# Power Metallic (TSXV:PNPN)

## INITIATION OF COVERAGE

| | |
|---|---|
| RATING: | **BUY** |
| TARGET: | **$2.75** |
| POTENTIAL RETURN: | **195%** |

November 19th, 2025
Metals & Mining

***Distributed on behalf of***
***Power Metallic***

## SUMMARY

Power Metallic owns a large 212 km$^2$ land position in Western Quebec and is currently in the middle of a 100,000 meter drill program.

The Lion Zone, a late 2024 discovery, is one of the highest grade polymetallic discoveries of the last few years and the company is using it's current drill program to test the 5km strike length between its Nisk nickel deposit and the polymetallic, precious metals rich Lion Zone.

## BOTTOM LINE

- With an 80,000 meter drill program over the next 14 months and one of the world's foremost experts on Polymetallic ore bodies as an advisor, Power Metallic is well positioned to find success through the drillbit.
- Power Metallic is well positioned to benefit from government initiatives to secure local sources of critical minerals. We believe Power Metallic will be a likely beneficiary of government partnerships, decreasing funding risk.
- **Valuation:** The current valuation only implies 2.5Mt of CuEq resource is discovered above the 7.1Mt already found at the Nisk deposit. With the stock trading at a 40% discount to our unrisked NPV of Nisk, which does not include the Lion Zone, and 80,000 meters of exploration drilling fully funded, should Power Metallic define even 20% of the resource potential we see from the current land package, the stock has significant upside to C$2.75/sh, 195% higher than the current share price.

**KEY STATISTICS**
Market Cap (C$M): 216M
Enterprise Value (C$M): 167M
Common Shares (M): 233M
Diluted Shares (M): 284M
Inst. Ownership (%): 48%
Avg Volume (30 Days): 1.04M shares

**VALUATION**
NPV/PS (Est): C$1.40/sh
P/NPV (Est): 0.66x
EV/t (Resources US$/t): $16.76


KEY ASSETS


Duane Hope- Research Analyst | **E:** duane@capital10x.com
*Disclosures & Analyst Certifications appear on last 2 pages.*

# Asset Overview

The core assets of Power Metallic represent what we like to call the Nisk–Lion–Tiger District in Québec. The district lies within a favorable geological setting for orthomagmatic or associated basalt–ultramafic sulphide systems and is emerging as a potential multi-deposit polymetallic camp.

Its flagship area is the "Nisk" camp in James Bay, Québec — including the key discoveries of the Nisk deposit, the Lion Zone, and the Tiger discovery. The overall strategy is to build a contiguous district-scale land package, demonstrate high-grade copper + nickel + PGE (platinum-group elements) + gold + silver mineralization with good width and continuity, de-risk metallurgy and infrastructure, and move toward a resource estimation and ultimately development.

The Company has recently executed a 100k meter drill program to both define the current resource and test the ultimate potential of recent large land acquisitions and has also initiated key metallurgical test work with results expected in early 2026.

The principal zones in Quebec are:

## The Nisk Deposit

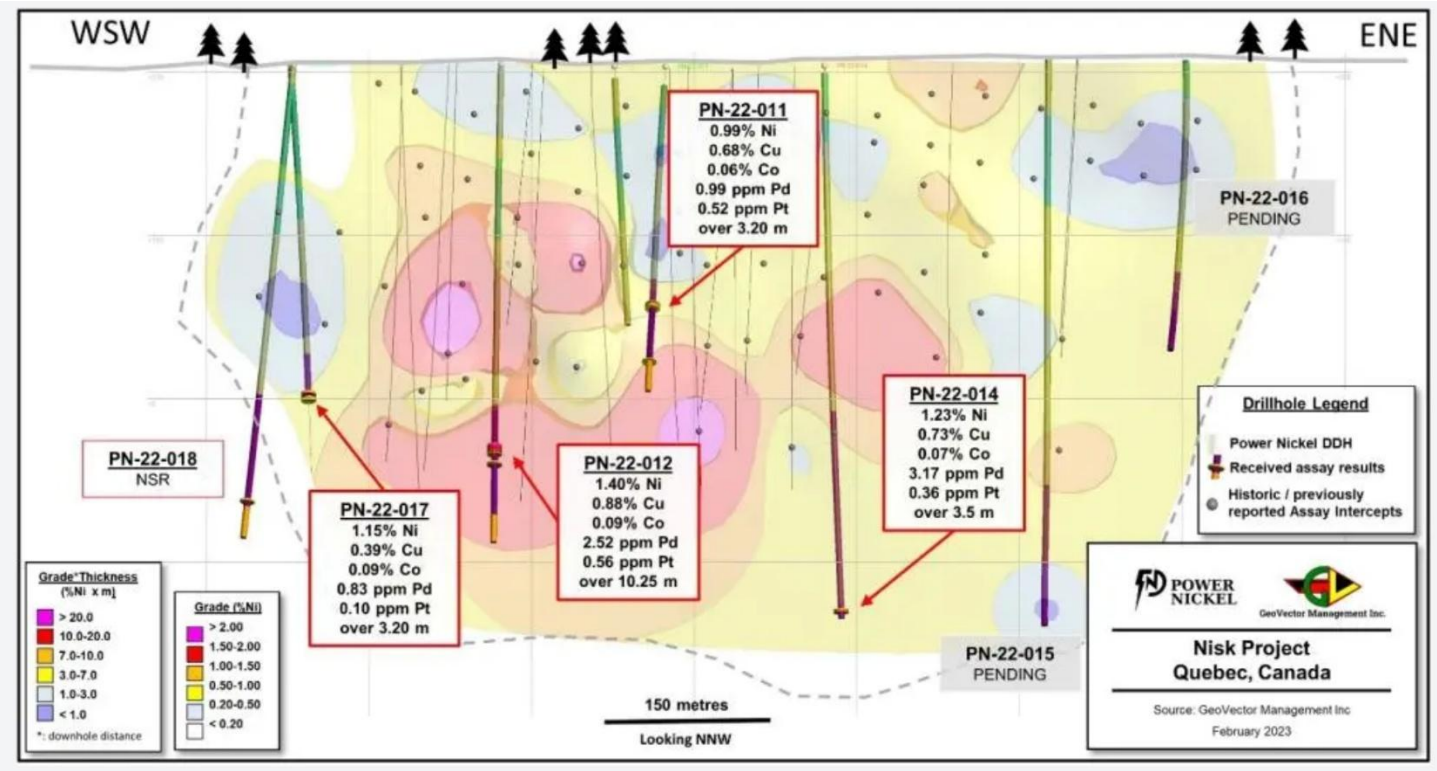
The Nisk deposit, we will call it Nisk Main, is the originally optioned project that Power Metallic secured from Critical Elements Lithium Corp. in February 2021. Nisk has over 25,000 metres of historical drilling data and a technical report and MRE were released in early 2024 envisioning over 7 million tonnes of resource.

The Nisk zone hosts copper-nickel-cobalt-PGE mineralization, within the same basin margin setting as Lion, another highly prospective polymetallic zone. The Company's recent drilling narrative includes the "Nisk East" target (east of the main Nisk zone) where they intercepted 11.25 m of 1.22 % CuEq (a lower grade but interesting "Lion-style" intercept) in hole PMN-25-004.[1] The fact that Nisk East shows the stratigraphic footwall setting of Lion-style mineralization is a positive exploration development — it underpins the district-scale potential of the structural corridor between Nisk and Lion.

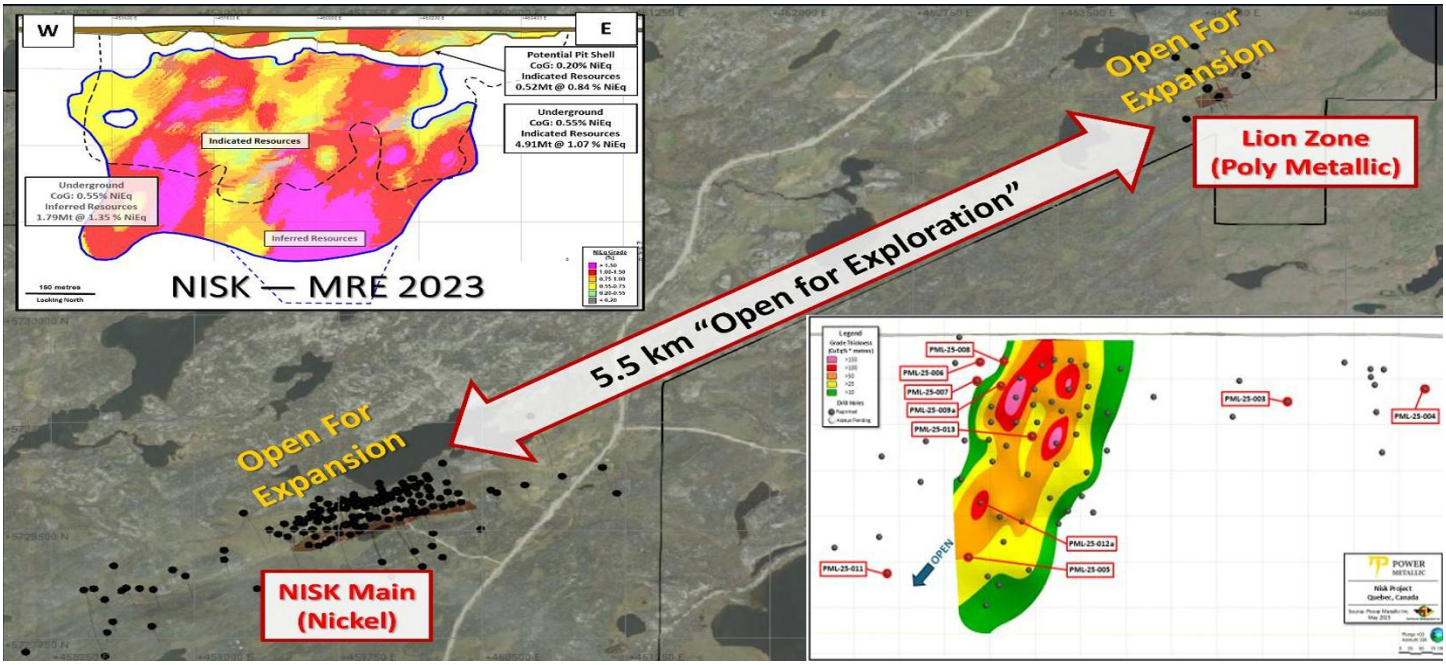
Later in this report we lay out the potential resource and economic upside from further drilling and development at Nisk.

[1] https://resourceworld.com/power-metallic-mines-drills-12-54-metres-of-10-99-cueq-at-the-lion-zone-and-11-25-metres-of-1-22-cueq-at-nisk-east-quebec/?utm_source=chatgpt.com

## Nisk Cross Section Map with Recent Drill Results




## Map of Nisk Deposit and 5.5km Open Corridor




Source: Power Metallic

## The Lion Zone

The Lion Zone represents the most advanced and economically significant new discovery within Power Metallic's expanding Nisk–Lion–Tiger polymetallic district in Quebec. The Lion Zone is now the focus of the Company's key discovery and growth narrative. It is located 5.5km to the northwest from the Nisk deposit, and hosts high-grade copper-dominant, PGE-rich polymetallic sulphide mineralization.

Recent results at Lion have demonstrated the continuity, grade, and scale potential characteristic of large Cu–PGE systems such as Norilsk and Talnakh. Recent drilling, mineralogical studies, and metallurgical testing together suggest a high-value resource underpinned by exceptional grades, consistent thickness, and robust metal recoverability.

The Lion Zone is described as having two principal orebodies or zones: a high-grade zone of semi-massive to massive sulphides (mainly chalcopyrite/cubanite) and a lower-grade hanging-wall zone of disseminated and veined sulphides. The majority of the metal value is reported to be in the high grade zone.

Recent drill results have been very encouraging:

- In the winter 2025 campaign, hole PML-25-012a intersected 12.54 m of 10.99 % CuEq (3.10 g/t Au, 25.52 g/t Ag, 4.09 % Cu, 12.06 g/t Pd, 2.00 g/t Pt).
- In the spring/summer 2025 update, the Company reported 28.0 m of 4.28 % CuEq in hole PML-25-015 (including 3.4 m of 15.45 % CuEq) and 22.66 m of 4.57 % CuEq in hole PML-25-020 (including 6.05 m of 9.70 % CuEq).

