# Power Nickel to Spin Out British Columbia and Chilean Projects Into Consolidated Gold and Copper Inc. Via Plan of Arrangement and Places 3% Copaquire Royalty up for Sale

written by Raj Shah | July 21, 2023

July 21, 2023 (Source) – Power Nickel Inc. ("**Power Nickel**" or the "**Company**") (TSX-V:PNPN) (OTC:PNPNF) is pleased to announce it has completed its review of the Company's assets and has formalized the following plan to optimize its non-core assets while maintaining its focus on the exploration and development of Nisk, the Company's High Grade Nickel PGM Project near Nemaska, Quebec.

Step 1 – The Company will transfer the beneficial interest in its Golden Ivan property to Consolidated Gold and Copper Inc. ("Consolidated") in exchange for common shares of Consolidated. Consolidated, through various other wholly-owned subsidiaries, also hold the Company's Chilean assets (other than Copaquire described below). The Company will seek approval to spin out Consolidated via a Plan of Arrangement and distribute Consolidated shares to its shareholders, which will be more particularly described in an information circular (the "Circular") that will be delivered to shareholders in connection with voting on the Plan of Arrangement and other usual annual general meeting matters. There is no immediate intention to list Consolidated's shares on any stock exchange or quotation system. As a spin out from a public company, even if Consolidated is not

listed, Consolidated will be obligated to file continuous disclosure under Canadian securities laws, including annual audited financial statements and interim unaudited financial statements and related management discussion and analysis.

The Company expects to hold the Annual and Special Meeting in October.

Power Nickel has retained RWE Growth Partners to provide a fairness opinion and valuation as to the value of Consolidated and the fairness of the Plan of Arrangement to shareholders. The Company plans to allocate 25% of the Consolidated shares to Power Nickel's shareholders as more particularly set out in the Circular. The expectation is that Power Nickel will hold 26,000,000 common shares of Consolidated prior to the proposed Plan of Arrangement. For every 20 shares of Power Nickel that a shareholder holds, that shareholder will receive 1 share of Consolidated resulting in the distribution of approximately 6,500,000 common shares of Consolidated to its shareholders and Power Nickel will retain approximately 19,500,000 Consolidated shares. At completion of the Plan of Arrangement it is expected Consolidated Gold and Copper Inc will be a private company. While the process is unfolding the Company plans to continue to evaluate options, including the sale of all or part of the assets, listing of Consolidated, and the vending of the assets into another entity for cash or shares. Power Nickel's paid-up Capital base is sufficient such that a spinout is expected to be conducted on a tax deferred basis and should not create a taxable event for most shareholders.

"We believe splitting off the non-core assets into Consolidated will be beneficial for Power Nickel shareholders. It will enable the new entity to separately finance and pursue growth opportunities as more accurately detailed in the section below, that may otherwise be overlooked while the Company focuses on

Nisk. This will take the burden off the Power Nickel balance sheet and instead allow these assets to be separately valued by the market.” Commented Power Nickel CEO Terry Lynch.

Step 2 – The Company is formally placing its 3% Royalty on the Copaquire Project owned by Teck Resources for sale. Teck has the right to buy the first 1% for $3 million USD and has the right of first refusal on a sale of the Royalty. Power Nickel has decided that while the long-term potential for the Royalty is excellent, the sale of the Royalty will reduce dilution at Nisk and that this is the best move for shareholders. To compensate the interested parties looking to acquire the Royalty from the potential of a Teck exercise of its first right of refusal, Power Nickel will agree to pay the proposed Royalty buyer a breakup fee of $300,000 CAD in the event of said exercise. For additional details on Copaquire, please see the section titled Copaquire below.

“We have held onto the Copaquire Royalty for a very long time. It has a substantial known 43-101 compliant mineral resource estimates, and the super gene remains yet undiscovered. Commodity prices have risen sharply since these estimations were made and will likely continue to rise. In this time where developable global copper projects are rare, we are confident it will find its way into production and confirm the value of our royalty,” commented Power Nickel CEO Terry Lynch.

