PROJECT IRON BEAR

CYCLONE METALS LTD

ASX Announcement

20th of June 2025

POWER STUDY SUBSTANTIALLY DE-RISKS IRON BEAR PROJECT

Cyclone Metals Limited (ASX: CLE) (Cyclone or the Company) is pleased to report that the critical Power Study has been completed for its flagship project Iron Bear, located in the Labrador Trough, Canada. The Power Study was completed by global engineering consultancy firm Hatch Ltd. ("Hatch") to AACE class 5 standards. Actionable solutions were identified and quantified for the supply of **100% renewable power** for the Iron Bear's iron project mining and concentrator complex, as well as the adjacent town of Schefferville.

POWER STUDY HIGHLIGHTS

- Renewable energy solutions have been identified and evaluated.
- Three staged power supply scenarios were evaluated: **Phase 1** which provides **120 MW** required for a concentrator complex with an operating capacity of 10 Mta, **Phase 2** which provides **250 MW** for a 25 Mta concentrator, and **Phase 3** which provides **500 MW** for a 50 Mta concentrator.
- The power study was completed by Hatch and complies with **AACE class 5 standards**. Hatch leveraged its proprietary modelling software to simulate power balancing scenarios based on historical hydrological and wind data.
- The power in Phase 1 is supplied by a **60MW hydropower plant** located at Menihek and a **280MW windfarm**, supplemented by a 10MWh BESS (Battery Energy Storage System). In Phase 2, and Phase 3, additional power is sourced from two (Phase 2) or three (Phase 3) **315kV power lines** connected to the Churchill Falls hydro-plant, operated by NL Hydro.
- Preliminary estimates of the required CAPEX and OPEX were provided:

	Phase 1, (+2031)	Phase 2, (+2035)	Phase 3, (+2038)
Demand load	100 MW for 10Mta	250 MW for 25Mta	500MW for 50 Mta
CAPEX midpoint (CAD million)	1613	3365	4438
CAPEX Range (CAD million)	806 - 2,219	1,682 -6,730	3,226 - 8,876
OPEX (CAD million/ year)	21	85	3
Unit power cost[1] (CAD/KWh)	0.023	0.041	0.047
Unit power cost[1] **range** (CAD/kWh)	0.011 - 0.046	0.021 - 0.082	0.024 - 0.094

Cyclone's CEO and Managing Director, Mr Paul Berend commented: *"This power study is a substantial de-risking milestone for the Iron Bear Project. The study demonstrates that Iron Bear project benefits from a privileged access to complimentary renewable hydro and wind power, which drives lower than expected unit power costs and will also translate into a very low carbon emissions for our green steel iron ore products."*

[1] Power Unit Costs = (OPEX per year) / (Total Power Generated per year). Refer to section 7 and 8 for more details

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Cautionary Statement

The Power Study referred to in this announcement has been undertaken for the purposes of demonstrating the business case to provide power to the Iron Bear project site. It is a preliminary technical and economic study of the potential capital and operating costs of the required power supply infrastructure. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. A level of accuracy of +/-50% is applicable in accordance with Scoping level accuracy. Further evaluation work and appropriate studies are required before Cyclone Metals will be in a position to provide any assurance of an economic development case.

The Power Study is based on the material assumptions outlined below. While Cyclone Metals considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Power Study will be achieved.

To achieve the range of outcomes indicated in the Power Study, funding in the order of CAD800 million to CAD8,800 million, depending on the scenario, will likely be required. Investors should note that there is no certainty that Cyclone Metals will be able to raise this sum of funding when needed. It is possible or likely (as the case may be) that the required funding may only be available on terms that may be dilutive to or otherwise affect the value of Cyclone Metals' existing shares.

It is also possible that Cyclone Metals could pursue other 'value realisation' strategies such as a sale, partial sale, or joint venture of the Project. If it does, this could materially reduce Cyclone Metals' proportionate ownership of the Project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of this Power Study.

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ABOUT THE PROJECT

1. UPDATE ON THE IRON BEAR DEVELOPMENT PLAN

The Iron Bear Project is underpinned by a clear operational plan to rapidly de-risk the asset and to enable its strategic partner, Vale, to achieve decision to mine (DTM) in three to five years. All the activities and resources required to achieve DTM are funded by Vale as part of the Development Agreement (refer to ASX announcement dated 17th of February 2025).

