. Exposure is relatively abundant west of the workings and will be investigated prior to the commencement of a gravity survey.

The West Flank of the magnetic corridor is a priority target due to the style of mineralization encountered in drill hole #5 where coarse-grained chalcopyrite was noted at depth. Elevated magnetics northwest of Drill hole #5 in addition to a large peak along the western edge of the corridor are priority targets.

In the western portion of the project, the SW Magnetic Target is easily identifiable and located due east of a copper showing and along a NW trending lineament. The target is covered by alluvial material and will require additional ground geophysics and processing to resolve its potential.

To the southeast of drill hole #1, a magnetic high has been identified along the eastern edge of the magnetic corridor. This target is along the eastern edge of a copper bearing hydrothermal breccia that was drilled in 2017. Its location along a very sharp magnetic boundary at an interpreted intersection of the same NW trending lineament crosscutting the SW Magnetic Target makes it a priority.

The Company intends to conduct additional IP Ground work on specific Zulema targets prior to developing drilling plans which it expects to conduct in late 2023 after review of the updated Chilean Constitution.

Tierra de Oro (TDO), Chile

Tierra de Oro is an advanced stage exploration project located in Region III on the eastern flank of Chile's Coastal Iron Oxide Copper Gold belt. The property lies about 50 kilometres south of the large Candelaria copper-gold-silver-iron mine. It consists of 5,667 hectares covering the historic Chanchero gold camp and numerous areas of historic oxide copper workings.

The Company initially became involved in the property in 1996 as a joint venture with Princeton Mining to explore for acid-soluble copper deposits. During the course of this exploration the Chanchero gold camp was re-discovered and added to the property. In 1998 the Company bought out Princeton's interest. The property was dormant between 1999 and 2002 but reactivated in late 2003. To date the Company has conducted property-wide geological, geochemical, geophysical surveys and limited trenching and drilling. The surveys delineated five major gold bearing structure zones between 200 and 1000 metres in length. Within these zones a number of gold exploration targets were identified.

In November 2007, the Company commenced a 7,000 metre drill program to test the identified gold targets. Drill results failed to corroborate the positive gold values obtained by previous surface sampling. However, areas of significant silver-copper mineralization identified in shears and mantos within volcanic strata in the eastern sector of the property justified additional work. Highlights included drill hole RC56, which intersected 40 metres of 16 g/t silver including 13 metres of 40 g/t silver and RC58 which intersected 40 metres of 8.2 g/t silver.

On February 21, 2008, following completion of an induced polarization ("IP") survey, the Company announced the discovery of an IP anomaly in the Chanchero zone. The large near-surface anomaly is elongated northeast-southwest, the core of which measures 900 by 300 metres and is open to extension at depth. The intensity and homogeneity of this chargeability response, coincident with a strong magnetic low anomaly and coupled with the presence of an altered porphyry intrusion may indicate the presence of a large sulphide-rich system at moderate depth.

In February 2011 the Company completed an Airborne ZTEM survey over the Tierra de Oro property in areas where potential iron oxide copper gold ("IOCG") targets and mineralized zones had been previously identified by geological, geochemical and ground geophysical programs. Two magnetic anomalies of significant size were identified: one north of the Chanchero zone and another located in the area known as Las Lomitas zone and associated with copper-silver manto prospects.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

In the spring and summer of 2013 a complete review and analysis of TDO was completed by Dr. Chris Hodgson. As a result, the Company has identified two potential bulk copper-gold targets that the Company believes warrant a targeted exploratory drill program.

During the year ended December 31, 2019, the Company engaged the services of Windfall Geotek (formerly Albert Mining); a leading Artificial Intelligence firm in the mining sector. Windfal used its proprietary CARDS (Computer Aided Resource Detection System) to analyze the many years of geological, geophysical and geochemical data accumulated by CMX. The data identified five areas of interest. One is the primary drilling target previously identified as Chanchero. The other four are gold copper targets.

On November 18, 2020, the Company announced that it has started on Phase 1 of drilling at its Tierra de Oro (Land of Gold) project in 3rd Region of Atacama about 75 km south of Copiapó, Chile.

The phase 1 drilling program at Tierra de Oro was focused on the Chanchero zone and further confirmed the existence of a strong hydrothermal system in the local area. Drilling demonstrated discontinuous fault bound zones of characteristic phyllic-propylitic-argillic alteration, and widespread pyrite mineralization in stockworks and veins in most of the drillholes. A total of five diamond drill holes were completed for a total of 1,500 m of recovered core, resulting in approximately 850 collected samples. Laboratory results have been received for all of the 5 holes completed. The preliminary highlight of the program was intersected in Hole 3 where a two-metre sample at 120 m depth encountered anomalous grades of 716 g/t Silver and 0.453% Copper, adjacent to a highly fractured fault zone with no core recovery.