### Lion Zone Thickness Map and Highlighted Drill Holes

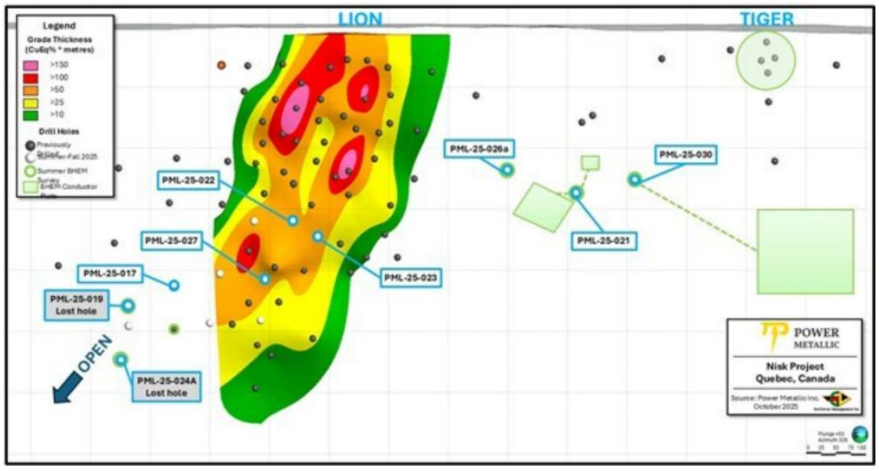

| | | From (m) | To (m) | Length (m) | Au (g/t) | Ag (g/t) | Cu (%) | Pd (g/t) | Pt (g/t) | Ni (%) | CuEq (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | PN-24-055 | 75.5 | 90.9 | 15.4 | 0.4 | 22.0 | 5.1 | 13.1 | 3.4 | 0.2 | 10.5 |
| 2 | PN-24-047 | 125.9 | 160.1 | 34.2 | 0.3 | 30.8 | 3.6 | 2.7 | 3.6 | 0.3 | 5.8 |
| 3 | PN-24-070 | 118.0 | 150.0 | 32.0 | 0.5 | 20.9 | 3.6 | 8.1 | 2.5 | 0.2 | 7.0 |
| 4 | PN-24-071 | 185.0 | 196.6 | 11.6 | 0.9 | 50.0 | 8.3 | 9.6 | 2.6 | 0.3 | 12.5 |
| 5 | PN-24-051 | 232.4 | 243.8 | 10.4 | 0.2 | 14.0 | 2.5 | 3.2 | 19.5 | 0.2 | 9.5 |
| | Average | | | 20.7 | 0.4 | 26.9 | 4.2 | 6.7 | 4.7 | 0.2 | 8.0 |

**Source: Power Metallic**

These results show that the zone has intercept widths of ~12 m up to 28 m, and CuEq grades ranging from ~1% to >10%, with higher grade sub-intervals reaching >15% CuEq. The fact that holes PML-25-015 and PML-25-020 improved on nearby holes in terms of grade and thickness supports the continuity of the high-grade zone. The in-fill program so far has confirmed continuity in most holes, though with grade and thickness variability.

Future drilling will both test the area between lion and tiger to intersect the mineralized horizon and also to test the western extension of the Lion zone to see if it extends deeper and wider than currently modeled.

## Lion Zone Long Section Showing Recent Drill Results




**Source: Power Metallic**

## Recent Significant Drill Results From Lion Zone

| Hole | From (m) | To (m) | Length (m) | Au (g/t) | Ag (g/t) | Cu (%) | Pd (g/t) | Pt (g/t) | Ni (%) | CuEq Rec* (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **PML-25-014** | 464.00 | 466.00 | 2.00 | 0.04 | 1.57 | 0.30 | 0.41 | 0.30 | 0.30 | 1.46 |
| and | 590.17 | 595.25 | 9.44 | 0.28 | 5.98 | 0.39 | 1.02 | 0.09 | 0.03 | 1.01 |
| Including | 593.17 | 595.25 | 2.08 | 0.67 | 14.18 | 1.08 | 2.29 | 0.03 | 0.04 | 2.36 |
| **PML-25-015** | **162.00** | **190.00** | **28.00** | **0.56** | **25.18** | **2.87** | **2.86** | **0.35** | **0.13** | **4.28** |
| Including | **176.00** | **177.90** | **1.90** | **2.83** | **45.78** | **13.60** | **8.14** | **0.50** | **0.16** | **17.68** |
| and | **186.60** | **190.00** | **3.40** | **0.69** | **84.37** | **9.79** | **15.12** | **2.16** | **0.22** | **15.45** |
| **PML-25-016a** | 292.20 | 302.30 | 7.10 | 0.07 | 2.06 | 0.31 | 1.01 | 1.13 | 0.20 | 1.41 |
| **PML-25-018** | 479.00 | 508.50 | 29.50 | 0.15 | 4.96 | 0.54 | 1.80 | 0.58 | 0.09 | 1.58 |
| Including | **488.16** | **495.00** | **6.84** | **0.20** | **11.41** | **0.83** | **4.54** | **1.79** | **0.12** | **3.30** |
| **PML-25-020** | 241.10 | 262.86 | 21.76 | 0.24 | 4.67 | 0.10 | 1.61 | 1.09 | 0.01 | 1.19 |
| Including | **252.86** | **255.86** | **3.00** | **0.92** | **12.50** | **0.32** | **6.68** | **4.80** | **0.02** | **4.81** |
| and | **280.84** | **303.50** | **22.66** | **0.78** | **7.63** | **3.04** | **2.79** | **0.70** | **0.16** | **4.57** |
| Including | **286.15** | **292.20** | **6.05** | **1.03** | **9.65** | **6.11** | **8.33** | **1.75** | **0.27** | **9.70** |

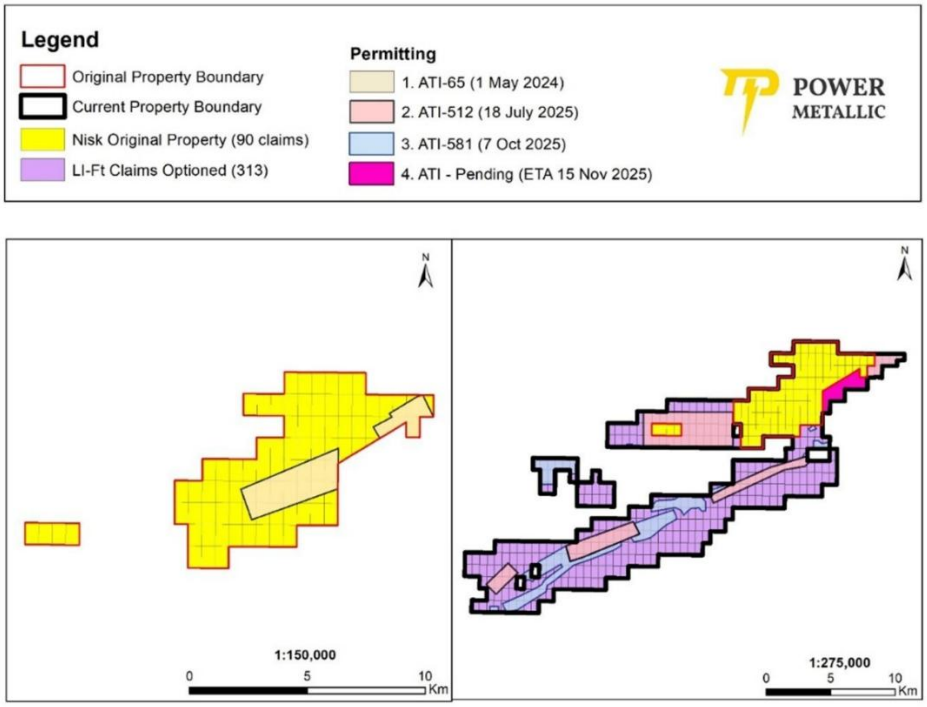
**Source: Power Metallic**

## Li-FT Power and Hydro Quebec Land Acquisitions Significantly Expand Mineral Potential

In July 2025 Power Metallic closed the acquisition of 313 mineral claims (~167 $km^2$) from Li-FT Power Ltd., which adjoin the Company's prior 45.86 $km^2$ Nisk property. This enlarged the Nisk camp land-package to ~212 $km^2$, securing approximately 20 km of strike on the northern basin margin and 30 km on the southern margin, enveloping the Nisk, Lion and Tiger zones.

This acquisition thus triples the land area (≈ 300% increase) and locks in a contiguous corridor for exploration along basin margins which host the polymetallic mineralisation style.

### Property Boundary (Before and After) Land Acquisition

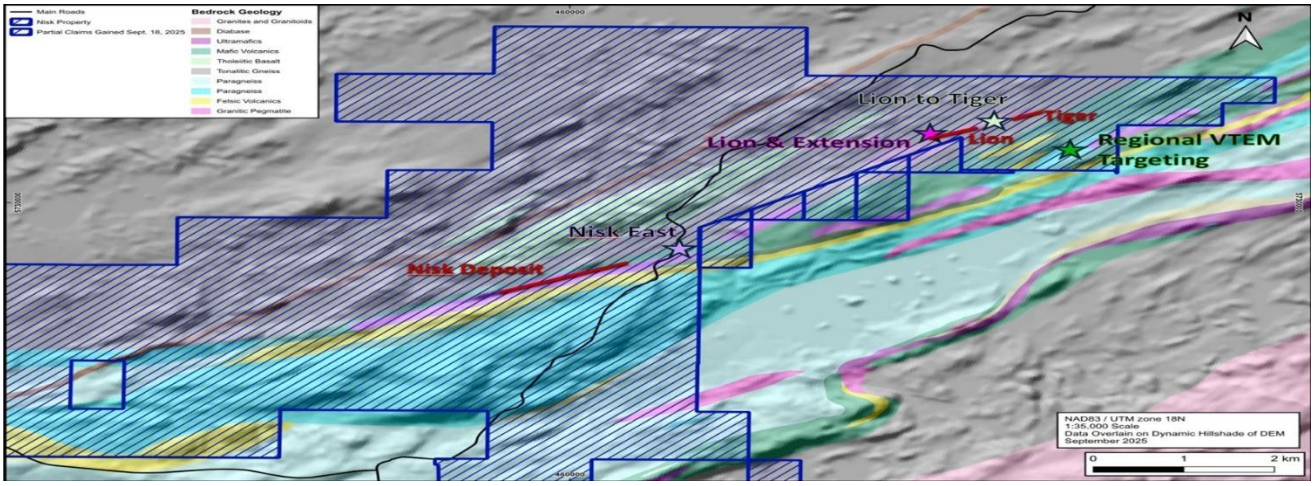



**Source: Power Nickel**

In addition to the Li-FT Power land, Power Metallic was able to convince the Quebec government to open certain lands for mineral staking that sat right next to the Lion discovery. This area is most important to Power Metallic as it covers the extension of the Lion mineralizing system. Prior to the acquisition of the Hydro ground, Power Metallic did not have claim ownership over a target area that contained an important fold axis through the mineralized geological horizons.

The entire north limb of the fold was too close to the old property boundary to safely explore the ground, thus delaying exploration on their highest priority Lion target.

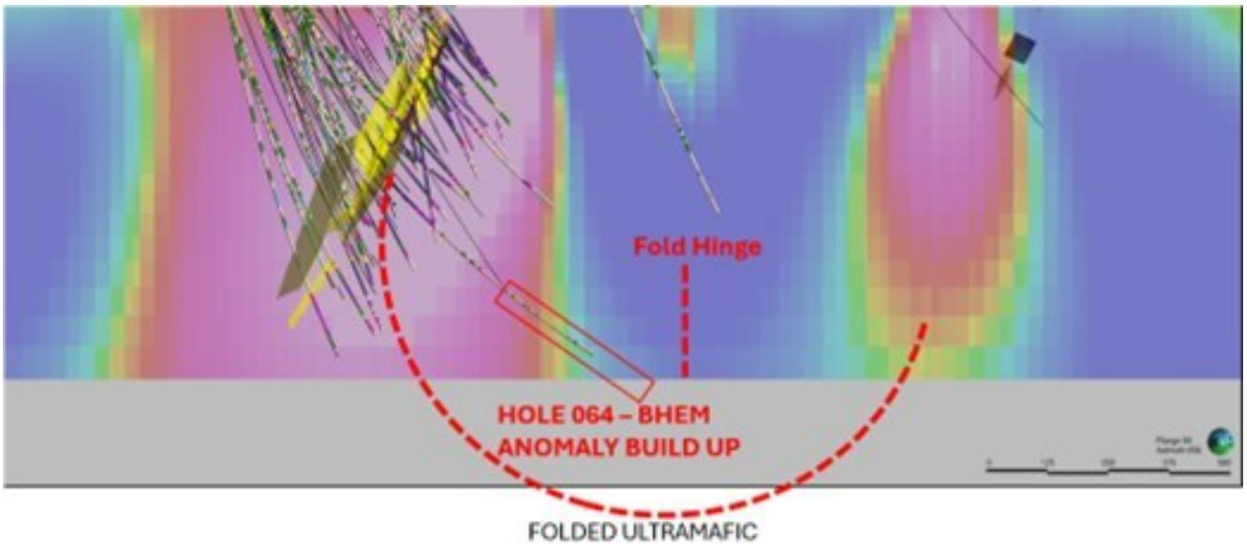
## Current Property Boundary (Including Hydro Quebec Land)




**Source: Power Metallic**

The potential of the fold hinge target is supported by magnetic data. BHEM anomalies in hole PN-24-064 suggest a large body of mineralization is coincident with the anticipated fold hinge. The BHEM anomaly detected in PN-24-064 had greater than one hundred meters of build up at the bottom of the hole. Power Metallic has re-entered hole PN-24-064 to extend the hole a further 250 meters in an effort to fully define where the BHEM panel exists, and to potentially intersect a portion of the conductive body.

## Cross Section from Lion to Southern Hydro Land Showing Fold.




**Source: Power Metallic**

Based on recent commentary from management and analysis of drill assays, the Lion Zone's contained metal mix sits roughly at:

| LION ZONE METAL SPLIT | |
|---|---|
| Copper | 45% |
| PGEs | 40% |
| Gold | 10% |
| Silver | 5% |

**Source: PNPN Estimates**

This balanced split between precious metals and copper is exceptionally rare: conferring dual exposure to both industrial electrification demand (copper) and scarcity-based store-of-value metals (PGEs + Au + Ag). The combination provides resilience across commodity cycles and enhances strategic optionality — the deposit can be advanced as either a copper producer with precious-metal credits or a PGE operation with copper by-product revenue.

## Metallurgical Testing Results to Come in Q1 2026:

Preliminary mineral work was conducted by IOS Canada in the summer and found the copper mineralization is hosted in coarse-grained chalcopyrite and cubanite—sulfides that should respond well to conventional sulphide concentration methods akin to flowsheets used for Sudbury-type ores. Equally important, the majority of PGE mineral species (including stannopalladinite, froodite, and merenskyite) occur within or attached to these same copper sulfides.