Detailed descriptions of the proposed spinout company Consolidated and the Copaquire Royalty are contained in the sections below.

**Consolidated Gold and Copper**

Upon approval from shareholders by special resolution, the Company proposes a Plan of Arrangement to spinout Consolidated Gold and Copper Inc. as a separate company. It will have a

different CEO and a Board comprised of Power Nickel representatives and independent third parties. It will be comprised of the assets listed below.

**British Colombia – Golden Ivan Project**

**Location**

Note 1 – CMX was former symbol of PNPN. References to nearby properties are for information purposes only and there are no assurances that Golden Ivan will receive similar results.

**NI43-101** – https://powernickel.com/pdf/golden_ivan_technical_report.pdf

Please refer to the Company's news release of February 2, 2022 for additional information about Golden Ivan.

**Latest Update**

***POWER NICKEL DISCOVERS TWO NEW HIGH-GRADE GOLD ZONES***
***at it's GOLDEN TRIANGLE PROJECT, STEWART, BC, CANADA***
***SAMPLING RETURNS 16.2 G/T and 15.1 G/T GOLD IN OUTCROP***

Power Nickel Inc. ("**Power Nickel**" or the "**Company**") (TSX-V:CMX) (OTC:CMETF) is pleased to report assay results from its summer 2021 Golden Ivan Property (the "**Property**") exploration. The highly successful 2021 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)**.

Terry Lynch, CEO director of Power Nickel comments, *"We are excited to announce the results of our 2021 field program at Golden Ivan, which resulted in the discovery of two new high-grade gold zones. Further defining the mineralization controls, lateral, and vertical continuity of these emerging precious metal trends will be the next steps as we continue to demonstrate the significant potential of the Golden Ivan property and move toward developing drill targets for testing during the 2022 season."*

**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 | ***Lone Goat (New)*** | 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 | | ***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 | *Silverado No.4 East trend (Historic)* | Outcrop | – | **76** | – | – |
| P385841 | | | Outcrop | – | **27** | – | **1.13** |
| P385682 | | | Float | – | **30** | – | **0.73** |
| P385739 | | | Outcrop | – | 19 | **1.82** | – |
| P385693 | | *Magge Sky Annex (Historic)* | 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 tending 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 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 volcaniclastic 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 that 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 an average grade of 9.2 g/t Au for 11 samples, and up 45.7 g/t Au and 90.2 g/t Ag 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.

**Methodology and QA/QC**

The analytical work reported on herein was performed by ALS Global (ALS), Vancouver Canada. ALS is an ISO-IEC 17025:2017 and ISO 9001:2015 accredited geoanalytical laboratory and is independent of Power Nickel Inc. Rock samples were subject to crushing at a minimum of 70% passing 2 mm, followed by pulverizing of a 250-gram split to 85% passing 75 microns. Gold determination was via standard atomic absorption spectroscopy (AAS) finish 30-gram fire-assay (FA) analysis, in addition to 48 element ICP-MS geochemistry.

Power Nickel Inc. follows industry standard procedures for the work carried out on the Golden Ivan Project, with a quality assurance/quality control (QA/QC) program. For the rock channel

samples, blank and standard samples were inserted into the sample sequence sent to the laboratory for analysis. With respect to prospecting rock grab samples the QP's have relied on the internal quality assurance/quality control (QA/QC) measure of ALS which includes the insertion of standard, blank and duplicate samples into the sample stream to confirm the accuracy of the reported results. The QP detected no significant QA/QC issues during review of the data, and is not aware of any sampling, or other factors that could materially affect the accuracy of the results.