The project area is structurally controlled by the Elisa de Bordos fault, separating 2 domains; an intrusive one associated with Gold, where the Chancheros project is located, and another volcanoclastic domain associated with Copper – Silver, where the Las Lomitas and Jaqueline projects are located.

The AI study delivered targets for surface exploration at Las Lomitas where the results obtained from ground truth sampling from nine (9) rock chip samples graded between 0.77% to 3.23% Copper and 22 to 169 g/t Silver. The next steps to follow is to perform geophysics on these areas to identify new targets of drilling.

Other Chile Properties

The Project owns additional mining concessions in Chile related to the Hornitos, Palo Negro and Tabaco properties.

Property Expenditures

Costs incurred on the Project's exploration and evaluation assets for the year ended December 31, 2023 and December 31, 2022:

	Zulema	Golden Ivan	Total
Assays	\$ 80,957	\$ -	\$ 80,957
Field costs	8,065	-	8,065
Geological	102,423	24,557	126,980
Year ended December 31, 2022	\$ 191,445	\$ 24,557	\$ 216,002
Claim costs	\$ 10,159	\$ -	\$ 10,159
Field costs	16,055	-	16,055
Geophysics & geological	98,847	11,419	110,266
Write down of claim taxes	(390,757)	-	(390,757)
Year ended December 31, 2023	\$ (265,696)	\$ 11,419	\$ (254,277)

Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024

RESULTS OF OPERATIONS

Year ended December 31, 2023, compared with year ended December 31, 2022

The Project's profit for the year ended December 31, 2023 was \$69,630, compared to \$498,990 for the year ended December 31, 2022. Significant variations are described below.

	For the year ended December 31,		Variance	Comments
	2023	2022		
Amortization	2,704	3,864	(1,160)	During the year the Company focused on its core claims in Chile and abandoned a number of historical claims.
Bank and interest (income) fees	902	646	256	
Exploration (recoveries) expenditures	(254,277)	216,002	(470,279)	Expenses decreased due to a decline in exploration activity in 2023.
Investor relations	41,561	161,481	(119,920)	Expenses decreased due to a decline in exploration activity in 2023.
Flow-through liability amortization	-	-	-	
Sale of equipment	-	(4,490)	4,490	The Company sold an old truck for \$4,490 during the period.
Other expenses and revenues	139,480	121,487	17,993	Non-significant variances in other expenses and revenues items.
Total	(69,630)	498,990	(568,620)	

Three months ended December 31, 2023, compared with three months ended December 31, 2022

The Project's profit for the three months ended December 31, 2023 was \$333,802, compared to loss of \$209,841 for 2022. Significant variations are described below.

	For the three months ended December 31,		Variance	Comments
	2023	2022		
Exploration (recoveries) expenditures	(342,073)	108,316	(450,389)	During the year the Company focused on its core claims in Chile and abandoned a number of historical claims.
Foreign exchange (gain)	(27,186)	(3,150)	(24,036)	The gain in foreign exchange was related to the write down of claim costs in Chile.
Investor relations	8,453	71,418	(62,965)	Increased activity related to promotional activities of the Company's properties, and new IR contracts entered into in the current period.
Investor relations	8,453	71,418	(62,965)	
Other expenses and revenues	27,004	33,257	(6,253)	Non-significant variances in other expenses and revenues items.
Total	(333,802)	209,841	(543,643)	

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial data derived from the audited carve-out financial statements of the Project at December 31, 2023, December 31, 2022 and December 31, 2021.

	Year ended December 31, 2023 (\$)	Year ended December 31, 2022 (\$)	Year ended December 31, 2021 (\$)
Total revenues	nil	nil	nil
Total (profit) loss	(69,630)	498,990	3,215,305

	As at December 31, 2023 (\$)	As at December 31, 2022 (\$)	As at December 31, 2021 (\$)
Total assets	14,525	26,923	54,829
Total non-current financial liabilities	nil	nil	nil