This textural and mineralogical association means PGEs are likely to report with the copper concentrate rather than being locked in silicates or refractory phases, implying strong recoveries for both copper and PGEs via standard flotation.

To follow up on this work the Company has initiated Phase 1 metallurgical testing (contracted to SGS Canada) focusing on the high grade and low grade zones.

The sample suite originates entirely from the Lion deposit, which contains a High-Grade (HG) semi-massive to massive sulphide zone and a Lower-Grade (LG) disseminated hanging-wall zone. Power Metallic compiled 202 drill-core rejects—103 samples from 15 holes for the HG zone and 99 samples from 10 holes for the LG zone—representing roughly 300 kg of material from each zone. These rejects were hand-delivered to SGS Quebec City, where two 75 kg composites will be created (one per zone). From each, 25 kg will be blended into a third 50/50 "Blended Composite," yielding three 50 kg composites for metallurgical analysis. Each composite will undergo identical testing to evaluate variability and recovery efficiency across all six primary metals (Cu, Pd, Pt, Au, Ag, Ni), providing a comprehensive recovery model for the deposit.

The metallurgical work and in-fill drilling are increasing confidence in the resource potential. While still pre-resource, the Lion Zone is shaping up as a potential cornerstone deposit in a larger polymetallic camp.

**A Note on the CVMR Partnership and its potential to substantially improve recoveries and project economics at Nisk.**

CVMR is a specialist metal-refining and powder-manufacturing technology company which has developed proprietary vapour-metallurgy / refining processes. CVMR handles refining of more than ~30–35 metals (including Ni, Co, Cu, Li, etc.) with its own vapour metallurgy processes, nano-powder production, net shapes, graphene/graphite manufacturing, and related advanced-materials work.

With Power Metallic the CVMR process is being applied not simply to produce a traditional concentrate for smelters, but to potentially treat the ore/material from Nisk directly into finished or near-finished products rather than the conventional concentrate and smelter approach.

Typically, a Nickel miner will make a concentrate and leave at least 25% of the Nickel unrecovered. Power metallic commented when they signed the partnership agreement with CVMR that they have seen excellent recoveries in the Nickel and in metal by-products.
If test results will CVMR prove the technology out it could significantly improve the economics of a mine at Nisk with management commenting that the CVMR process is expected to show recoveries 25-30% better than the recovery estimates used in the 2023 mineral resource estimate.

The key technical differentiators appear to be:

- The ability to process the sulphide ore/material through CVMR's refining/powder production route rather than traditional concentrate → smelter.
- Higher metal recoveries (both nickel and by-product metals) because the process is designed to extract more of the base and accessory metals rather than leaving significant residuals.
- The incremental advantage of producing higher-value finished or semi-finished products (powder, nano-powder, wire, anodes) that carry a premium over raw concentrate pricing.
- Leveraging CVMR's expertise to potentially speed up commercialization of NISK.

For Power Metallic's Nisk project (which hosts nickel, copper, cobalt, palladium, platinum, gold, silver), the CVMR process offers potentially significant upside in recoverability in several ways:

Taken together, the CVMR process could transform Nisk from a more conventional nickel-sulphide and PGMs project with moderate recoveries and concentrate sales into a higher-recovery, higher-value

product operation, directly boosting recoveries. the recoverable metal inventory (metal in the ground → metal to market) and improves the value per unit of metal sold.

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**How it could improve project economics for Power Metallic**

From an economics perspective, the introduction of the CVMR process into Power Metallic's Nisk project has several potential levers of value enhancement:

- Increased metal production output: With higher recovery percentages, the effective amount of metal produced per tonne of ore/resources rises. For example, if nickel recovery improves from ~70% to ~90%, that's a ~28% uplift in nickel output (assuming ore grade constant). For multiple metals (Ni, Cu, Co, PGMs) the uplift may compound. More metal converted to saleable product means higher revenue potential.
- Higher product pricing / premium margin: Instead of selling a concentrate with discount relative to metal price and refinery/ smelter terms, Power Metallic may leverage CVMR's ability to produce powders, wire, anodes, etc., which command higher pricing (2-3× standard LME nickel equivalent) according to company statements. CVMR® This suggests significantly higher margin per unit of metal. Even if some premium is offset by higher processing cost, the margin expansion is compelling.
- Broader product suite / diversification of revenue: Since the CVMR process is capable of handling multiple metals and producing advanced-materials outputs (nano powders, EV precursor materials), this opens up a broader revenue base beyond nickel alone — copper, cobalt, PGMs, etc., become more than by-products, and the finished product route could allow entry into battery, aerospace, defense supply chains (which pay premiums and may offer offtake advantages). That can reduce commodity cycle exposure and improve long-term pricing stability.
- Lower effective cost base per unit metal: While the CVMR route may incur additional processing cost relative to a simple mine → concentrate route, the incremental cost may be modest compared to the incremental revenue from higher recoveries and higher product prices (as the company says "minimal incremental cost"). This improves unit operating cost ($/lb metal) and improves margin.
- Improved project metrics (NPV, IRR, payback): With higher recoveries, higher revenues, and improved margin, the pre-feasibility and bankable feasibility studies for Nisk will likely show higher Net Present Value (NPV), higher Internal Rate of Return (IRR) and shorter payback period. It may make the project more attractive for financing, off-take agreements, and de-risked for investors.

- Enhanced resource conversion and mine life: Because more of the metal in the ground can be recovered and sold, the resource base effectively becomes more valuable. The mine life might be extended, or economically extractable tonnage increased, improving mine economics. Also, by capturing by-product metals more effectively, revenue per tonne mined improves.
- Strategic positioning and premium value-chain capture: In today's battery/EV economy, companies that can supply high-purity materials, advanced powders and battery precursor materials are in a strong strategic position. By moving up-the-value chain (via CVMR processing), Power Metallic could capture more of the value chain rather than being a commodity raw nickel producer — potentially securing strategic partnerships, higher margin contracts and premium branding (e.g., "green nickel powder for EV anodes"). This can enhance valuation multiples for the company.
- Reduced commodity price sensitivity: With higher margin, value-added products and diversification across metals, the company may be less exposed to volatile nickel concentrate pricing or smelter/refinery treatment/allowance dynamics. That could lead to more stable cash flows and potentially a lower risk profile.

## The Tiger Trend

Beyond Nisk and Lion, the Tiger trend is the next frontier in the camp. The strategic logic is to follow the favorable stratigraphy and structural corridors (hosting Lion-style mineralisation) further along strike and basin margin.

The company's first assays from Tiger in March showed the system is real and with the help of downhole EM they have a good chance of finding the main mineralized structure. The team drilled PN-24-090 into a weak airborne EM anomaly about 700 m northeast of Lion. That hole just caught the edge, hitting several thin mineralized bands, like in hole PN-24-090 which hit 1.75 m grading 0.37% copper with a bit of nickel (0.13% Ni) and palladium (0.26 g/t Pd), enough to prove there's a mineralized structure.

They then ran borehole EM (BHEM) in the hole, which pointed off-hole to a conductor. Drilling to that target with PN-24-094 worked: it cut 9.90 m averaging 0.24% Cu and 0.57% Ni with good palladium, including 2.20 m at 0.51% Cu and 1.53% Ni and another 2.50 m at 0.46% Cu and 0.92% Ni. Those short, higher-grade hits are massive sulphides, the kind of material you want to see when in the early stages of defining a new structure.

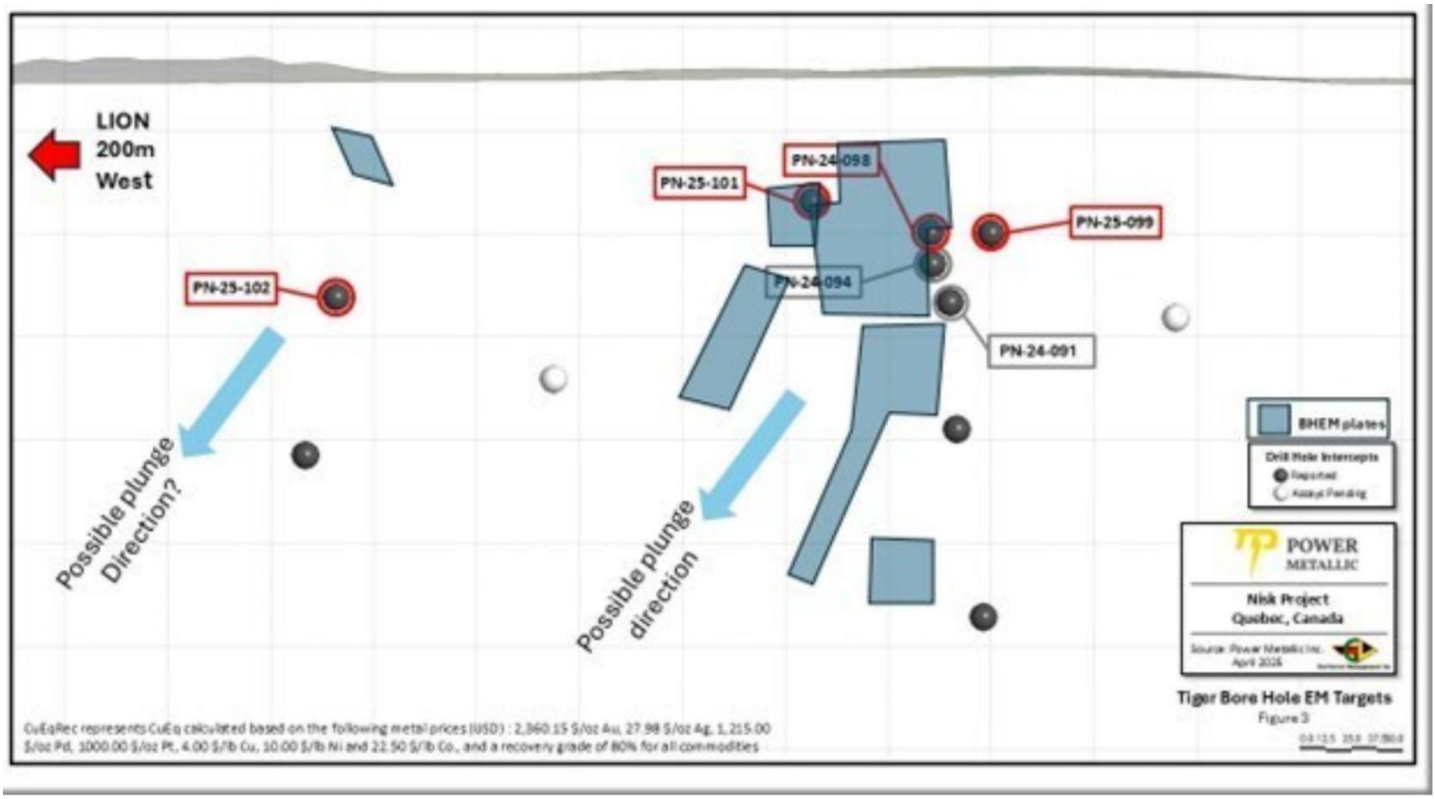
The winter 2025 follow-up at Tiger tested four BHEM-defined, off-hole conductors generated from the initial PN-24-090/094 holes. All four step-outs intercepted Lion-style, copper-dominant polymetallic sulphides at shallow vertical depths, demonstrating that downhole EM is a reliable vectoring tool at Tiger and that the target horizon is present close to surface across multiple collars.

Technically, the results support the working model of mobilized magmatic sulphides lodged in footwall paragneiss, likely bled from a yet-to-be-pinned ultramafic feeder. The up-plunge link to PN-24-094 suggests continuity along a preferred transport pathway; the shallow depths increase the probability of efficient delineation drilling and, eventually, favorable development metrics if scale is proven. The company has also flagged the consistency of "Lion-style" metal balance at Tiger—i.e., copper-dominant with Pd-Pt-Au-Ni support—which matters for future metallurgy and potential Cu-led economics.

With more holes on tighter lines, Power Metallic is starting to build a proper 3D picture of Tiger. Putting it together, Tiger is early but promising: BHEM is working, there's massive sulphide in the right rocks, and the team has clear targets to grow the zone and look for the feeder that could scale this into a meaningful polymetallic discovery. The company has multiple untested BHEM conductors ready for the next campaign and notes additional Tiger holes are planned alongside pending assays from Lion/Nisk that will refine the structural and stratigraphic model governing the broader trend.

With over 80,000 meters of drilling still to come in 2026, the potential of Tiger and the greater Nisk system should come into focus very soon.

**Long Section of Tiger Drilling to Date**




**Source: Power Metallic**

## Other Assets & Jurisdictions

While the Nisk-Lion-Tiger district is the primary focus, Power Metallic also holds or retains interests in other exploration opportunities, which provide optionality and diversification.

### Jabal Baudan, Saudi Arabia

Power Metallic owns 100% of its subsidiary Power Metallic Arabia which holds the Jabal Baudan exploration licence in the Jabal Sayid Belt of the Kingdom of Saudi Arabia. The licence covers over 200 $km^2$ in a belt known for massive volcanic-sulphide (VMS) style copper/gold/zinc mineralisation (including the nearby world-class Jabal Sayid mine).

This represents a high-upside, higher-risk jurisdictional diversification. If a discovery is made, the Saudi government and local partner environment could offer favourable terms, but the focus remains on the Québec assets for near-term value.