Cyclone is pleased to report that all of the key development milestones, as announced to the financial markets in June 2023, have been achieved as planned and within announced budgets.

The key upcoming milestones are the release of the de-risking studies for rail and most importantly, the release of the Scoping Study, planned by end of June 2025.

Cyclone is also preparing a large drilling program for the summer of 2025 which should substantially expand the Indicated Mineral Resource estimate and enable the design of mining pit(s).

Iron Bear has started test work for the design of a dry tailings solution for the mining operation. It is a critical development in building the sustainable mining solution as a part of the Company's risk mitigation strategy. It is critical for the social acceptability of the Project and, as the dry tailings solution will ensure that the mine does not require a tailings dam and that the mining pits are backfilled and rehabilitated as the mining operation progresses.

The chart below summarises the Iron Bear Project development roadmap.

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2. POWER STUDY SCOPE AND OBJECTIVES

Hatch delivered a conceptual study (as per AACE class 5 standard) to identify the required high-level power infrastructure necessary to support the various future power supply scenarios in alignment with the Iron Bear (IB) Project development plan. The mine's annual capacity for blast furnace (BF) grade or direct reduction (DR) grade magnetite concentrate, and load profile could evolve in three potential development stages with different commercial operation dates (CODs), as outlined below:

• Phase 1: 10 Mtpa capacity of concentrator, requiring 100 MW - COD 2031-2032

• Phase 2: 25 Mtpa capacity of concentrator, requiring 250 MW - COD 2035-2036

• Phase: 50 Mtpa capacity of concentrate, requiring 500 MW - COD 2038-2039

To this end, a conceptual study was carried out by Hatch to evaluate potential energy sources options capable of supplying IB including:

1) The construction of a new hydroelectric power facility at Menihek with a capacity of 60 MW;

2) The construction of a 280 MW Wind Farm to complement the Menihek hydro-plant to supply the 100 MW concentrator demand load;

3) The construction of a high voltage transmission line system connecting the Churchill Falls hydro generation station to the mine project site to supply the potential 250 MW to 500 MW demand load. It should be noted that other scenarios and options were also considered.

A conceptual design and a cost estimate of the different energy sources was provided.

Three scenarios or phases are designed to meet the mine potential load demand varying from 100 MW to 500 MW were retained, as outlined below:

	Description	Demand Load	COD
Combine Menihek Hydro-Plant with a Wind Farm and Transmission Lines from Churchill Falls Hydro-plant to supply 100 MW to 500 MW to Iron Bear and 20 MW to the town of Schefferville			
Phase 1 – (Wind 280MW + Hydro 60MW)	Build a new HGS at Menihek to produce 60 MW, combined with a 280 MW Wind Farm, to supply 100 MW to IB.	120 MW	2031-2032
Phase 2 - (Wind 280 MW + Hydro 60 MW + 2X 315kV)	Advance Phase 1 achieving a combined Wind and Hydro capacity of 340 MW and constructing two 315 kV lines from Churchill Falls to the mine, to supply up to 250 MW to IB	270 MW	2035-2036
Phase 3 – (Wind 280 MW + Hydro 60 MW + 3X315 kV)	Advance Phase 2 and constructing a third 315 kV line from Churchill Falls to the mine to supply up to 500 MW to IB.	520 MW	2038-2039