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenues	(Profit) Loss for the Period	Exploration (recoveries) expenditures
December 31, 2023	\$ nil	\$ (333,802)	\$ (342,073)
September 30, 2023	\$ nil	\$ 35,752	\$ 12,179
June 30, 2023	\$ nil	\$ 45,449	\$ 44,885
March 31, 2023	\$ nil	\$ 182,971	\$ 30,342
December 31, 2022	\$ nil	\$ 209,841	\$ 108,316
September 30, 2022	\$ nil	\$ 70,097	\$ 35,250
June 30, 2022	\$ nil	\$ 51,539	\$ 10,679
March 31, 2022	\$ nil	\$ 167,513	\$ 61,755

LIQUIDITY AND CAPITAL RESOURCES

The Project is comprised of no producing resource properties, and consequently does not generate operating income or cash flow. To date, the Project has relied upon its owners' investments to provide working capital for capital acquisitions, exploration and development activities, and to fund the administrations. Since the Project does not expect to generate any revenues in the near future, it will continue to rely upon the owners' investments. There can be no assurance that the owners' investments will be available to the Project when required, or on terms satisfactory to the Project. At December 31, 2023, the Project had \$8,210 in cash.

As at December 31, 2023, the Project had current assets of \$8,210 (December 31, 2022 - \$17,904) and current liabilities of \$219,364 (December 31, 2022 - \$741,575).

FINANCIAL INSTRUMENTS

The Project's financial instruments consist of cash, and accounts payable and accrued liabilities. The carrying amounts of these financial instruments are a reasonable estimate of their fair values because of their current nature and current market rates for similar financial instruments.

FINANCIAL RISK MANAGEMENT

Financial assets and liabilities are classified and measured at amortized cost using the effective interest method. The fair value for short-term financial assets and liabilities which include trade payables and accrued liabilities approximate their fair value due to their short-term nature. The fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The Project's risk exposures and the impact on the Project's financial instruments are summarized below:

Credit risk

Financial instruments that potentially subject the Projects to concentrations of credit risks consist principally of cash. To minimize the credit risk the Project places cash with financial institutions. The Project current policy is to invest excess cash in investment-grade short-term deposit certificates issued by reputable financial institutions with which it keeps its bank accounts.

Liquidity risk

The Project's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. There can be no assurance that the Project will be successful in its efforts to arrange additional financing on terms satisfactory to the Project.

Foreign currency risk

The Project's functional currency is the Canadian dollar. However, the Company is exposed to the currency risk related to the fluctuation of foreign exchange rates as some of the Company's operations are located in Chile. A significant change in the currency exchange rates between the Canadian dollar relative to the Chilean peso could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations. The sensitivity of the Company's net loss and comprehensive loss to changes in the exchange rate between the Canadian dollar and the Chilean peso resulting from a 1% change in the Chilean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$727 (December 31, 2023 - \$573).

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Project is not exposed to interest rate risk because it does not have loans that have a floating interest rate.

Commodity price risk

The Project's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold and copper. The Project closely monitors commodity prices to determine the appropriate course of actions to be taken.

CAPITAL RISK MANAGEMENT

The Project considers its capital structure to consist of owner's investment. The Project manages its capital structure and makes adjustments to it, based on the funds available to the Project, in order to support its exploration, development and operating activities.

The Project's objective when managing capital is to safeguard its ability to continue as a going concern in order to pursue the exploration of its mineral properties. The Project satisfies its capital requirements through careful management of its cash resources.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Project, is reasonable. There were no changes in the Project's approach to capital management during the years ended December 31, 2023 and 2022.

ENVIRONMENTAL LIABILITIES

The Project is not aware of any environmental liabilities or obligations associated with its mineral properties. The Company is conducting its operations in a manner consistent with governing environmental legislation.

OFF BALANCE SHEET ARRANGEMENTS

The Project is not a party to any off-balance sheet arrangements or transactions.

RELATED PARTY BALANCES AND TRANSACTIONS

The Project has entered into agreements with officers of the Company and private companies controlled by officers and directors of the Company for management consulting, geological consulting and other services required by the Project.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of officers and directors of the Company for the year ended December 31, 2023 was \$40,000 (December 31, 2023 - \$38,500).

ACCOUNTING POLICIES

New standards adopted

During the year ended December 31, 2023, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards this includes the amended to IAS 1. These new standards and changes did not have any material impact on the Project's carve-out financial statements.

New standards not yet adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded.