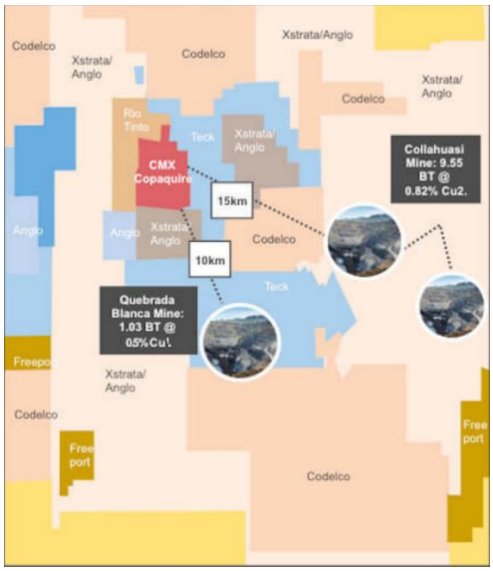
## Chile Copaquire Royalty

Copaquire is located in Chile's 1st Region, 125 kms south of its capital city, Iquique, on upland plateau in a very well-endowed mineral neighbourhood and readily accessible via well-maintained all-weather roads. The project adjoins Teck's Quebrada Blanca mine, where leachable copper reserves will be depleted by 2016 at current production and reserve levels (Teck website). Anglo-Xstrata-Mitsui's colossal Collahuasi copper mine also lies nearby. Copaquire boasts two 43-101-compliant resources: Sulfato South (dominantly copper) and Cerro Moly (dominantly molybdenum).

Power Metallic retains a 3.0% NSR (net smelter return) royalty on future production from Copaquire. Under the sale agreement to Teck Resources Limited, Teck has the right to purchase one-third of that royalty (i.e., 1.0% NSR) for a payment of US$3.0 million.

The sale of the Copaquire asset originally to Teck generated about CAD 3 million and Power Metallic retained the royalty as part of the sale. Since the royalty is based on NSR, Power Metallic will receive a percentage of revenue (after smelting/processing deductions) from any future production at Copaquire — which provides a non-dilutive income stream to the company (if production occurs).

### Copaquire Asset Map




**Source: Power Metallic**

The royalty's value is enhanced by global copper supply pressure: declining grades and tightening supply are cited by the company as supporting the likelihood of development at projects such as Copaquire.

From an economic standpoint, the royalty offers asymmetric upside: if production occurs at Copaquire, Power Metallic stands to receive 3% of NSR over the life of the mine (or 2% if Teck purchases 1% for CAD $3 million). Given the positioning next to an existing copper mine (Quebrada Blanca) and the favourable

macro for copper, the chance of production is non-trivial — which enhances the royalty's optionality. The right of Teck to buy down the royalty to 2% for USD $3m limits the upper bound of the royalty stream, but the 3% NSR remains in place unless bought down. If Power Metallic does succeed in selling the royalty, the proceeds would provide immediate cash (non-dilutive) and strengthen the company's balance sheet or allow investment elsewhere — this is a strategic lever for the company.

## Chilean Metals

Chilean Metals is the vehicle that now holds Power Metallic's legacy non-Quebec portfolio: the Golden Ivan project in British Columbia plus multiple Chilean copper-gold properties (Tierra de Oro, Zulema, Palo Negro/Hornitos/Tabaco) through a network of Chilean subsidiaries.

Power Metallic owns ~50% of Chilean Metals; the other ~50% was distributed directly to Power Metallic shareholders via a court-approved plan of arrangement completed in Q1-2025.

The company has guided to a public listing for Chilean Metals in the near future.

The assets that make up Chilean Metals are as follows:

- **Golden Ivan (British Columbia, Canada).** A 797-hectare gold-silver-copper property in the Golden Triangle made up of 13 mineral claims; it was transferred into Chilean Metals as part of the spin-out and is now the flagship non-Quebec asset.
- **Tierra de Oro (Atacama Region, Chile).** A copper-gold (IOCG) district-scale land package positioned in Chile's prolific Atacama belt; it sits near major operations (e.g., Candelaria), giving it strong regional prospectivity and infrastructure advantages.
- **Zulema (Atacama Region, Chile).** A copper-gold project in the same Atacama corridor that hosts multiple large mines; its location and geology make it a natural follow-up target for mapping, geophysics and selective drilling.
- **Palo Negro (Chile).** Early-stage copper-gold ground included in the spin-out portfolio; it provides additional pipeline optionality for future targeting as budgets and markets allow.
- **Hornitos (Chile).** Another copper-gold exploration block packaged within Chilean Metals; it expands the company's footprint across the same metallogenic trend, enabling portfolio-style exploration.
- **Tabaco (Chile).** A copper-gold prospect grouped with the above Chilean concessions; it is part of the multi-asset platform that Chilean Metals can advance or partner as conditions warrant.

The spin-out ring-fences a meaningful copper-gold option set—anchored by district-scale IOCG prospectivity at Tierra de Oro—without diluting the Quebec drill budget. In a stronger Cu/Au tape, Chilean Metals can pursue project-level JV/option funding, geophysics, and targeted drilling on the best anomalies, while Power Metallic shareholders retain direct upside exposure via their distributed Chilean Metals shares and Power Metallic's retained 50% interest.

# Valuation

We use a sum-of-the-parts valuation method to value Power Metallic. Based on promising intercepts at both Nisk, Lion and Tiger zones along with a significantly expanded mineral footprint with the recent Li-FT Power land acquisition, we see upside to C$2.75/sh in the medium term as the company increases resources through the drillbit and advances toward feasibility studies.

| **Valuation/Price Target** | | | | |
|---|---|---|---|---|
| **Asset** | **Value (USD M)** | **Risked** | **Value (C$M)** | **C$/sh** |
| Nisk | $242 | $121 | $163 | $0.70 |
| Lion+Tiger | $1,274 | $490 | $662 | $2.84 |
| Copaquire | $9 | $5 | $7 | $0.03 |
| Cash | | | -$50 | -$0.21 |
| **Total** | **$1,525** | | **$782** | **$3.36** |
| *Basic Shares* | *233* | | | |
| *Options & Warrants* | *51* | | | |
| **Fully Diluted Target Price** | | | | **$2.75** |

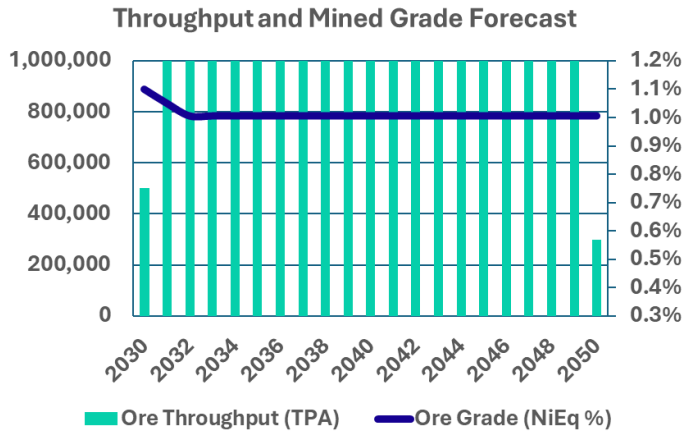
## NISK Has the Potential to Support a 20 Year Mine Life

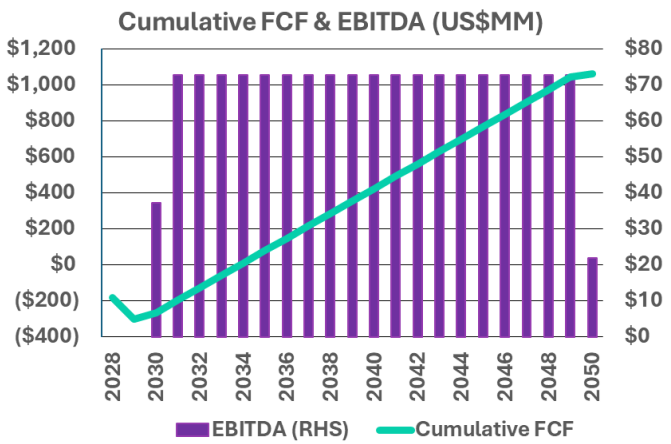
Power Metallic's Nisk deposit has an estimated resource of 7.2Mt grading 1.12% NiEq according to the 2023 mineral resource estimate but there remains considerable resource upside potential. The deposit remains open along strike and at depth and the company continues to execute on a 100,000 meter drill program with the target of linking the Nisk deposit with other discoveries along a 5km strike length.

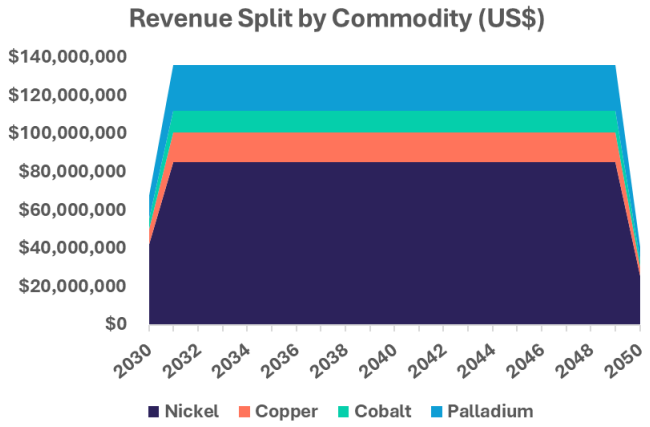
We believe Nisk can ultimate grow to 20Mt which would support a 20 year mine life at 1 million tonnes per annum of mined ore. We assume US$300m of initial capex which is in line with per tonne capex numbers estimated by comparable nickel miners at the construction decision stage of project development.

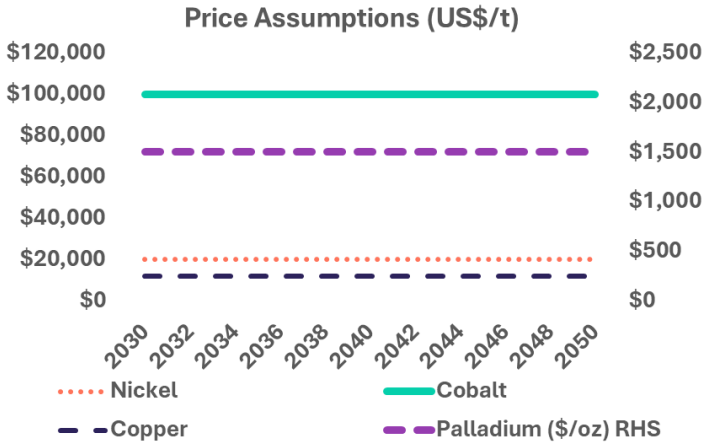
Our estimate of 1 million tonnes per annum for Nisk is supported by partner CVMR assuming output of at least 500,000 tonnes per annum in their initial feasibility studies. They explicitly called out their capacity estimates as modular, indicating they believe there is potential for much higher throughput needs. Canada's largest producing polymetallic mine, Voisey's Bay has a similar throughput rate, supporting our assumption that 1 million tonnes is a rate that balances upfront capital needs, time to production and project economics.

# KEY NISK ASSUMPTIONS




| MODELING ASSUMPTIONS | |
|---|---|
| Nickel Recovery (%) | 70% |
| Copper Recovery (%) | 44% |
| Cobalt Recovery (%) | 79% |
| Palladium Recovery (%) | 67% |
| Nickel Payability (%) | 73% |
| Copper Payability (%) | 69% |
| Cobalt Payability (%) | 27% |
| Palladium Payability (%) | 78% |
| Concentrate Produced (%) | 18% |
| Construction Time (Years) | 2 |
| CAD:USD Exchange Rate | 1.35 |
| Tax Rate (%) | 27% |
| NSR Royalty Rate | 2% |
| Weighted Cost of Capital (%) | 8% |

| OPERATIONAL COSTS | |
|---|---|
| Underground Mining Cost (C$/T Milled) | $50 |
| Processing Cost (C$/t Milled) | $20 |
| Tailings Cost (C$/t Milled) | $3 |
| G&A Cost (C$/t Milled) | $5 |
| Transportation Cost (C$/t concentrator) | $185 |

**Sources: 2023 MRE, Bloomberg, Capital10x Estimates, Company Reports**

### Nisk Worth $121 Million in a Risked Scenario

Using an 8% WACC, and the operational costs contemplated in the 2023 MRE, we value this scenario at US$242m (November 2025), offering an IRR of 10%. Due to the early stage of the project and lack of study to date, we risk weight this valuation at 0.5x P/NPV for a risked valuation of US$121m.

## Lion and Tiger

While still at an early stage of exploration, promising results so far give us confidence that the greater Lion complex holds potential to be a world class polymetallic discovery. We believe an initial resource of 9.1Mt at a 7% CuEq grade is warranted in the medium term with potential upside to an unrisked ~73Mt. Our base case is driven by assays that so far have defined a mineralised lateral extent of 350m with thickness between 12-15 meters.