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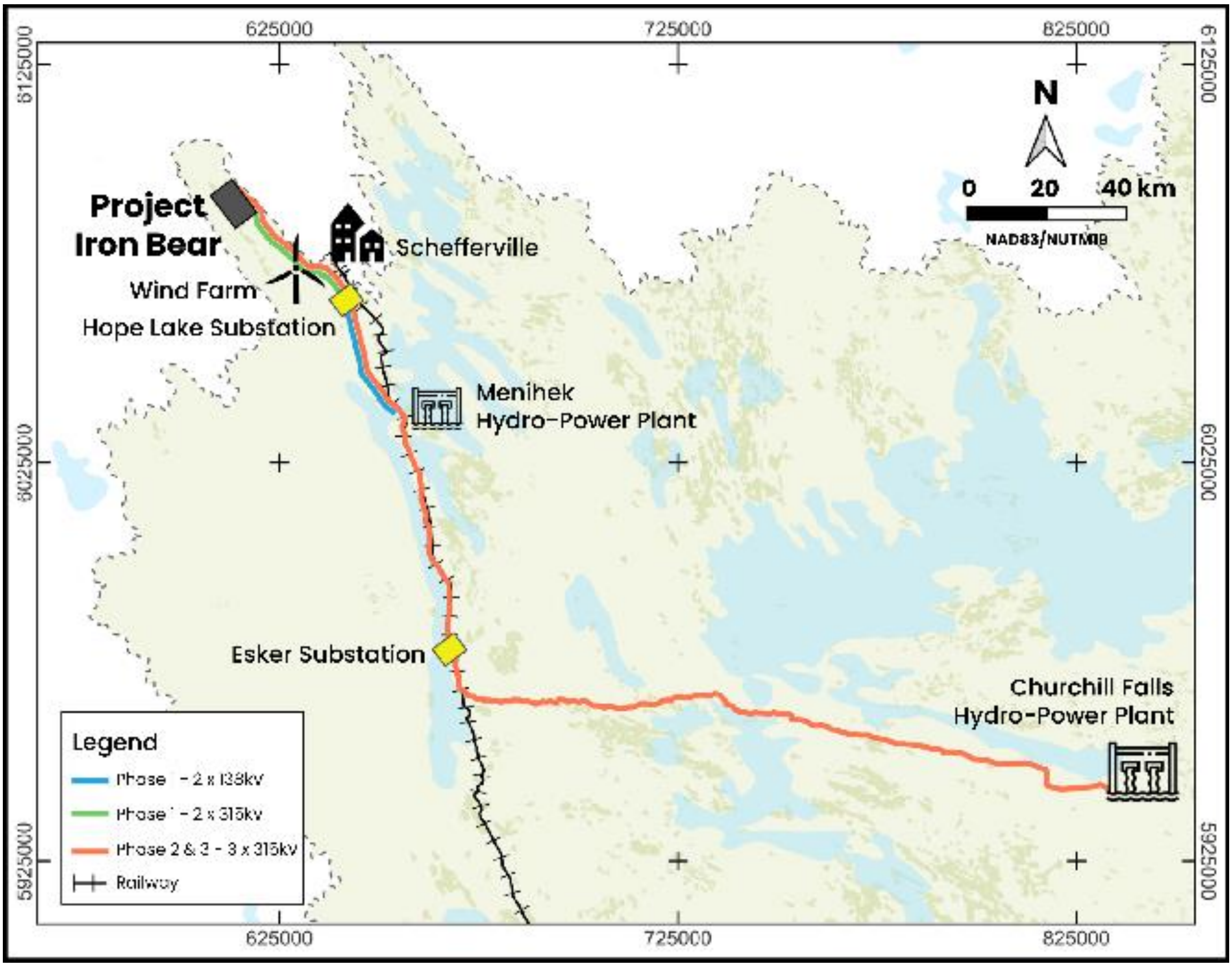
Phases 2 and 3 are contingent upon the future upgrade of the Churchill Falls and the Gull Island hydro-power facilities, as outlined in the Memorandum of Understanding (MoU) signed between the Government of Newfoundland and Quebec in December 2024[2]. However, Phase 1 is entirely independent from the planned expansion of the Churchill Falls hydro-plant complex.

Figure 1: Iron Bear renewable power assets location



3 WIND FARM

The proposed wind farm is located approximately ten kilometres west of Schefferville, placing it nearly equidistant, around 40 kilometres, from Menihek HGS and the Iron Bear mine/concentrator.

The planned wind farm consists of forty (40) – 7 MW recognized utility-scale wind turbines resulting in a **total capacity of 280 MW**. This capacity was chosen to ensure the 100 MW mine load could be reliably supplied during Phase 1 of the project development. The 7MW wind turbine was selected based on its compatibility with the site's average wind speed at hub height and local weather conditions, including cold temperature and potential icing. Further analysis will be required for final wind turbine selection, in consultation with top-tier

[2] https://www.ourchapter.ca/files/NewfoundlandLabrador-Quebec-MOU-English-Dec12-2024.pdf

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manufacturers and considering other potential models. Analysis of wind data was used to determine the total minimum wind farm capacity to ensure the 100 MW mine load could be reliably supplied in Phase 1.