**Qualified Person**

The scientific and technical information contained in this news release as it relates to the Golden Ivan Project has been reviewed and approved by Kristopher J. Raffle, P.Geo. (BC) Principal and Consultant, and Alfonso Rodriguez, P.Geo. (BC) Senior Project Geologist of APEX Geoscience Ltd. of Edmonton, AB, both "Qualified Persons" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*. Mr. Raffle and Mr. Rodriguez verified the data disclosed which includes a review of the analytical and test data underlying the information and opinions contained therein.

**Chilean Projects**

The Chilean Projects have seen little exploration spending since the Fall of 2021. The evolving Chilean political climate made a delay in exploration advisable. Now that the constitutional election was categorically defeated and there is a new senate, it seems Chile is back in business. In addition to the political change, there has been an important technological change.

One of the greatest challenges in discovering big new copper gold projects in Chile is navigating the challenges of desert exploration. There exists in the sand of the desert a

mineralized limestone called Caliche. It complicates the normal geophysical tool kit geologists would use to explore. This makes desert exploration expensive and challenging. However, a new geophysical tool, Ambient Noise Tomography, an advanced form of seismic exploration, is achieving success in desert climates in Australia where Caliche is also a problem. The new approach and technique is being commercialized by our service provider Fleet Space Technologies. The link attached outlines the approach in a brief video. https://fleetspace.com/mineral-exploration

We believe this approach could seriously improve the mine exploration business in Chile and we are pleased to be the first company to use the technology in Chile. We think it will be impactful in furthering the exploration and development of our land packages which we describe in brief below.



**Zulema (From current MD&A in Annual Report 2022)**

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 IPBX and 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. The exploratory drill program began 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 .52 grams of gold/tonne. It also contained an additional intercept from 325.20 to 335.20 that assayed .34% Cu, 10 % Fe and .16 grams of gold/tonne. Hole 5 located 272 meters northand east of 3 also had some interesting highlights. In particular, we see severallenses of two and four meters in length with individual 2 meters sections assaying up to .43% Cu, 4,9 % Fe and .29 grams of gold/tonne.

The presence of copper-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, more massive chalcopyrite in drill hole 5, biotitemagnetite 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.

The Company engaged Southern Rock Geophysics, a consulting firm with over 20 years' experience in the Andean Region. Familiar with both the Porphyryand IOCG depositional models, Southern Rock brings the expertise requiredto 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.

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 magneticcorridor is a priority target due to the style of mineralization encountered in drillhole #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.

**Palo Negro**

**Tierrade 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 November2007, the Companycommenced 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 presenceof 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.

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 targetsthat the Companybelieves 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) toanalyze 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 drillingat its Tierra de Oro (Land of Gold) project in 3rd Region of Atacama about 75 km south of Copiapó, Chile.

The phase 1 drillingprogram at Tierra de Oro was focusedon the Chanchero zone and further confirmedthe 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 step to follow is to perform geophysics on these areas to identify new targets of drilling.

**The Copaquire Royalty**

Below is an excerpt from our annual MD&A report on Copaquire to provide context to the project. The project was sold in October 2013 to a subsidiary of Teck Resources Inc. for $3 million USD and a 3% NSR. Teck can acquire 1% for $3 Million USD and has a first right of refusal on any sale of the project.

The Company shall now formally market the royalty. To compensate potential buyers who may believe Teck will simply exercise their first right of refusal, Power Nickel has agreed to pay a $300,000 breakup fee on a successful negotiated transaction in the event Teck exercises its option.

The Company has a full data-room available for interested parties. Below is an excerpt from a historical MD&A document to provide context on the Copaquire project.

Copaquire was an advanced stage exploration project comprising 2,017 hectares, is a major copper-molybdenum porphyry system in the Andean Cordillera of Region I, northern Chile. The property is located approximately 20 km west of the Collahuasi mine and 8 km west of the Quebrada Blanca copper-molybdenum mine.