SUBSEQUENT EVENTS

On October 18, 2024, the Company announced that it has entered into an arrangement agreement for a strategic reorganization of its business pursuant to which the Company's interest in the Golden Ivan property, along with certain Chilean exploration assets and liabilities, will be spun out to Power Nickel shareholders (the "Spin-Out") through Chilean Metals Inc., a wholly owned subsidiary of the Company ("Spinco"). Power Nickel will continue to focus on the advancement of the Nisk project, while Spinco will focus on advancing the Golden Ivan property and the Chilean assets. The Golden Ivan property is located in Terrace, British Columbia and comprises of 13 mineral claims, covering a total area of 797 hectares. Spinco will also acquire the Company's interests in the Zulema, Tierra de Oro, Palo Negro, Hornitos and Tabaco projects located in Chile. Power Nickel will retain its royalty interest in the Chilean Copaquire project.

Spin-Out

The Spin-Out will be completed as part of a strategic reorganization to unlock value in Power Nickel's Golden Ivan property. The Spin-Out will proceed by way of a statutory plan of arrangement (the "Arrangement") pursuant to the Business Corporations Act (British Columbia). Common shares of Spinco (the "Spinco Shares") will be distributed to shareholders of Power Nickel in proportion to their shareholdings of Power Nickel, based on the ratio described herein. Before the Arrangement, Power Nickel will complete an internal reorganization, pursuant to which the following will occur: (i) Power Nickel will transfer its shares of Consolidated Gold and Copper Inc. (a directly wholly owned subsidiary of Power Nickel) to Spinco in exchange for Spinco Shares; and (ii) Power Nickel will subscribe for \$1 million worth of further Spinco Shares for cash. On closing of the Arrangement Spinco will (by operation of law) operate as a reporting issuer in British Columbia and Alberta, but there is no current plan to list the Spinco Shares on a public stock exchange. Completion of the proposed Arrangement will be subject to approval of the Power Nickel shareholders (by a two-thirds majority), and the approvals of the Supreme Court of British Columbia and the TSX Venture Exchange (the "TSXV").

The Arrangement Agreement

Power Nickel has executed an arrangement agreement whereby the business of Power Nickel will be reorganized into two companies. In connection with the Arrangement, Power Nickel will apply for an interim order from the Supreme Court of British Columbia authorizing the Company to call a shareholder meeting to approve the Arrangement.

The Arrangement involves, among other things, the distribution of Spinco Shares to the Power Nickel shareholders such that each shareholder will receive, for every common share of Power Nickel (each, a "Power Nickel Share") held at closing on the day before the effective date of the Arrangement, one New Power Nickel Share (as defined below) and 0.05 of a Spinco Share. A newly created class of common shares of Power Nickel (each, a "New Power Nickel Share") will be issued in accordance with the Arrangement. The New Power Nickel Shares will have terms and special rights and restrictions identical to those of the Power Nickel Shares immediately prior to the effective time of the Arrangement. In addition, option holders of Power Nickel will be issued, for each one stock option to acquire a Power Nickel Share held, one replacement stock option to acquire one New Power Nickel Share and one Spinco stock option to acquire 0.05 of a Spinco Share.

Upon completion of the internal reorganization described herein and the Arrangement, which is expected to occur by the end of 2024, Spinco will: (i) own all of the issued and outstanding shares in Consolidated Gold and Copper Inc., a wholly owned subsidiary of the Company (through which Power Nickel holds its interests in the Golden Ivan property and the Chilean exploration assets and liabilities); (ii) hold approximately \$1,000,000 in cash; and (iii) be 50% owned by the Spinco shareholders, with Power Nickel holding the remaining 50% of the issued and outstanding Spinco Shares.

The Arrangement will be described in more detail in the information circular ("Circular") that is expected to be mailed to shareholders in late October, for the Company's annual general and special meeting of shareholders scheduled for November 22, 2024, at which the shareholders of the Company will vote on the Arrangement, as well as usual AGM items. The Circular will contain detailed information about Spinco.

After closing of the Arrangement, the New Power Nickel Shares will continue trading on the TSXV in Canada, on the OTC Market in the United States and on the Frankfurt Stock Exchange in Germany. Spinco Shares will not be listed on any stock exchange after completion of the Arrangement, but Spinco will be a reporting issuer in British Columbia and Alberta and will comply with its continuous disclosure obligations under applicable Canadian securities laws.

RISKS AND UNCERTAINTIES

The information provided in this document is not intended to be a comprehensive review of all matters concerning the Company. The users of this information, including but not limited to investors and prospective investors, should read it in conjunction with all other disclosure documents provided including but not limited to all documents filed on SEDAR+ (www.sedarplus.ca) for Power Nickel Inc.