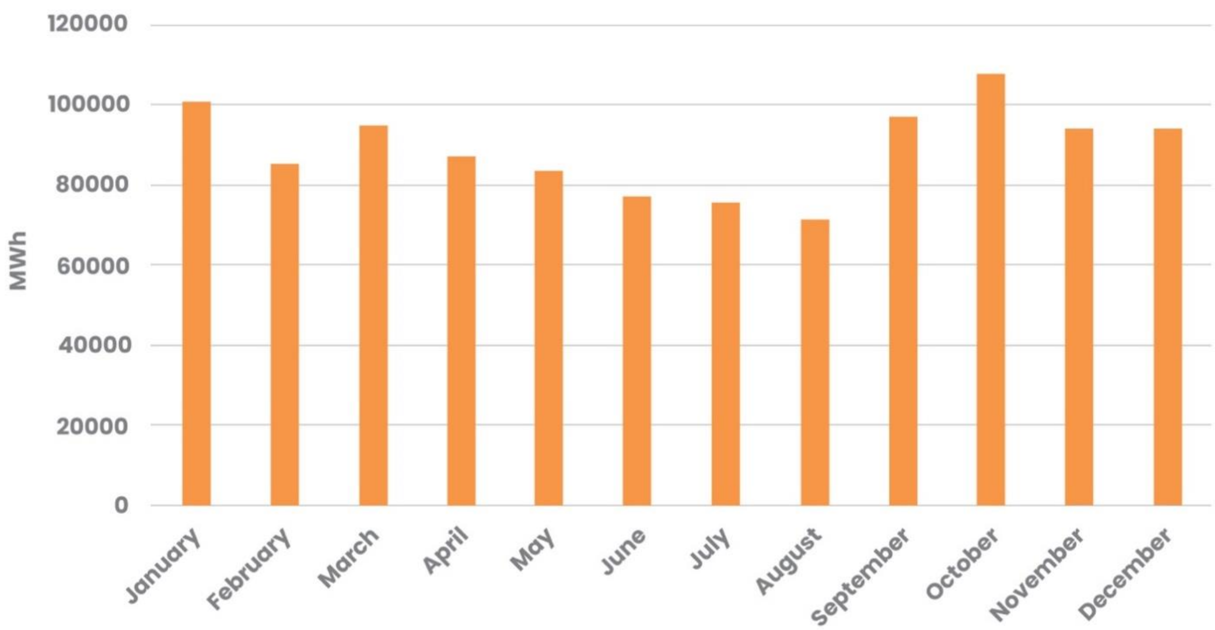
Table 1 Wind Farm characteristics

Wind Turbine Model	Generic recognized utility scale wind turbine
Rated Power (kW)	7,000
Number of Wind Turbines	40
Capacity of the Wind Farm (MW)	280
P50 – Gross Annual Energy (GWh)	1,308
Gross Capacity Factor	53.3%
P50 – Net Annual Energy (Gwh)	1,069
Net Capacity Factor	43.6%

Vortex long term hourly distribution wind data (8,760 hrs) at 100 m height, from 2014 to 2024, has been used. A typical wind shear coefficient of 0.2, representative of the site area, was used to extrapolate the wind data from 100 m to the considered hub height of 125 m.

To estimate the annual 8,760 hours energy distribution, the average wind distribution and the generic wind turbine power curve model, corrected for the site's air density were used.

Figure 2 Average monthly energy produced from wind (MWh) from 2014 to 2024 including icing and general losses



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The wind farm generates an average hourly power of 131 MW from September to April. However, the power output occasionally falls below 55 MW, requiring Menihek HGS to compensate for low wind conditions. From May to August, the average hourly power produced is 104 MW, with minimums that can drop below 30 MW. During the spring and summer periods, when hydro capacity reaches its peak, it can readily compensate for the lower wind generation, demonstrating the seasonal complementarity between the two energy sources.
Given the isolated nature of the interconnection in Phase 1, before the interconnection to Churchill Falls, the addition of a 10 MWh Battery Energy Storage System (BESS) to the wind farm has been considered. The BESS system provides grid forming capabilities-maintaining voltage and frequency-and supplies auxiliary power to the wind turbines when wind is insufficient. It will be located near the wind farm substation to minimize electrical losses and to facilitate construction and operational practicality.