The Company’s 2004 to 2008 exploration programs of geological, geochemical, geophysical surveys and 29,541 metres of drilling confirmed large areas of copper and molybdenum-rhenium porphyry mineralization. Two of the three large targets identified by late 2005 i.e. Sulfato and Cerro Moly, were partially drilled in more detail during 2006 and 2007. Both continue to demonstrate that they have the dimensions to host large open pit deposits. The table below presents the estimate of the updated resource of the Cerro Moly deposit using a 0.028% Mo cut-off, with an Indicated resource of 229.5 million tonnes at 0.039% Mo and an additional Inferred resource of 193.9 million tonnes at 0.026% Mo.

| **Cerro Moly** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Mo Eq. | Category | Tonnage | Mo | lb Mo | Cu % | lb Copper | Re | Mo Eq |
| Cutoff | | In Thousands | (%) | In Thousands | Grade | in Thousands | PPM | % |
| 0.028 | Indicated | 229,474 | 0.039 | 197,000 | 0.11 | 561,000 | 0.104 | 0.069 |
| 0.028 | Inferred | 193,888 | 0.026 | 111,000 | 0.15 | 624,000 | 0.063 | 0.066 |
| 0.032 | Indicated | 181,374 | 0.042 | 168,000 | 0.12 | 472,000 | 0.116 | 0.074 |
| 0.032 | Inferred | 141,595 | 0.027 | 84,000 | 0.16 | 506,000 | 0.065 | 0.071 |
| 0.036 | Indicated | 141,848 | 0.045 | 141,000 | 0.13 | 394,000 | 0.013 | 0.079 |
| 0.036 | Inferred | 105,675 | 0.028 | 65,000 | 0.18 | 417,000 | 0.068 | 0.077 |

**Molybdenum equivalent (MoEq) grades are calculated using the following formula: MoEq (%) = Mo(%) + 1.35*(Cu (%)*2.3 / (Mo(%)*12.65-1.14)) The formula assumes a selling cost of US$1.14/lb for Mo and metallurgical recoveries of 84% for Cu and 62% for Mo. Source: NI43-101 Technical Report titled “Mineral Resource Estimate Copaquire Project – Region de Tarapac, Provincia de Iquique, Region I, CHILE”, Eduardo Videla, B.Sc. Geol, MAusIMM, May 10, 2009. Corrorated by AMEC in 2009 in a Preliminary Economic Assessment titled : “Preliminary Assessment on the Copaquire Property, Region I, Chile National Instrument**

**43-101 Technical Report", AMEC Mining and Metals S.A., Dec 13, 2009.**

Since 2010, the Company's exploration efforts have been focused on the large Sulfato copper zone immediately north of the Cerro Moly deposit. In March of 2010 the Company commenced a 2,500 meter drill program on the Sulfato South Copper zone, with the objective of defining a higher grade copper zone and potential starter pit for the Copaquire mine plan developed in the recent Preliminary Assessment. Results from the first drill hole returned 267 meters at 0.57% copper including 139.6 meters at 0.82% copper. These results demonstrated that high grade copper mineralization extends down to significant depths. Also in 2010 the Company initiated an extensive bulldozer trenching program on the Marta porphyry stock, west of Cerro Moly. No previous work had been carried out by the Company in the Marta area, although historic copper-molybdenum exploration adits were present. This program was successful in exposing extensive areas of copper porphyry, copper intrusive breccia, copper oxide and chalcopyrite mineralization throughout the southern portion of the Marta stock area. An area of copper skarn was also exposed between the Copaquire and Marta porphyry intrusions. The Company initiated a "Titan Deep Penetration IP Survey" over the two porphyries. The Titan 24 DCIP & MT system is a multi-parameter distributed ground geophysical survey system designed to collect large volumes of precise IP chargeability and resistivity subsurface geophysical data to depths of 750 metres and MT (magnetotelluric resistivity) data to depths of 1,500 metres. The Survey consisted of 2 spreads of Titan 24 DCIP and MT in a single line across the southern portion of the Copaquire property. 5 In September 2010 the Company announced the results of the Titan Deep Penetration IP Survey. Based on its interpretation of the survey results, Quantec Geosciences Ltd. identified nine high priority geophysical targets for follow-up