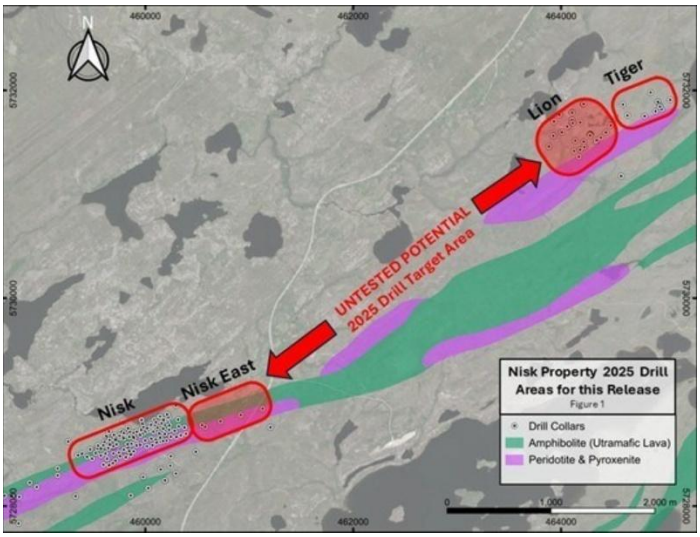
**Mineral Resource Target (Lion + Tiger)**

| | Base | Upside |
|---|---|---|
| Lateral Extent (m) | 350 | 700 |
| Thickness (m) | 13 | 13 |
| Depth | 500 | 2000 |
| Rock Volume ('000 m3) | 2,275 | 18,200 |
| Rock Density (t/m3) | 4.0 | 4.0 |
| Tonnage (kt) | 9,100 | 72,800 |
| % CuEq Grade | 7 | 7 |
| Contained CuEq (kt) | 637 | 5096 |
| Market EV/Ton | $250 | $250 |
| **Target Value ($M)** | **$159** | **$1,274** |

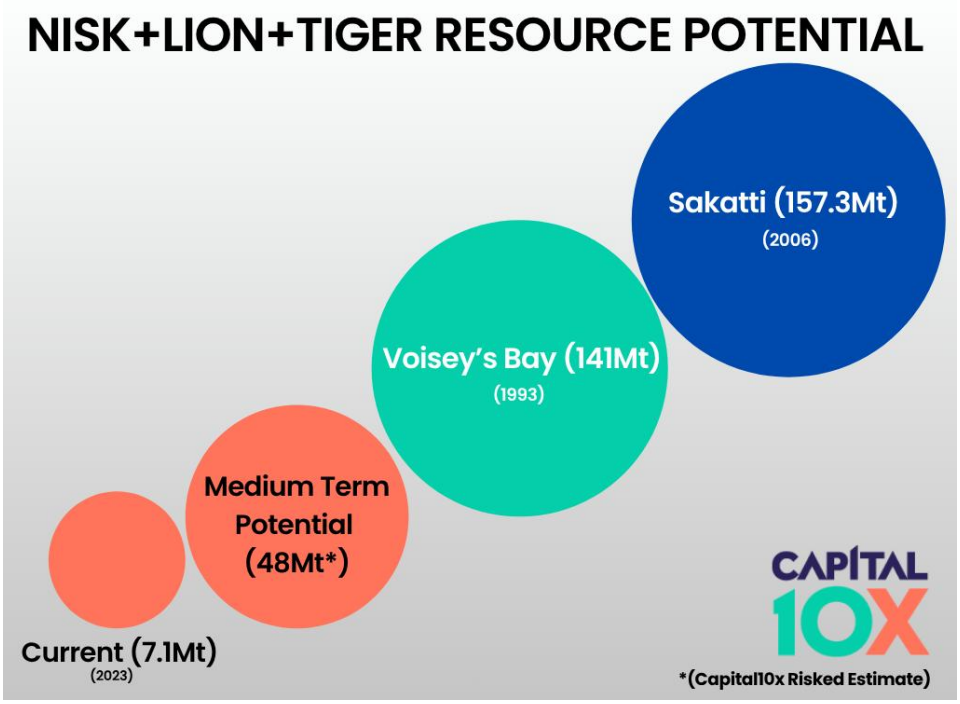
**Source: Capital10x Estimates, Company Reports,Bloomberg**

Drilling so far has tested the resource down to 500m but with many discoveries in the geological similar Abitibi extending below 2,000 meters, the extend of the zone has not yet been defined. Further step out drilling to the east drives the possibility of finding a further thickening of the zone on the other side of the fault identified to the east. If we run a case where the lateral extent doubles and depth equals the Abitibi average, tonnage would be 8 times larger at over 73Mt.

Keep in mind this estimate gives no value for the possibility of linking Nisk and Lion along the 5km strike through additional drilling step outs which would imply multiple additional deposits could exist. **Given the early days of exploration and ultimate grade uncertainty, we risk our upside case by 75% for a total resource estimate of 27Mt for Lion and Tiger in our sum of the parts valuation.**

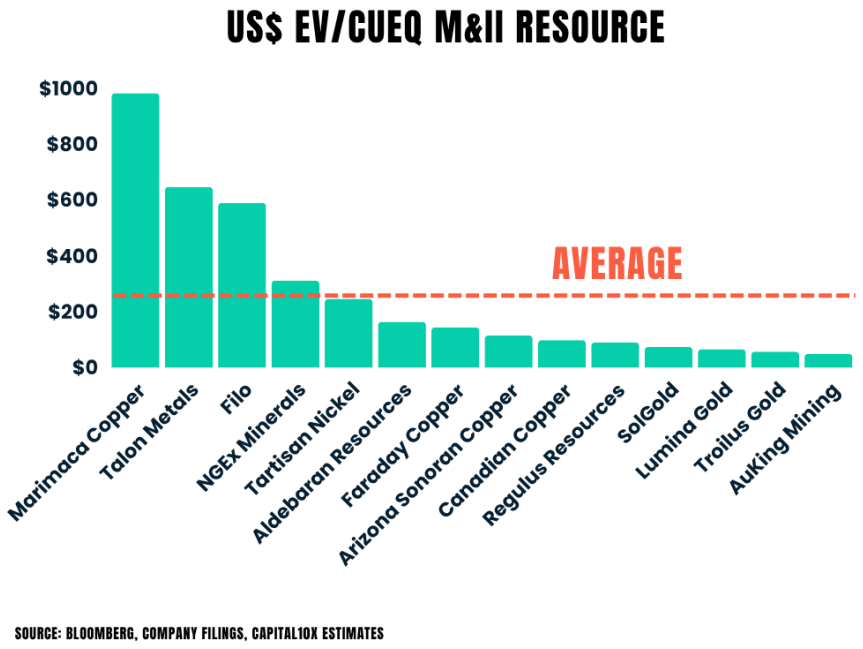



A risked resource for Lion and Tiger of 27Mt and a total resource including Nisk of 48Mt is reasonable in our view given the size of other polymetallic discoveries with similar initial grades and metallurgy. The fully funded exploration program of 100,000 meters will support a significant number of step-out and exploration holes, increasing the likelihood of significant resource growth in the next 12-18 months.



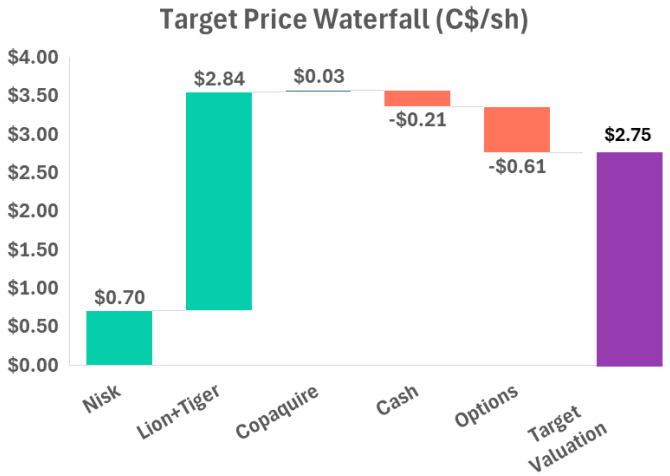
To determine the value of the resource we looked at peer Enterprise Value per tonne (CuEq) multiples and arrived at a peer average of $250/t. At $250/t our risked resource for Lion and Tiger is worth US$476 million or C$2.82/sh.

We admit peer multiples vary widely, however we've observed that recent projects that increased resource while also moving closer to a construction decision trade at a premium to the group (Tartisan Nickel and Marimaca as examples), supporting a stable to rising multiple even in our upside case with a much larger resource.




SOURCE: BLOOMBERG, COMPANY FILINGS, CAPITAL10X ESTIMATES

Power Metallic is still in the early innings of defining a potentially world class polymetallic deposit. Even though the market is now pricing in some level of drilling success, the ultimate size of the resource is still far from being defined. Even when heavily discounting future success, the upside remains compelling.



## Well Known Mining Investors on the Capital Table Add Credibility and Access to Funding

Power Metallic's access to capital is atypically strong for a junior in our view, with three of the sector's most bankable names are on the shareholder register: Rob McEwen, Gina Rinehart, and Robert Friedland.

Each of these investors carries a track record of raising, allocating, and attracting billions for discovery through development—so their presence functions as both a quality screen and a financing flywheel.

- Rob McEwen founded and built Goldcorp into a global gold major (later merged into Newmont, forming the world's largest gold company at the time). For capital providers, he represents disciplined growth, strong project selection, and deep credibility across Bay Street and Wall Street.
- Gina Rinehart, Executive Chairman of Hancock Prospecting, runs one of the world's most profitable private mining groups (Roy Hill and Atlas Iron) and has been reinvesting into critical-minerals supply chains, including rare earths (stakes in Lynas and MP Materials) and lithium. Her portfolio's cash generation and long-dated strategy signal patient, deep-pocketed capital that can support multi-year field programs and development studies.
- Robert Friedland, founder and co-chair of Ivanhoe Mines and a Canadian Mining Hall of Fame inductee, has repeatedly financed and advanced tier-one discoveries (Oyu Tolgoi, Kamoa-Kakula, Voisey's Bay via Diamond Fields). His brand is synonymous with assembling global syndicates, strategic partners, and offtakers around world-class geology and this network effect has historically lowered the cost of capital for exploration and development stage companies.

With McEwen, Rinehart, and Friedland on the register, Power Metallic has gained valuable credibility and access to deep, patient pools of capital—an advantage that increases the probability of reaching certain resource numbers, which we have priced into our sum-of-the-parts valuation.

## A Look at Past and Upcoming Milestones

- **Feb 1, 2021 – Option secured on Nisk project (Quebec).** Power Metallic (then Chilean Metals) obtained the right to acquire up to 80% of Nisk from Critical Elements, providing the foundation for a district-scale Ni-Cu-PGE program in James Bay. This agreement anchors all subsequent drilling and resource work at Nisk and the emerging Lion–Tiger corridor.
- **Jul 19 & Aug 30, 2022 – Initial NI 43-101 Mineral Resource Estimate (MRE) for Nisk.** The company released its first compliant resource and filed the supporting NI 43-101 technical report, establishing a baseline for subsequent expansion drilling. The website's news archive and SEDAR+ filing note the initial resource tonnage and grade context.
- **Jan 19 & Jan 23, 2024 – Amended & Updated NI 43-101 and MRE for Nisk.** An amended technical report with updated drill data, QA/QC, metallurgy and a QP site visit replaced the 2022 report in its entirety. This update addressed regulator comments and incorporated 2022–2023 drilling, strengthening the technical foundation for ongoing work.
- **Jan 19, 2024 – 2024 drill campaign commenced at Nisk.** With the updated NI 43-101 in hand, Power Metallic kicked off the 2024 program to test targets at Nisk Main and four ANT geophysical targets identified with Fleet Space. The company highlighted the report delivery as the last commitment to fully activate the earn-in.
- **Apr 7, 2025 – Named to the 2025 TSX Venture 50.** Power Metallic was recognized by the TSX Venture Exchange for market cap growth, share performance, and trading liquidity—an external validation of investor traction tied to discoveries at Nisk. The company's news page lists the award and context.
- **Feb 27, 2025 – C$50M financing closed.** The company completed a best-efforts private placement for C$49,999,800, materially funding a step-change in drilling and technical work through 2025–2026. Third-party wires corroborate the amount and closing details.
- **Mar 25, 2025 – Deeper Lion intercepts + first Tiger assays.** Power Metallic reported its deepest assayed intercepts at Lion to date and released initial Ni/Cu assays from Tiger, expanding the mineralized footprint beyond Nisk Main. Subsequent Tiger work used BHEM-defined targets to vector toward stronger mineralization.
- **Apr 17 & Apr 30, 2025 – Tiger expansion and high-grade Lion hits.** Follow-up holes at Tiger confirmed "Lion-style" copper-dominant polymetallic mineralization at shallow depths; additional Lion drilling returned very high-grade copper and precious metals over narrow widths on the eastern margin. These results broadened the system's near-surface potential and informed plunge-extension plans.

- **Jun 4, 2025 – Standout Lion intercept & first "Lion-like" hit at Nisk East.** The company reported 12.54 m of 10.99% CuEq at Lion (PML-25-012a) and 11.25 m of 1.22% CuEq at Nisk East, the first confirmation of Lion-style mineralization proximal to the Nisk deposit. This supported a multi-zone, high-grade corridor concept across the property.
- **Jun 16, 2025 – Saudi Arabia Jabal Baudan exploration license awarded.** Power Metallic was granted the largest package in the Jabal Sayid belt, with EEP support of up to US$2M per license and a clear next-steps plan (compilation, reconnaissance, target generation). This milestone diversifies optionality into a VMS-prospective belt with world-class analogs.
- **Jul 10, 2025 – Summer 2025 program mobilized and scaled up.** The company outlined a multi-rig campaign with specific meterage goals by zone (e.g., 10,000–12,500 m at Lion) and announced upgrades to core-handling infrastructure to increase throughput. The update also flagged ongoing mineralogy studies (IOS, Elemission) and a follow-on release to discuss metallurgical implications.
- **Jul 14, 2025 – 167 $km^2$ land acquisition from Li-FT closed.** Closing on 313 claims (~167 $km^2$) expanded the Nisk–Lion–Tiger land package to ~213 $km^2$, securing ~50 km of prospective basin margins and giving regional EM targets for near-term drilling. This transformed Power Metallic's footprint into a true district-scale opportunity.
- **Jul 23, 2025 – Positive initial mineralogy (PGE in chalcopyrite/cubanite).** IOS Geosciences scans identified PGE enrichment associated with coarse chalcopyrite and cubanite—sulphides that typically respond well to conventional flotation. This finding supports a straightforward metallurgy hypothesis for copper and a path to quantify PGE recoveries.
- **Aug 26, 2025 – Seamus O'Regan appointed to the Board.** The former Canadian Minister (Energy & Natural Resources; Indigenous Services; Labour) joined as director, bringing policy and permitting acumen aligned with Canadian critical-minerals priorities. Coverage also noted associated option grants at market terms.
- **Sep 22, 2025 – Summer program completed; additional Lion results.** The company completed ~17,250 m across Lion, Tiger, Nisk and regional targets, with BHEM surveys on priority holes and a road/bridge build enabling year-round Lion access for larger skid drills. Early spring/summer assays included a 9.44 m interval grading 1.10% CuEq on the plunge extension (PML-25-014).