4 MENIHEK HYDRO-POWER PLANT NEW FACILITY

Upgrading the existing Menihek facility with newer, larger turbines was investigated. An alternative to expanding the existing Menihek hydropower station, is to decommission the existing hydro-power plant and construct a new one. There are significant benefits to a new facility, such as overcoming risks related to aging facilities related to the existing Menihek station.

The new station is planned to have identical units for ease of maintenance and simplification of project execution. It is recommended that the new facility to be equipped with 3 Kaplan turbines with a rating output of 20 MW. In a later study, other configurations can be reviewed such as 1 Kaplan turbine and 2 fixed blade propeller turbines.

Figure 3 Potential New Site for Menihek hydro-plant

5 HIGH VOLTAGE TRANSMISISON LINES

a. Phase 1

The existing two 69 kV transmission lines between Menihek and Pearce Lake Substation are thermally limited. To transfer the proposed Menihek 40 to 60 MW capacity, it is proposed to build two new 138 kV transmission lines from Menihek to the Hope Lake area. Each 138 kV transmission line is assumed to consist of:
• H-Frame wood construction.
• 4.3 m phase spacing.
• OPGW and OHSW along its total length; and
• One 266.8 kcmil, 26/7, ACSR, "PARTRIDGE" conductor per phase with a 90°C maximum conductor temperature.

At Hope Lake a 138/69 kV station will be constructed to connect the new 138 kV transmission lines to the existing 69 kV L1 and L2 lines prior to the border crossing 29 . The new station will contain:
• Two 138/69 kV, 30/40/50 MVA power transformers.
• H.V. on load tap changer to regulate L.V. bus voltage: ±10% in 33 steps.

Analysis to date indicates that two 140 MW wind farms (280 MW in total) will supply an average capacity of 104 MW to the Iron Bear Mine. It is proposed to connect both wind farm locations to a single 315/34.5 kV station. This station will contain:
• A minimum of two 315/34.5 kV, 100/133/167 MVA power transformers;
• H.V. on load tap changer to regulate L.V. bus voltage: ±10% in 33 steps.
• An optional third 315/34.5 kV transformer would ensure full wind farm output to the transmission system for loss of a wind farm main power transformer.

Two 315 kV transmission lines will connect the wind farm station to the Iron Bear Mine station, a distance of approximately 43 km. Two 9-km long 315 kV lines will connect the Wind Farm station to the Hope Lake Terminal Station. To permit the excess Menihek capacity to supply the mine site, two 315/138 kV, 30/40/50 MVA transformers, complete with on load tap changers will be added at Hope Lake.