drill testing. The positive results of the 2010 drill program, the new areas of extensive copper mineralization exposed at the Marta zone and the positive results of the Titan geophysical survey all served to generate extensive interest from several major and mid-tier mining groups. On May 6, 2011, the Company entered into an option agreement with a private Chilean company to acquire a group of claims totaling 560 hectares positioned adjacent to the north and west of current Copaquire mining claims. During April 2012, the Company exercised its option and acquired one additional claim of 5 hectares from the same company for a combined total amount of US$800,000, payable over four years as follows: 1st year US$196,000, 2nd & 3rd year US$201,333, and 4th year US$201,334. The agreement is in good standing as of August 29, 2013. The new claim area provided the company with complete coverage of the new Marta porphyry. Additionally, in January 2011, the Company completed an airborne ZTEM geophysical survey over the entire Copaquire property. The ZTEM system is one of the leading airborne geophysical systems in use today and is particularly suited to identifying large conductive ore bodies. The ZTEM system is renowned for its deep penetration, high spatial resolution and ability to detect and differentiate weak electro-magnetic anomalies at depths up to 1,500 metres. In February 2011 the Company announced the results of the ZTEM survey. It successfully identified the known resource at Cerro Moly as well as the large extent of the Sulfato zone to the north. The ZTEM survey also identified and confirmed that the Marta area contains a very large deep seated intrusive body (2km x 4.5km and approx. 1.5km in depth). Two 2011 drill holes CQ-106 and CQ-108 in the Marta area intersected widely spaced veinlets of quartz-pyrite-chalcopyrite-moly mineralization within altered granodiorite. The PBX field geologists believed that the presence of widely spaced veinlets in both holes were typical of mineralization encountered peripheral to major porphyry copper centers in the Collahuasi

mining district. In October 2011 the Company completed a 5,000 meter infill drill program in the Sulfato South copper zone and in January 2012 announced a resource of 102 million tonnes with 0.40% copper equivalent and filed a supporting technical report in January 2012.

| Sulfato South | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Cu Eq. Cutoff** | **Tonnage In Thousands** | **Copper % Grade** | **lb Cu in Thousands** | **Moly % Grade** | **lb Moly in Thousands** | **% Cu Eq Grade** | **lb Cu Eq in Thousands** |
| **0.7** | **341** | **0.73** | **5,519** | **0.02** | **171** | **0.86** | **6,456** |
| **0.6** | **1,993** | **0.66** | **28,973** | **0.02** | **1024** | **0.79** | **34,606** |
| **0.5** | **7,565** | **0.57** | **95,460** | **0.02** | **3507** | **0.69** | **114,743** |
| **0.4** | **19,698** | **0.49** | **213,997** | **0.02** | **8410** | **0.6** | **260,254** |
| **0.3** | **43,508** | **0.41** | **393,051** | **0.02** | **16677** | **0.51** | **484,775** |
| **0.2** | **102,069** | **0.32** | **709,918** | **0.02** | **34972** | **0.4** | **902,263** |
| **0.1** | **159,000** | **0.26** | **910,755** | **0.02** | **53237** | **0.34** | **1,202,559** |

**Inferred Mineral resource estimate by Copper equivalent cut-off grades. These results are reported in metal equivalent data based on US$ 2.50/lb. copper and US$13.50/lb. molybdenum. In calculating copper equivalencies 100% metal recoveries have been assumed. Source "The Copaquire Property Sulfato Copper – Moly Porphyry NI 43-101 Technical Report (Region I, Chile)" ("Technical Report")", Charchaflie and Jaramillo, Jan 30 2012.**

**Qualified Person**

Kenneth Williamson, Géo (OGQ #1490), M.Sc., Senior Consulting Geologist, from 3DGeo Solution Inc. is the qualified persons pursuant to the requirements of NI 43-101, and has reviewed and approved the technical content of this press release.