## Upcoming Milestones & Catalysts (Next 12–24 Months)

Below is a list of key upcoming milestones that have the potential to drive valuation upside:

- **Completion of metallurgical test work:** (Phase 1) in early 2026 Power Metallic will provide recovery estimates, which are vital for scoping studies and resource modelling. This work also plays a key role in the filing of an initial 43-101 resource for Lion and Nisk.
- With over 80% of the 100,000 meter drill program still to come, there will be a number of potential drilling catalysts coming in the next 12-18 months.
    - **In-fill drilling** at the Lion Zone (already underway) will enable conversion of inferred/exploration potential into indicated/measured categories (or at least support initial resource modelling). The announced in-fill results have improved confidence so far.
    - **Extensional drilling down-plunge and along strike east of Nisk:** Drilling along the 5km trend between Nisk East and Lion, if successful would indicate a potentially large resource envelope along the entire 5km length.
    - **Tiger trend drilling and regional exploration** will test the possibility of additional deposits in the same district — success here would materially enhance the district's economics.
- **Uplisting to NYSE:** The company is targeting a stock listing on the NYSE, potentially before year end, which could significantly enhance liquidity and bring enhanced visibility to the story. Listing on a major exchange has been a powerful catalyst for many resource stocks in 2025.

## The Team

Power Metallic has assembled a team with deep experience across a wide range of deposit types and in the capital markets arena. Below is a non-exhaustive list of some of the key employees and their professional backgrounds.

### Geology

**Dr. Steve Beresford (FAIG, FSEG) — Director, Power Metallic**

Dr. Steve Beresford is an internationally recognized geoscientist and one of the world's foremost experts on polymetallic magmatic systems, particularly nickel-copper-platinum group element (Ni-Cu-PGE) deposits. Over a career spanning more than three decades, Dr. Beresford has combined leadership roles at several of the world's largest mining companies with global field experience, academic research, and company-building in the exploration sector. He has worked in more than 60 countries and is widely regarded as one of the leading technical minds in the field of orthomagmatic mineral systems.

Dr. Beresford began his exploration career with WMC Resources (Western Mining Corporation), where he played an important role in exploration and geologic studies around several of Western Australia's most significant nickel sulfide deposits, including Mount Keith (MKD5), Perseverance, and Black Swan. His research during this period focused on the petrogenesis, stratigraphy, and ore-forming processes of komatiite-hosted and intrusive magmatic nickel systems. His work contributed to the broader understanding of the Yilgarn Craton's nickel belts and remains widely referenced in exploration models used today.

Following his tenure at WMC, Dr. Beresford went on to serve as Chief Geologist at three major international mining companies — First Quantum Minerals, MMG Limited, and IGO Limited (Independence Group). In these roles, he oversaw global exploration programs targeting copper, nickel, and polymetallic systems across Africa, South America, and Australia. His technical leadership helped shape district-scale targeting strategies and contributed to resource growth across multiple projects. At IGO, Dr. Beresford served as Chief Scientific Officer, where he guided the company's scientific and geological research framework, integrating academic geoscience advances into practical exploration methodologies.

Dr. Beresford's technical expertise has been applied to numerous world-class deposits, including Mount Keith (MKD5), Perseverance, Black Swan, Nebo–Babel (West Musgrave), Nova–Bollinger (Fraser Range), and Jinchuan in China—one of the world's largest nickel-copper-PGE deposits. His published research has helped clarify the geologic architecture and metal zoning of these systems, significantly advancing the global understanding of how polymetallic intrusions form and evolve. Many of these insights have become foundational in modern exploration for Ni-Cu-PGE systems worldwide.

In addition to his corporate and research accomplishments, Dr. Beresford has been a strong advocate for the integration of academia and industry. He is currently an Adjunct Professor at the Centre for Exploration Targeting at the University of Western Australia, where he lectures and mentors graduate students on magmatic mineral systems and exploration strategy. He previously lectured at Monash University, and he remains an active contributor to global research networks. Dr. Beresford is also a member of the Scientific Advisory Board of AGEMERA, a European Union–funded consortium focused on advancing exploration for critical raw materials within the EU and partner countries.

Dr. Beresford holds a Bachelor of Science (Honours) and a Doctor of Philosophy (PhD) in Geology from the University of Canterbury in New Zealand. He is a Fellow of the Australasian Institute of Geoscientists (FAIG) and a Fellow of the Society of Economic Geologists (FSEG), reflecting his standing as a leader in applied and academic geoscience.

**Joe Campbell, BSc, P.Geo — Vice President, Exploration, Power Metallic**

Joe Campbell is a professional geologist with more than 40 years of experience in mineral exploration, resource development, and project management across Canada and internationally. As Vice President of Exploration for Power Metallic, Mr. Campbell brings a proven record of discovery and mine advancement across a broad range of commodities and deposit types, including gold, copper, nickel, and polymetallic systems. His career reflects a blend of technical excellence, strategic leadership, and on-the-ground experience managing exploration programs from early-stage discovery through to feasibility and production.

Mr. Campbell began his career with Western Mining Corporation (WMC Resources), where he worked as an exploration geologist during the company's period of active expansion in Canada. His work at WMC's Canadian division focused on the acquisition, evaluation, and advancement of prospective base and precious metal projects, aligning closely with the data-driven, systems-based exploration philosophy that he continues to employ at Power Metallic. This early experience with a major global mining house grounded his technical approach in rigorous geological modeling and economic assessment principles.

Following his time with WMC, Campbell's career advanced through a variety of senior roles in both major and junior mining companies, encompassing diverse geologic environments across North America, South America, and Africa. His expertise spans mesothermal and epithermal gold systems, volcanogenic massive sulfide (VMS) deposits, porphyry copper-gold-molybdenum systems, and nickel sulfide and laterite deposits. This breadth of experience has given him a rare versatility in understanding and managing multi-commodity exploration portfolios—an asset that directly benefits Power Metallic's ongoing expansion and district-scale development strategy in Quebec.

One of Campbell's most notable contributions to the Canadian mining sector was his leadership role in the discovery and advancement of the Meliadine Gold Project in Nunavut, one of Canada's premier gold deposits. As Chief Geologist and Project Manager, he oversaw both open-pit and underground exploration programs, integrating geophysics, structural geology, and geochemistry into a cohesive

resource model that ultimately underpinned the project's success. The Meliadine deposit was later acquired and developed into a producing mine by Agnico Eagle Mines Ltd. (AEM), which now operates it as one of its flagship assets in the Arctic. Campbell's work at Meliadine exemplified his ability to transform complex geological systems into viable, world-class mining projects.

In addition to his work at Meliadine, Campbell has made substantial contributions to gold exploration in the Yellowknife region of Canada's Northwest Territories. As President, Executive Chairman, and Chief Operating Officer of Gold Terra Resource Corp. (formerly TerraX Minerals), he played a pivotal role in consolidating and exploring the Yellowknife City Gold Project, a district-scale initiative encompassing multiple high-grade gold trends adjacent to the historic Con and Giant gold mines. Under his leadership, Gold Terra advanced from early exploration through multiple resource estimates and drill campaigns, securing its position as one of Canada's most active junior gold explorers. His leadership emphasized technical discipline, environmental stewardship, and stakeholder engagement—core values that continue to guide his approach at Power Metallic.

Throughout his career, Campbell has demonstrated deep technical expertise in resource estimation, economic modeling, and project evaluation. He has participated in and managed the preparation of numerous NI 43-101–compliant technical reports, resource and reserve estimates, and preliminary economic assessments (PEAs). His multidisciplinary understanding—from geology and metallurgy to permitting and environmental assessment—has enabled him to bridge the gap between exploration and mine development, ensuring that early-stage discoveries are evaluated with an eye toward long-term economic viability.

At Power Metallic, Mr. Campbell oversees all exploration programs across the company's expanding portfolio, including the Nisk–Lion–Tiger polymetallic district in Quebec. He plays a central role in designing and executing drill campaigns, supervising geological modeling, and coordinating data integration across geophysical, geochemical, and structural datasets. His practical experience with both nickel sulfide and gold systems has proven particularly valuable as Power Metallic continues to define new zones of mineralization that combine copper, nickel, platinum, palladium, and gold—a hallmark of the company's polymetallic strategy.

## Fundraising and Company Management

### Terry Lych — Director & CEO, Power Metallic

Terry Lynch is an entrepreneurial mining executive and capital markets operator with a 30-plus-year track record of running companies, raising growth capital, and engaging global investors. He is a signatory on the company's audited financial statements, reflecting board-level accountability for disclosure and capital stewardship.

Mr. Lynch graduated in 1981 from St. Francis Xavier University with a joint honours degree in Economics and BBA. Prior to becoming a director with International PBX Ventures in 2012, Mr. Lynch had been CEO

of privately held Nevada-focused Relief Gold. He also had been a director and later CEO of TSX-listed Firstgold Corp. He assumed the CEO position after the company had run into financial difficulty bringing its Relief Canyon mine into production. He arranged a sale of 51% of the company for a total capital injection of $26.5 million from Northwest Non-Ferrous Metals, one of China's largest mining engineering and consulting groups. From 2005 to 2008 Mr. Lynch was a partner with Kingsmill Capital Partners, a financial advisory firm specializing in advising public and private early stage growth companies.

Prior to joining Kingsmill Capital he spent 15 years operating startup companies in industrial products, oil and gas and media. Mr. Lynch is also a co-founder of Cardiol Therapeutics, a NASDAQ and TSX listed clinical-stage life sciences company focused on the research and clinical development of cannabidiol as an anti-fibrotic and anti-inflammatory therapy for the treatment of cardiovascular disease.

**Greg McKenzie, LL.B, MBA — Director, Power Metallic**

Greg McKenzie is a senior investment banker and corporate advisor with two decades of experience in financing, mergers and acquisitions, valuation, and strategic advisory for mid-cap companies. Over the course of his career, he has executed and advised on transactions with an aggregate value exceeding $18 billion. His background spans both New York and Toronto, and includes senior roles at leading sell-side firms and a formative period in private practice as a securities and M&A lawyer. This combination of capital-markets execution and legal training enables Mr. McKenzie to bridge strategy, structure, and governance in complex corporate situations.

Mr. McKenzie's investment banking career includes posts at Morgan Stanley, CIBC World Markets, Haywood Securities, and Salman Partners. At these firms he advised management teams and boards on a wide range of assignments, including growth financings, cross-border and domestic M&A, fairness opinions, and independent valuations. His transaction experience covers initial public offerings and follow-on equity offerings, private placements, block trades, restructurings, and strategic reviews. He has worked across multiple industries with a particular emphasis on metals and mining, while also advising clients in industrials, consumer products, technology, and healthcare. Throughout, his focus has been on helping mid-cap issuers optimize capital structure, access institutional and strategic capital, and execute acquisitions and divestitures that align with long-term value creation.

Before entering investment banking, Mr. McKenzie was called to the bar in both Ontario and New York and practiced with a leading Canadian securities and M&A law firm. His legal background provides a rigorous foundation for evaluating transaction risk, drafting and negotiating definitive agreements, and aligning deal mechanics with regulatory requirements and fiduciary obligations. The dual perspective—law and banking—has made him a sought-after advisor for special committees and boards navigating complex, time-sensitive decisions.

At Power Metallic, Mr. McKenzie contributes to board-level oversight of capital markets strategy and corporate development. He advises on financing pathways—ranging from public and private equity to project-level funding options—and supports management in evaluating potential M&A, joint ventures,

and strategic partnerships. He also brings depth in valuation and investor messaging, helping the company position its assets to institutional investors and strategic counterparties while maintaining best-in-class governance and disclosure standards.

Mr. McKenzie holds an LL.B and an MBA. His track record advising across cycles and sectors, combined with hands-on deal execution experience in New York and Toronto, adds seasoned transactional judgment to Power Metallic's board as the company advances and scales its portfolio.

## Power Metallic Could be a Major Beneficiary of Trade Frictions

Ongoing Tariff friction between the US and China is accelerating a structural shift: North American supply chains for "battery minerals" and rare-earths are being rebuilt close to home.

In the U.S., the federal government has stacked multiple policy levers to make local extraction, processing, and refining economically attractive.

- First, the White House invoked the Defense Production Act (DPA) to classify lithium, nickel, cobalt, graphite, and manganese as essential to national defense, unlocking financing and prioritization tools for domestic projects.
- Second, the Inflation Reduction Act's clean-vehicle credit requires a rising share of battery critical minerals to be sourced from the U.S. (or FTA partners): 50% in 2024, 60% in 2025, 70% in 2026, and 80% from 2027 onward; a separate ramp applies to battery components (60% in 2024–25 up to 100% by 2029). Meeting each threshold earns $3,750 of the $7,500 credit, making U.S./ally-sourced minerals a price advantage at the showroom door. Those credits now also bar vehicles with battery components (2024) or critical minerals (2025) from "foreign entities of concern," tightening the noose on China-linked content and further pulling supply inward to North America.
- Complementing tax policy, DOE has deployed billions from the Bipartisan Infrastructure Law (BIL): a $3 billion battery-materials processing program and at least $1.82 billion awarded to 14 projects to expand U.S. facilities for lithium, graphite and other inputs—plus ongoing, large-scale lending via the Loan Programs Office (over $107 billion in commitments across clean-energy supply chains under the current administration).
- Tariffs add pressure: Section 301 rates on Chinese battery parts jumped from 7.5% to 25% in 2024, with natural graphite and permanent magnets scheduled to face 25% tariffs in 2026, and some other critical minerals rising to 25% in 2024—shifting cost parity toward North American sources and processors.