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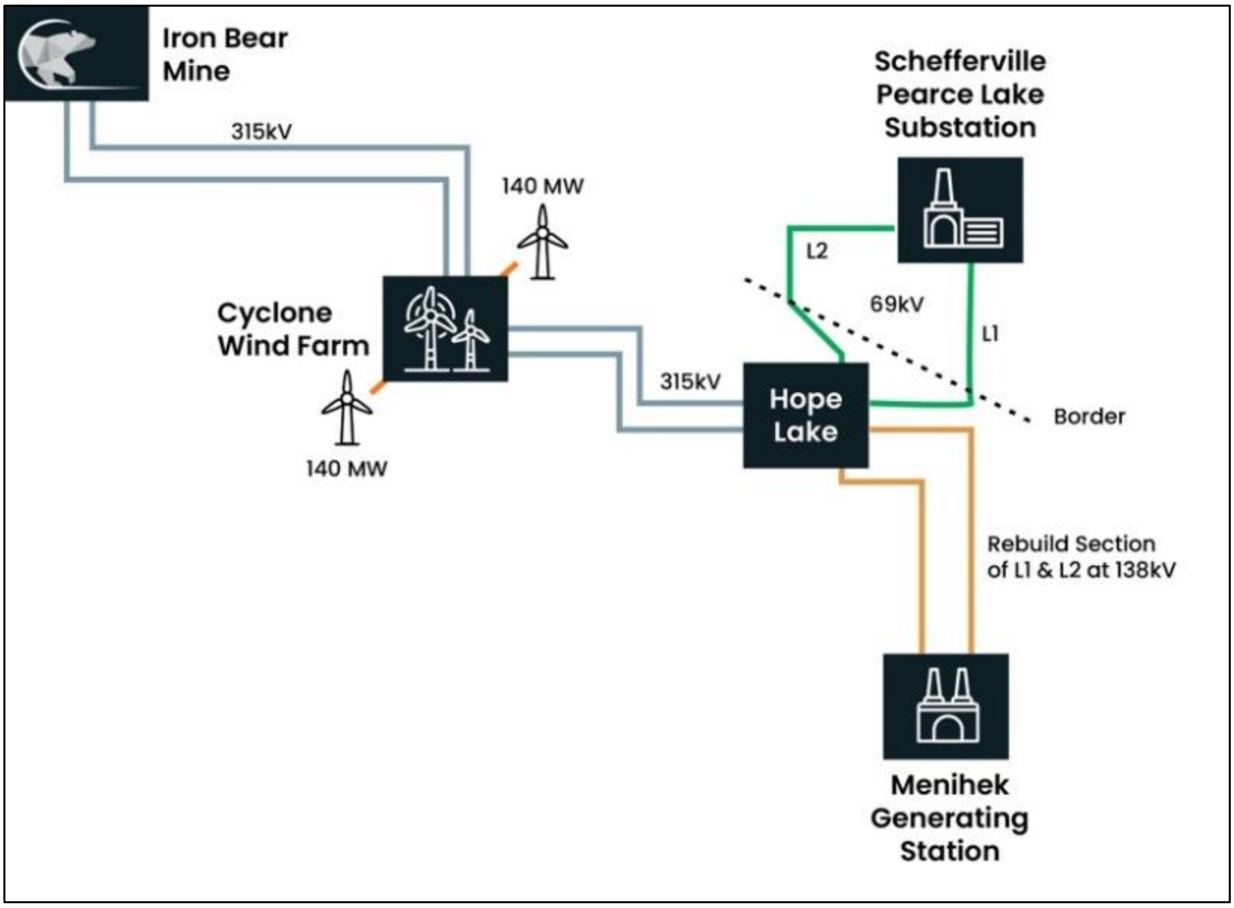
Figure 4 Phase 1 Menihek Hydro-Plant plus Wind interconnection



b) Phase 2 and 3

Supplying the IB mining & concentrator complex with a potential load of 250 MW (Phase 2) and 500 MW (Phase 3), requires the addition of two (Phase 2) or three (Phase 3) 315 kV transmission circuit from Churchill Falls to Esker Siding and on to Iron Bear. This third line is not required to enter either the Hope Lake or Wind Farm stations. The figure below provides the interconnection diagram.