**About Power Nickel Inc.**

Power Nickel is a Canadian junior exploration company focusing on developing the High Grade Nisk project into Canada's first Carbon Neutral Nickel mine.

On February 1, 2021, Power Nickel (then called Chilean Metals) completed the acquisition of its option to acquire up to 80% of the Nisk project from Critical Elements Lithium Corp. (CRE: TSXV)

The NISK property comprises a large land position (20 kilometres of strike length) with numerous high-grade intercepts. Power Nickel is focused on expanding the historical high-grade nickel-copper PGE mineralization with a series of drill programs designed to test the initial Nisk discovery zone and to explore the land package for adjacent potential Nickel deposits.[1]

In addition to the Nisk project Power Nickel owns significant land packages in British Colombia and Chile. Power Nickel is expected to reorganize these assets in a related public vehicle through a plan of arrangement.

Power Nickel announced on June 8th, 2021, that an agreement has been made to complete the 100% acquisition of its Golden Ivan project in the heart of the Golden Triangle. The Golden Triangle has reported mineral resources (past production and current resources) in total of 130 million ounces of gold, 800 million ounces of silver and 40 billion pounds of copper (Resource World). 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.

Power Nickel is also 100-per-cent owner of five properties

comprising over 50,000 acres strategically located in the prolific iron-oxide-copper-gold belt of northern Chile. It also owns a 3-per-cent NSR royalty interest on any future production from the Copaquire copper-molybdenum deposit, that was sold to a subsidiary of Teck Resources Inc. Under the terms of the sale agreement, Teck has the right to acquire one-third of the 3-per-cent NSR for $3 million at any time. The Copaquire property borders Teck's producing Quebrada Blanca copper mine in Chile's first region.

**For further information on Power Nickel Inc., please contact:**

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*Neither the TSX Venture Exchange nor its Regulation Services Provider*
*accepts responsibility for the adequacy or accuracy of this release.*

**Cautionary Note Regarding Forward-Looking Statements**

This message contains certain statements that may be deemed "forward-looking statements" with respect to the Company within the meaning of applicable securities laws. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates",

“projects”, “potential”, “indicates”, “opportunity”, “possible” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance, are subject to risks and uncertainties, and actual results or realities may differ materially from those in the forward-looking statements. Such material risks and uncertainties include, but are not limited to, among others, the timing for the Company to complete the Plan of Arrangement, royalty sale or any other transaction described herein, or risk that such transactions do not close at all; raise sufficient capital to fund its obligations under its property agreements going forward; to maintain its mineral tenures and concessions in good standing; to explore and develop its projects; changes in economic conditions or financial markets; the inherent hazards associates with mineral exploration and mining operations; future prices of nickel and other metals; changes in general economic conditions; accuracy of mineral resource and reserve estimates; the potential for new discoveries; the ability of the Company to obtain the necessary permits and consents required to explore, drill and develop the projects and if obtained, to obtain such permits and consents in a timely fashion relative to the Company’s plans and business objectives for the applicable project; the general ability of the Company to monetize its mineral resources; and changes in environmental and other laws or regulations that could have an impact on the Company’s operations, compliance with environmental laws and regulations, dependence on key management personnel and general competition in the mining industry.

Forward-looking statements are based on the reasonable beliefs, estimates and opinions of the Company’s management on the date the statements are made. Except as required by applicable

securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change.

[1] The resource estimates at Nisk are historical in nature and the Company’s geology team has not completed sufficient work to confirm an NI 43-101 mineral resource. Mineral resource information is derived from the technical report titled “Resource Estimate for the NISK-1 Deposit, Lac Levac Property, Nemiscau, Québec” dated December 2009. The key assumptions, parameters, and methods used to prepare the mineral resource estimates are set out in the technical report. This report, prepared by RSW Inc in 2009, can be found on the SEDAR website.

**SOURCE:** Power Nickel Inc.