Canada has moved in lockstep, positioning itself as the U.S.'s preferred upstream partner. **The federal budget, released November 4th, even contemplates the government taking direct equity stakes in critical minerals projects, similar to recent moves in the US.**

Ottawa's $3.8 billion Critical Minerals Strategy already targets 31 minerals and funds exploration, permitting, processing, and infrastructure to speed domestic projects from discovery to production; the policy explicitly frames Canada as a "global supplier of choice" for allied supply chains.

On the incentive side, the Critical Mineral Exploration Tax Credit (CMETC) delivers a 30% flow-through credit for exploration of key minerals (e.g., nickel, copper, lithium, rare earths), materially lowering drill-bit risk capital and complementing provincial programs.

Net-net, mining economics increasingly favor “local” rocks.

In Canada, multi-billion-dollar federal support plus a 30% exploration credit and a bilateral action plan funnel capital toward projects that can feed U.S.-qualifying supply chains. For miners and processors operating in the U.S. and Canada, this policy stack translates into better project financeability, faster commercialization pathways, and structurally improved margins versus imported material—especially in lithium, nickel, graphite, manganese, cobalt, and magnet metals. **This political environment especially favors companies like Power Metallic with local, potentially large critical mineral resources. In our view, the government is likely to end up increasing access to capital and the probability of mine production for Power Metallic and we have built this probability into our valuation model.**

# A Primer on The Strategic Potential of Polymetallic Discoveries

Polymetallic discoveries—ore systems that deliver multiple payable metals from the same rock mass—are among the rarest and most valuable mineral endowments on Earth. They are scarce because they require an unusual confluence of geologic events (from mantle melting and magma transport to crustal contamination and sulphide saturation) and because their footprints are often subtle or "camouflaged" in surface datasets. Yet when they are found and developed, the payoff is outsized: diversified revenue streams, resilience across commodity cycles, and exceptional margins driven by credit metals that dramatically lower unit costs.

This report synthesizes current science and industry data on polymetallic deposits (with an emphasis on magmatic Ni-Cu-PGE systems, but drawing comparisons with VMS/SEDEX and IOCG styles too), explains why these deposits are both rare and prized, outlines the rock types and regional indicators that most strongly signal their presence, reviews the world's biggest polymetallic producers, and compares their economics to flagship single-commodity mines. Finally, it analyzes why the Nisk project area in Québec—anchored by the Lion discovery and the nearby Tiger zone—is building the right kind of evidence stack for a new, district-scale polymetallic camp.

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## 1) What counts as "polymetallic"—and why it matters

In exploration and mine finance, "polymetallic" describes deposits that consistently yield two or more payable metals at economic concentrations from the same ore stream. The banner examples include:

- **Magmatic Ni-Cu-PGE sulfide systems** (e.g., Norilsk–Talnakh, Sudbury, Jinchuan; typically paid on Ni, Cu, and platinum-group metals, with Co, Au, Ag credits). These form when mantle-derived mafic/ultramafic magmas become sulfur-saturated—often by assimilating sulfur from crustal rocks such as evaporites—and segregate dense sulfide liquids that scavenge Ni, Cu, and PGEs with extraordinary efficiency.
- **VMS and SEDEX systems** (zinc-lead-silver-copper combinations, with Au credits; e.g., Kidd Creek, Red Dog, Sullivan), which are hydrothermal basinal systems that precipitate layered sulfide accumulations.
- **IOCG systems** (iron-oxide copper-gold ± U, Ag, REE; e.g., Olympic Dam), whose ore mix is famously diversified and, in a few cases, utterly gigantic by tonnage.

Across these families, the economic signature is consistent: several metals contribute materially to net smelter return (NSR). Multiple revenue lines typically allow lower cutoff grades than a single-metal deposit and cushion cash flow volatility when one commodity underperforms—an advantage that can be decisive over multi-decade mine lives.

## 2) Why are polymetallic discoveries so rare?

### a) Uncommon geologic preconditions

For magmatic Ni-Cu-PGE camps, the ore-forming recipe demands a chain of events that is difficult to stage:

1. **High-volume mantle melting** to generate hot, metal-rich mafic/ultramafic magmas;
2. **Sulfur saturation** of the magma, frequently **triggered by assimilation of sulfur-bearing crustal rocks** (notably evaporites or carbonaceous sediments); and
3. **Physical traps** (conduits, chonoliths, embayments) where immiscible sulfide liquids **accumulate and focus** metals into ore-grade pools.

The critical **sulfur** is often external. At Norilsk–Talnakh, multiple studies infer that Triassic basalts intruded sulfur-rich **evaporitic** sequences, driving S-saturation and massive sulfide segregation. Without this extra sulfur, the metal-rich magmas would stay under-saturated and fail to form economic sulfide accumulations.

### b) Small, deep, and deceptive footprints

Many world-class Ni-Cu-PGE systems are hosted by **small, irregular intrusions** (chonoliths, conduits) that don't necessarily present a big magnetic or gravity anomaly. Instead, ore tends to collect in small traps at the **base of intrusions** or in **structural embayments**, which can be difficult to image from surface geophysics. Exploration literature shows that the super-large deposits are frequently in **magma plumbing systems** rather than in large, obvious plutons.

### c) Narrow windows of preservation

Magmatic sulfide camps are commonly linked to **Large Igneous Provinces** (LIPs) or other dramatic tectonomagmatic episodes. The same tectonics that create fertile systems also **destroy or bury** them under later cover. The **Sudbury** impact structure (1.85 Ga) is an extreme example: an ancient ore endowment preserved by extraordinary circumstance.

### d) Historical under-targeting of key lithologies

The most fertile crustal contaminants—**evaporites and certain carbonates**—may not stand out in traditional base-metals targeting. Yet evaporite assimilation is central to several genetic models for world-class camps. This required shift—from seeking only mafic/ultramafic intrusions to also prioritizing **evaporite-bearing basins and calc-silicate aureoles**—has been slower to diffuse through global exploration practice than porphyry copper workflows.

**e) Low base rates**

USGS models emphasize that **economic** magmatic Ni-Cu sulfide deposits are **infrequent** relative to permissive terrane footprints, reflecting the compound improbabilities above. Most tracts are permissive; very few host an ore deposit, and fewer still host a **giant**.

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## 3) Why polymetallic discoveries can be more valuable than single-commodity finds

**a) Multiple payables increase NSR and reduce cutoff grade**

In a polymetallic Ni-Cu-PGE ore, nickel might be the headline, but copper, palladium/platinum, cobalt, gold, and silver often contribute a **large fraction of revenue**. For example, Norilsk–Talnakh's long-term output mix includes high volumes of **Cu** and **PGEs** alongside Ni; the complex produces **several metals at scale** year after year. That diversified basket underpins robust NSR per tonne and protects margins when, say, nickel prices are weak.

**b) Price hedging by geology**

The classic polymetallic camps straddle markets with different cycles (battery nickel vs. autocatalyst palladium/platinum vs. copper for electrification). This natural hedge dampens volatility in free cash flow compared to a pure play like a single-commodity copper porphyry. Nornickel's 2024 disclosures, for instance, show its business weathering weak nickel prices by pivoting sales geographies and leaning on other revenue lines.

**c) Operational flexibility and smelting credits**

Concentrates with multi-metal payables can benefit from **smelter credits** that directly lower cash costs on the headline metal. By-product credits are common in copper and zinc smelting, but in Ni-Cu-PGE systems they can be especially material because PGEs command high unit revenues per ounce relative to mass pulled. That structural advantage pushes polymetallic systems down the **cost curve** even when head grades aren't extreme by historical standards.

**d) Optionality for sequencing and mine plans**

With more than one revenue driver, operators can design **mine sequences** that emphasize whichever zone (e.g., Cu-PGE rich vs. Ni-rich) best fits market conditions, mill constraints, or metallurgical campaigns—another reason polymetallic operations often outlive single-metal mines.

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## 4) Rock types and regional indicators that "telegraph" polymetallic potential

While there's no single checklist that guarantees discovery, the *probability* of encountering a magmatic Ni-Cu-PGE system rises sharply when the following **geologic evidence stack** accumulates:

**a) Mafic–ultramafic intrusions in conduit settings**

Look for dykes, sills, and irregular chonoliths that represent magma pathways rather than large, homogeneous plutons. Ore pools tend to sit in basal embayments or within taxitic, sulfide-rich segregations near the floor of these bodies. This is the common architecture across many giants (Jinchuan, parts of Norilsk–Talnakh, Sakatti).

**b) Evidence of sulfur-bearing country rocks**

Evaporites (anhydrite/gypsum/halite) and certain carbonaceous sediments in the host stratigraphy are key red flags—these are the sulfur donors that can tip hot magmas into sulfide saturation. In the Norilsk district, multiple studies explicitly invoke evaporite assimilation to explain enormous metal endowment.

**c) Calc-silicate "skarn-like" aureoles and ultra-high-temperature (UHT) minerals**

Where mafic intrusions heat carbonate/evaporite sequences, you often see contact aureoles with calc-silicate mineral assemblages. Minerals such as merwinite and larnite can occur in silica-deficient carbonate aureoles at very high temperatures; their presence is a strong proxy for the kind of rock interaction that liberates sulfur and primes the system for ore.

**d) Scapolite and anhydrite as indicator minerals**

Scapolite (a Cl- and CO3-bearing feldspathoid) and anhydrite can be important indicator minerals for evaporite interaction and metasomatism around intrusions—again pointing to an environment capable of S-saturation and sulfide segregation. Mapping these phases in outcrop chips or drill core—and even with long-wave infrared or hyperspectral methods—can materially improve target ranking.

**e) PGE-rich chalcopyrite and metal zoning**

In many Ni-Cu-PGE systems, PGEs are partitioned into Cu-rich sulfides (e.g., chalcopyrite-associated), creating lateral or vertical zoning (Cu-PGE rich vs. Ni-rich panels). Recognizing these patterns helps predict where the nickel-rich massive accumulations might sit down-plunge of Cu-PGE zones. (Examples and mineralogical studies abound at Sudbury and Jinchuan.)

**f) Geophysical response: EM over mag or gravity**

Because the ore is electrically conductive (massive and net-textured sulfides), electromagnetic methods—especially downhole EM—often outperform magnetics or gravity for detecting ore panels in

chonoliths. This is doubly true where mafic rocks themselves are weakly magnetic or where cover masks contrasts. (USGS and industry practice reinforce EM as the go-to for Ni-Cu-PGE.)

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## 5) A quick history of the world's largest polymetallic discoveries

**Norilsk–Talnakh (Russia)**
Arguably the premier polymetallic district on the planet. Hosted in the Siberian Traps LIP, Norilsk–Talnakh has produced millions of tonnes of Ni and Cu and hundreds of millions of PGE ounces since mining began. It remains a global leader in nickel and palladium output. Modern research ties its metal endowment to conduit intrusions that assimilated evaporitic host rocks, driving sulfur saturation and massive sulfide pooling.

**Sudbury (Canada)**
An extraordinary **impact-generated** magmatic system, Sudbury is a unique polymetallic basin whose **Ni-Cu-PGE** ores accumulated along the **margins and footwall** of the impact melt sheet. Over 1.8 billion years, the basin's structure and metamorphism preserved and concentrated large ore bodies that remain productive today.

**Jinchuan (China)**
One of the world's largest magmatic Ni-Cu-PGE deposits by contained metal (>500 Mt ore; significant Ni, Cu, and PGE). Recent work refines its genesis and points to possible deep sulfide cumulates, consistent with a conduit-style system that efficiently segregated metals.

**Sakatti (Finland)**
Discovered by Anglo American in 2009, Sakatti is a modern example of a Cu-Ni-PGE discovery in a greenstone belt, emblematic of how high-resolution geophysics plus a conduit-system model can yield new polymetallic finds in mature terranes. It remains a designated Strategic Project under the EU's CRMA, underscoring the economic importance of polymetallic systems to energy-transition supply chains.

**VMS/SEDEX giants (Kidd Creek, Red Dog, Sullivan)**
Outside magmatic systems, several hydrothermal basins demonstrate the polymetallic advantage at scale. Kidd Mine (Ontario) is a deep, long-lived VMS with major Cu–Zn–Ag output; Red Dog (Alaska) is one of the world's largest zinc producers with significant Pb-Ag; Sullivan (BC) was a century-long Zn-Pb-Ag producer whose total concentrate output illustrates the endurance of polymetallic basins.

**IOCG supergiants (Olympic Dam, Australia)**
Olympic Dam produces Cu, U, Au, Ag and continues to attract expansion capital, with BHP targeting much higher refined copper output by the mid-2030s. The mine's diverse revenue stack is a textbook example of polymetallic resilience.