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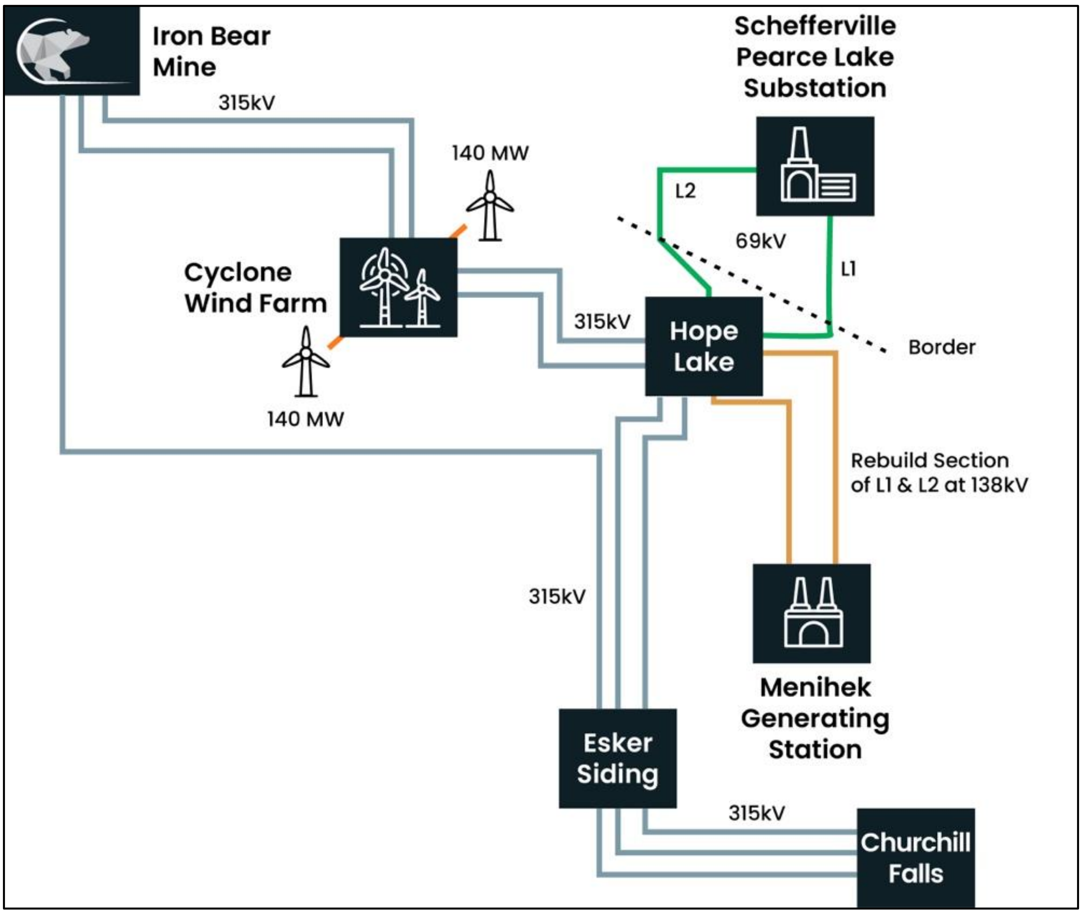
Figure 5 Phase 2 and 3 Interconnection diagram



6 POWER BALANCE SIMULATIONS

This section presents the results of the simulations of the different scenarios (Wind, Menihek HGS and Churchill Falls HGS), to assess the contribution of each energy source to meet the mine load demand for each development stage.

A Hatch proprietary simulation tool has been used. This model includes the Labrador generation and transmission system, as well as the isolated Menihek hydro-plant and Schefferville load. This model was deployed for this study to evaluate the robustness of the supply scenarios to meet the required demand load. To capture the hydrologic variability, simulations were carried out using the available historic inflows of the Menihek catchment area from 1957 to 2023. Simulations were performed using daily time step, with on and off peak representation for wind, hydro generation and load.

IB maximum energy demand is estimated by multiplying the mine/concentrator operational hours (8,000 hours) by the total electrical load for each scenario. Schefferville will operate less than 8,000 hours per year. Real Schefferville historical load profile was used for the Hatch proprietary simulation tool.

Table 2 Energy Balance Summary (P-50)

	IB + Schefferville Load (MW)	Wind Energy (MW)	Menihek Hydro (GWh)	Churchill Falls Hydro (GWh)	IB + Schefferville Maximum Energy Demand (GWh)
Phase 1 Wind 280 MW + Hydro 60 MW	120	743.3	151.2	0	893
Phase 2 Wind 280MW + Hydro 60MW + 2X 315 kV	270	981.1	218.6	977.2	2,095
Phase 3 Wind 280MW + Hydro 60MW + 3X 315 kV	520	979.4	216.4	2,898.1	4,095

The results obtained indicate that the combined calculated energy outputs from each source, for each scenario, are on average sufficient to meet the energy demand of the Iron Bear mining and concentrator complex and Schefferville

The charts below show the daily simulated power generation in Phase 1 for the Menihek hydro-plant and the Wind farm

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Figure 6 Menihek hydro-power generation Phase 1