Nature of Mineral Exploration and Mining

The Company's future is dependent on the Company's exploration and evaluation programs. The exploration and evaluation of mineral deposits involves significant financial risks over a prolonged period of time, which a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures on the Company's exploration properties may be required in constructing mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or final feasibility studies on the Company's projects or the current or proposed exploration programs on any of the properties in which the Company has exploration rights will result in any profitable commercial mining operation. The Company cannot give any assurance that its current and future exploration activities will result in a discovery of mineral deposits containing Mineral Reserves. The Company's exploration and evaluation may be hampered by mining, heritage and environmental legislation, industrial accidents, industrial disputes, cost overruns, land claims and compensation and other unforeseen contingencies.

The Company does not currently operate a mine on any of its properties. There is no certainty that the expenditures made by the Company towards the search for and evaluation of mineral deposits will result in discoveries that are commercially viable. Whether a deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of metal concentrates, exchange controls and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on invested capital or have a material adverse effect on the Company's business and financial condition. In addition, assuming discovery of a commercial ore-body, depending on the type of mining operation involved, several years can elapse from the initial phase of drilling until commercial operations are commenced. Most of the above factors are beyond the Company's control.

Limited Operating History

The Company's properties are in the exploration stage and are not commercially viable at this time. The Company has not recorded any revenues from mining operations and there is no certainty that the exploration expenditures towards the search and evaluation of mineral deposits will result in discoveries of commercial quantities of ore or that the Company will generate revenue, operate profitably or provide a return on investment in the future. There can be no assurance that significant additional losses will not occur in the future. The operating expenses and capital expenditures may increase in subsequent years with advancing exploration, evaluation, development of properties if proven successful and/or production of the properties. The Company does not expect to receive revenues from operations in the foreseeable future. The Company expects to incur losses until such time as its properties enter into commercial production and generate sufficient revenue to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources and there can be no assurance that the Company will be able to finance its operations externally.

There can be no assurance that the Company's exploration programs will result in locating commercially exploitable mineral ores or that its properties will be successfully developed. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

**Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024**

Title Matters

The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as those of the Company to ensure proper title to its properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. Title insurance generally is not available for mining claims in Canada and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be limited. The Company's properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations, including a failure to pay taxes, carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by the Company.

Market Factors and Volatility of Ore Prices

There is no assurance that a profitable market will exist for the sale of mineralized material which may be acquired or discovered by the Company. There can be no assurance that ore prices received will be such that the Company's properties can be mined at a profit. Prices of minerals have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control. Commodity prices are subject to volatile price changes from a variety of factors including international economic and political trends, expectations of inflation, global and regional demand, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods.

Future mineral prices cannot be accurately predicted. A severe decline in the price of a mineral being produced or expected to be produced by the Company would have a material adverse effect on the Company, and could result in the suspension of mining operations by the Company if such mining operations have commenced. Factors impacting the price of ore include political and economic conditions in mineral producing and consuming countries and production levels and costs of production in other jurisdictions.

Environmental Regulations and other Regulatory Requirements

The Company is subject to substantial environmental and other regulatory requirements and such regulations are becoming more stringent. All phases of exploration and development operations are subject to environmental regulations. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests which are presently unknown to the Company and which have been caused by previous or existing owners or operators of the properties.

Although the Company intends to comply fully with all environmental regulations, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Conflicts of Interest

Certain directors and officers of the Company may become or are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required under the British Columbia Business Corporations Act to disclose his interest and to abstain from voting on such matter.

Golden Ivan and Chilean Properties
Management Discussion and Analysis
Year ended December 31, 2023
Dated - October 21, 2024

Foreign Jurisdictions

Certain of the Company's projects are located in foreign jurisdictions and are subject to risks relating to political stability and changes in laws relating to foreign ownership, government participation, taxation, royalties, duties, rates of exchange, exchange controls, export controls, land use and operational safety, and the potential for terrorism or military repression. Because a significant percentage of its operating costs, exploration expenditures and lease maintenance and acquisition costs are denominated in Chilean Pesos, the Company's results of operations are subject to the effects of fluctuations in exchange rates and inflation. The Company does not engage in any hedging activities to minimize such risks.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

	Year ended December 31,	
	2023	2022
Operating expenses		
Administration fees	\$ 4,813	\$ 37,048
Amortization	2,704	3,864
Accretion, bank and interest fees	902	646
Exploration expenditures	(254,277)	216,002
Foreign exchange loss (gain)	60,753	(17,251)
Investor relations	41,561	161,481
Office and miscellaneous	41,152	49,416
Professional fees	19,957	29,118
Transfer and regulatory	867	10,593
Travel, promotion and mining shows	11,938	12,563
Total expenses before other items	69,630	(503,480)
Other items		
Sale of equipment	-	4,490
Net loss and comprehensive loss for the year	\$ 69,630	\$ (498,990)

**APPENDIX L
CHANGE OF AUDITOR REPORTING PACKAGE**

Please see attached.