## 6) Comparing the economics: polymetallic giants vs. single-commodity mines

**Production scale and metal mix**

- Norilsk–Talnakh / Nornickel (company-level): In 2019 the group produced ~229 kt Ni, 499 kt Cu, 2.9 Moz Pd, and 0.7 Moz Pt, illustrating a balanced multi-metal basket. The company's 2024 production and market commentary further highlight portfolio resilience during weak nickel markets.
- Escondida (single-metal copper porphyry): BHP reports ~1.125 Mt of copper produced in FY2024 (100% basis)—a colossal Cu mine by any standard, but with limited by-product diversification compared to Norilsk or Olympic Dam.
- Red Dog (polymetallic SEDEX): Teck's guidance puts zinc production at 430–470 kt for 2025 (after ~556 kt in 2024), plus lead by-product—again, multi-metal payability that depresses unit costs compared with a pure zinc mine.

**NSR and cost curves**

A Ni-Cu-PGE operation often records lower net cash costs for nickel once copper and PGE credits are applied; likewise, a copper operation with meaningful gold/silver credits can sit in the first or second quartile of the cost curve even at modest grades. This is visible in corporate disclosures—for instance, Nornickel's market materials emphasize the role of the metal mix in stabilizing economics during 2024's nickel price swoon.

**Capital intensity and processing complexity**

Polymetallic concentrators and smelters can be more complex (and sometimes costlier) than single-metal flowsheets, given variability in ore mineralogy and the need to recover PGEs at high efficiency. But the payability of by-products (especially PGEs) means that project NPV and IRR are often superior to a monometallic mine of equivalent tonnage and grade. This is why governments increasingly classify major polymetallic projects as strategic, as seen with Sakatti under the EU CRMA.

## 7) "What to look for" in the field: practical exploration heuristics

**Regional scale**

- Greenstone belts and LIP margins with evidence of evaporitic or carbonate sequences in proximity to mafic–ultramafic intrusions.
- Conduits and feeder systems (sills, chonoliths) imaged by aeromagnetic/EM data and refined by geology—targets that look "plumbed" rather than massive and homogeneous.

**District scale**

- Calc-silicate aureoles (wollastonite–diopside–grossular; locally merwinite/larnite for UHT contact conditions), scapolite, anhydrite/gypsum—all of which suggest fluid-rich carbonate/evaporite metamorphism and hence a plausible sulfur source.
- Metal zoning (Cu-PGE up-dip, Ni-rich down-plunge) and footwall structures that could trap dense sulfide liquids.

**Prospect scale**

- Downhole EM to vector from disseminated Cu-PGE halos into massive sulfide accumulations; borehole TEM and loop-loop EM remain workhorses.
- Petrography and mineral chemistry on chromite/olivine/pyroxene to diagnose sulfide saturation histories and detect fertility (an approach gaining traction in the exploration literature).

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## 8) Case studies—what the giants teach us

**Norilsk–Talnakh**: A reminder that the largest polymetallic endowments can sit in small intrusive bodies concealed under cover, whose metal tenor is unlocked by evaporite assimilation. The camp's lifetime production totals—>16 Mt Cu, ~8 Mt Ni, ~178 Moz PGE since startup— a testament to multi-metal economics.

**Sudbury**: The impact origin created unique melt sheet architecture and long-lived thermal/metamorphic evolution, spawning multiple ore styles (contact, footwall) across a vast district. Importantly, PGEs partitioning into Cu-rich phases lead to complex but predictable zoning—knowledge that guides step-outs today.

**Jinchuan**: A conduit ore system with enormous tonnage and grade, and mineralogical studies showing PGEs partitioning into pentlandite and other base-metal sulfides—strong clues for metallurgy and ore sorting. New research pointing to hidden deep sulfide cumulates highlights how even mature mines can surprise on the upside.

**Sakatti**: A modern discovery (2009) in an established jurisdiction that checks the polymetallic boxes: conduit geometry, multi-metal payabilities, and strategic recognition under the EU CRMA in 2025—powerful validation that polymetallic systems are central to the energy transition supply stack.

**Kidd Creek, Red Dog, Sullivan, Olympic Dam**: These illustrate that polymetallic value isn't limited to magmatic Ni-Cu-PGE. Hydrothermal basins and IOCG systems can deliver massive, durable cash flow thanks to credits (Ag/Au/Pb) or co-products (U, Ag, Au) that cushion the headline metal.

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## 9) Why polymetallic systems beat the cycle

- Resilience: When nickel slumps (as in 2024), copper and PGEs can carry margins; when copper cools, PGEs or gold can offset; and vice-versa. Nornickel's own 2024 commentary is a live case study of portfolio resilience grounded in geology.
- Lower cutoff grades: Multiple payables push NSR higher, allowing for larger mineable envelopes and longer mine lives.
- Optionality: Multiple zones with different metal mixes enable flexible mine scheduling and marketing.

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## 10) Risks and mitigation

**Metallurgical complexity**
Recovering Ni, Cu, and PGEs efficiently from the same circuit requires detailed mineralogy (PGE host phases, pentlandite vs. chalcopyrite associations). Mitigation: early, iterative met tests and locked-cycle flowsheet development tied to stratigraphic/structural domains. (Sudbury and Jinchuan studies are instructive here.)

**Smelter terms and payabilities**
Ni-Cu-PGE concentrates can face penalties (As, Sb, Hg) or variable PGE payabilities. Mitigation: rigorous concentrate quality control, marketing optionality, and potential **toll-smelting** relationships.

**Geologic continuity**
Conduit systems can be compartmentalized; not every conductive body is ore. Mitigation: integrate downhole EM, litho-structural mapping, and 3-D geology to focus on ore-prone traps; use vectoring (Cu-PGE to Ni) to guide deep drilling.

**Commodity risk**
Even with credits, prices matter. Mitigation: emphasize project optionality (sequence metal mix), design for flexible throughput, and retain expansion options.

**Permitting and ESG**
Polymetallic projects often have long lives and community footprint. Mitigation: early stakeholder engagement, transparent environmental baselines, and strong tailings/water designs from day one.

## 11) Conclusion: Why polymetallics

Polymetallic deposits are hard to find because nature seldom aligns all the preconditions. When it does, the result is a system with multiple revenue drivers and exceptional durability across price cycles.

The big camps—Norilsk–Talnakh, Sudbury, Jinchuan, Sakatti—teach consistent lessons: look for conduits, sulfur-bearing country rocks (especially evaporites), calc-silicate aureoles, Cu-PGE halos that vector to Ni at depth, and use EM to chase conductive ore panels that geologically "make sense."

By these criteria, the Nisk project area is behaving correctly. The Lion discovery's multi-metal intercepts demonstrate payable diversity; the 550-m strike and 1.8-km ultramafic contact provide room for ore continuity; the Tiger discovery 700 m east indicates district plumbing; and the expanded land position raises the ceiling for multiple ore bodies. With methodical downhole EM, smart structural geology, and early metallurgy, the odds improve that Nisk could mature into a world-class polymetallic district.

# Metal Profiles

## Commodity Performance Through June 2025

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | H1 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| 187.05% Li | 103.67% | 56.25% Pd | 18.59% Pd | 54.20% Pd | 47.89% Ag | 442.80% Li | 72.49% Li | 13.10% Au | 26.62% Au | 49.79% Pt |
| -2.50% Pb | 60.59% Zn | 40.51% Li | 17.86% | 34.46% | 26.02% Cu | 160.61% | 43.13% Ni | 1.19% Cu | 20.57% Ag | 25.86% Au |
| -9.63% | 59.35% | 32.39% Al | 6.91% | 31.55% Ni | 25.86% Pd | 55.01% | 19.97% | -0.17% Al | 13.75% | 24.94% Ag |
| -10.42% Au | 45.03% | 31.19% | -0.44% | 21.48% Pt | 25.12% Au | 46.91% | 14.37% | -0.66% Ag | 12.23% Zn | 21.29% Pd |
| -10.72% | 20.96% Pd | 30.49 Cu | -1.58% Au | 18.31% Au | 24.82% | 42.18% Al | 10.90% Pt | -7.67% Pt | 5.52% Cu | 16.16% Cu |
| -11.75% Ag | 17.37% Cu | 30.49% Zn | -8.53% Ag | 15.21% Ag | 19.73% Zn | 31.53% Zn | 6.71% | -9.97% | 5.44% Al | 4.80% Pb |
| -17.79% Al | 14.86% Ag | 30.49% Ni | -14.49% Pt | 11.03% | 18.66% Ni | 26.14% Ni | 2.77% Ag | -10.73% | -6.25% Pb | 2.76% Al |
| -19.11% | 13.58% Al | 27.51% Pb | -16.54% Ni | 3.40% | 15.99% | 25.70% Cu | 2.76% | -12.10% Zn | -8.37% Ni | 0.70% Ni |
| -20.31% | 13.49% Ni | 24.27% Au | -17.43% Al | 3.36% Cu | 14.63% | 22.57% | -0.05% Pb | -12.93% Pd | -9.38% Pt | -0.60% |
| -26.07% Pt | 11.27% Pb | 13.09% | -17.46% Cu | -4.38% Al | 13.15% Li | 20.34% | -0.28% Au | -20.71% | -10.97% | -4.13% |
| -26.10% Cu | 8.56% Au | 12.47% Ag | -19.23% Pb | -4.66% Pb | 10.92% Pt | 18.32% Pb | -5.89% Pd | -30.55% | -13.80% | -4.87% |
| -26.50% Zn | 1.16% Pt | 6.42% | -22.16% | -9.49% Zn | 10.80% Al | -3.64% Au | -14.13% Cu | -38.63% Pb | -16.79% | -7.20% Zn |
| -29.43% Pd | -1.88% | 4.66% Pt | -24.54% Zn | -18.02% | 3.25% Pb | -9.64% Pt | -16.27% Al | -43.82% | -17.05% Pd | -8.29% |
| -30.47% | -8.69% Li | 2.99% | -24.84% | -25.54% | -1.29% | -11.72% Ag | -16.34% Zn | -45.21% Ni | -26.23% | -9.22% |
| -41.75% Ni | -13.19% | -0.36% | -54.70% Li | -38.50% Li | -20.54% | -22.21% Pd | -48.34% | -81.42% Li | -57.34% Li | -18.68% Li |

**Source:** US Funds

## Copper (Cu)

**Economic Uses & Demand Outlook**:
Copper is arguably the foundational industrial metal. It is widely used in electrical wiring, power generation and transmission, motors, renewable energy infrastructure (wind, solar), electric vehicles (EVs) and grid infrastructure. As such, the long-term demand outlook for copper remains robust due to the global electrification megatrend, decarbonisation policy, and infrastructure investment. For example, copper demand is being driven by the shift toward electric vehicles and green energy systems.
On the supply side, copper faces constraints: new large-scale deposits are becoming harder to find, mine grades are declining, and capital intensity is rising. That combination supports a bullish long-term copper view.

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## Nickel (Ni)

**Economic Uses & Demand Outlook**:
Nickel's primary modern uses are in stainless steel production (accounting for the largest share), specialty steel alloys, and increasingly in batteries for the electric-vehicle and energy-storage markets (specifically nickel-cobalt-manganese (NCM) and nickel-cobalt-aluminum (NCA) chemistries). Demand for nickel used in EV batteries has grown rapidly and is expected to continue as battery chemistries evolve toward higher nickel content (for energy density).

However, there is a key distinction: the nickel in this project appears to be sulphide nickel (in an orthomagmatic sulphide context) rather than laterite, which is favourable from a cost and environmental perspective. The supply of high-grade sulphide nickel globally is constrained, which is supportive of long-term value.

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## Platinum (Pt) and Palladium (Pd) (Platinum-Group Metals, "PGMs")

**Economic Uses & Demand Outlook**:
– **Palladium (Pd)**: Historically driven by the automotive market (catalytic converters in gasoline engines). Its demand is linked to emissions-control technologies; however, the shift to EVs has raised structural risk for Pd demand. That said, new emission standards, hybrid vehicles, and recycling dynamics may provide support.
– **Platinum (Pt)**: Used in diesel and gasoline catalytic converters, hydrogen fuel cells, jewelry, medical devices, and industrial catalysts. Notably, platinum is facing structural supply deficits—with constrained supply, shrinking above-ground inventories, and rising demand in hydrogen applications and jewelry. Forecasts call for potential platinum supply shortages and rising investor demand.[2]

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[2] https://sprott.com/insights/platinum-is-on-track-for-a-status-upgrade/?utm_source=chatgpt.com

## Gold (Au) and Silver (Ag)

**Economic Uses & Demand Outlook**:

- **Gold**: The ultimate safe-haven and monetary metal. Uses include jewelry (the largest share), investment (bars, coins, ETFs), and central bank reserves. Demand is driven by macro-economic risk, inflation hedging, and jewelry consumption.
- **Silver**: Dual-nature metal – industrial demand (electronics, photovoltaics, batteries, circuitry) plus investment/precious-metal demand. Silver demand is expected to grow via solar/pv demand and broader electrification themes.
  The outlook for both is favourable: gold remains in demand for hedging and store-of-value; silver has incremental upside via industrial uses.
  particularly in early years of production.

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**Summary of the Opportunity set from each metal:**

- Copper remains the cornerstone, responsible for roughly half of project value due to grade, tonnage and recoveries.
- Nickel adds strategic critical-mineral leverage, aligning with Canadian and U.S. supply-chain policy priorities.
- PGMs (Pd + Pt) offer high-margin precious-metal upside and hedge against base-metal cyclicality.
- Gold and Silver serve as valuable credits, enhancing cash flow and payback period.
- Blend advantage: Multi-metal exposure provides price-diversification and resilience across cycles — one of Power Metallic's unique investment advantages compared to single-commodity explorers.

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**Qualified Person**

Douglas L. Beahm, P.E., P.G., principal engineer at BRS Inc. and the Chief Operating Officer of the Company, is a Qualified Person as defined in NI 43-101 and has reviewed and approved the technical content of this report.

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