**POWER NICKEL INC.
NOTICE OF CHANGE OF AUDITORS PURSUANT TO
NATIONAL INSTRUMENT 51-102**

**To: Alberta Securities Commission
British Columbia Securities Commission
TSX Venture Exchange**

**And To: McGovern Hurley LLP
DNTW Toronto LLP**

Power Nickel Inc. (the "Company") gives the following notice in accordance with Section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI-102") as follows:

1. McGovern Hurley LLP, ("Former Auditor") tendered their resignation, as auditors of the Company effective January 24, 2024 and the directors of the Company have appointed DNTW Toronto LLP ("DNTW"), as successor auditors in their place.
2. The resignation of the Former Auditor has been considered by the Board of Directors of the Company, and the appointment of DNTW in their place have been approved by the Board of Directors of the Company.
3. There have been no modified opinions contained in the Former Auditor's reports on any of the previous financial statements of the Company.
4. There have been no "reportable events" (as such term is defined in NI 51-102).

DATED this 24th day of January, 2024.

POWER NICKEL INC.

"Terry Lynch"

Terry Lynch
President, Chief Executive Officer and Director

McGovern Hurley

Audit. Tax. Advisory.

January 24, 2024

To: British Columbia Securities Commission
Alberta Securities Commission
TSX Venture Exchange

Dear Sirs/Mesdames:

Re: Power Nickel Inc. – Change of Auditor of Reporting Issuer

We have reviewed the information contained in the Notice of Change of Auditor dated January 24, 2024, of Power Nickel Inc. (the "Notice"), which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

Based on our knowledge as of the date hereof, we agree with the statements contained in the Notice. We have no basis to agree or disagree with the comments in the notice relating to the successor auditor.

Yours very truly,

McGovern, Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

251 Consumers Road, Suite 800
Toronto, Ontario
M2J 4R3
mcgovernhurley.com
t. 416-496-1234



CHARTERED
PROFESSIONAL
ACCOUNTANTS

45 Sheppard Avenue East, Suite 703
Toronto, ON M2N 5W9
Main 416 924-4900
Fax 416 924-9377
www.dntwtoronto.com

January 24, 2024

Alberta Securities Commission
British Columbia Securities Commission
TSX Venture Exchange

Dear Sirs/Mesdames:

Re: Notice of Change of Auditor – Power Nickel Inc. (the “Corporation”)

We acknowledge receipt of a Notice of Change of Auditor (the “Notice”) dated January 24, 2024 delivered to us by the Corporation, pursuant to National Instrument 51-102 — *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

We have reviewed the Notice and, based on our knowledge at this time, we are in agreement with the statements contained in the Notice as it pertains to our firm.

Yours truly,

DNTW Toronto LLP

**Chartered Professional Accountants
Licensed Public Accountants**

Consent of RWE Growth Partners, Inc.

DATED: October 21, 2024

To the Board of Directors of Power Nickel Inc. We refer to the fairness opinion dated October 15, 2024 (the "**Fairness Opinion**"), which we prepared for the board of directors of Power Nickel Inc. ("**Power Nickel**") in connection with the arrangement agreement between Power Nickel and Chilean Metals Inc. dated October 15, 2024 and the plan of arrangement to be implemented pursuant thereto.

We hereby consent to the filing of our Fairness Opinion with the applicable Canadian securities regulatory authorities, and to the references in this information circular dated October 21, 2024 (the "**Circular**") to our firm name and to our Fairness Opinion contained under the headings "*Glossary of Terms*", "*Summary – Reasons for the Arrangement and Recommendation of the Board*", "*Summary – Fairness Opinion*", "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Fairness Opinion*", "*The Arrangement – Recommendation of the Board*", "*The Arrangement – Reasons for the Arrangement*", and "*The Arrangement – Risks Associated with the Arrangement*", "*Interests of Experts*" and the inclusion of the summary of the Fairness Opinion as Appendix H to the Circular.

Our fairness opinion was given as at October 15, 2024 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the board of directors of Power Nickel shall be entitled to rely upon our Fairness Opinion, nor do we permit any such reliance.

(Signed) "*RwE Growth Partners, Inc.*"