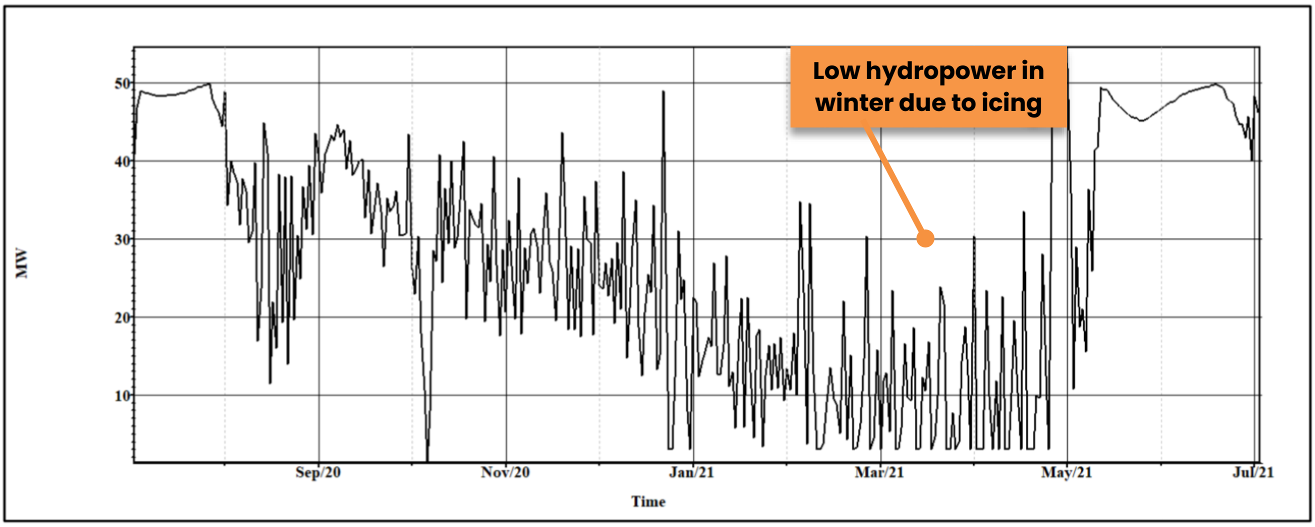

Figure 7 Wind Farm Generation Phase 1

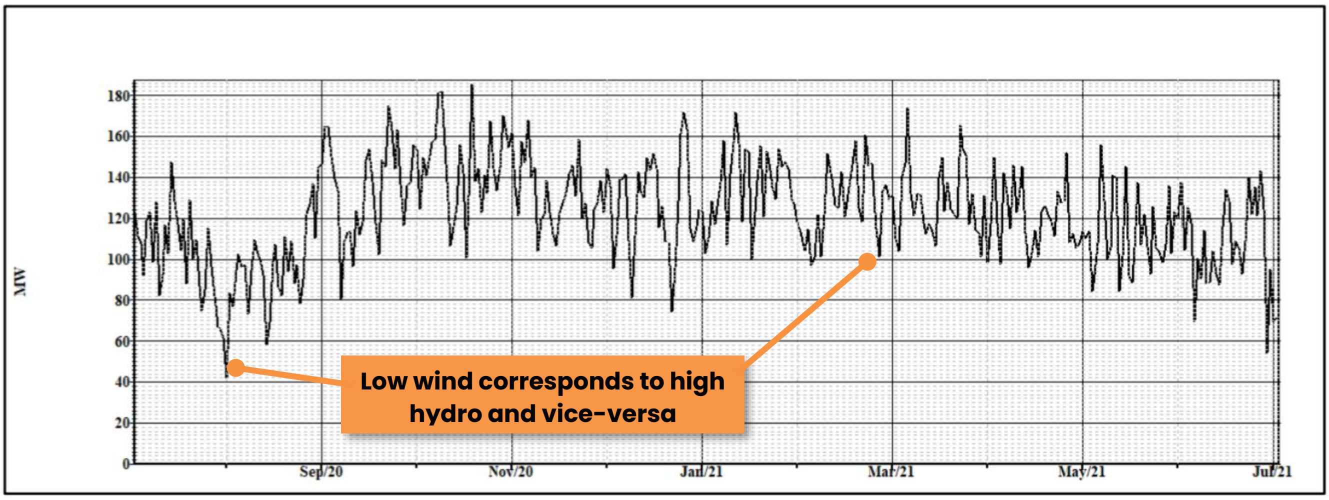

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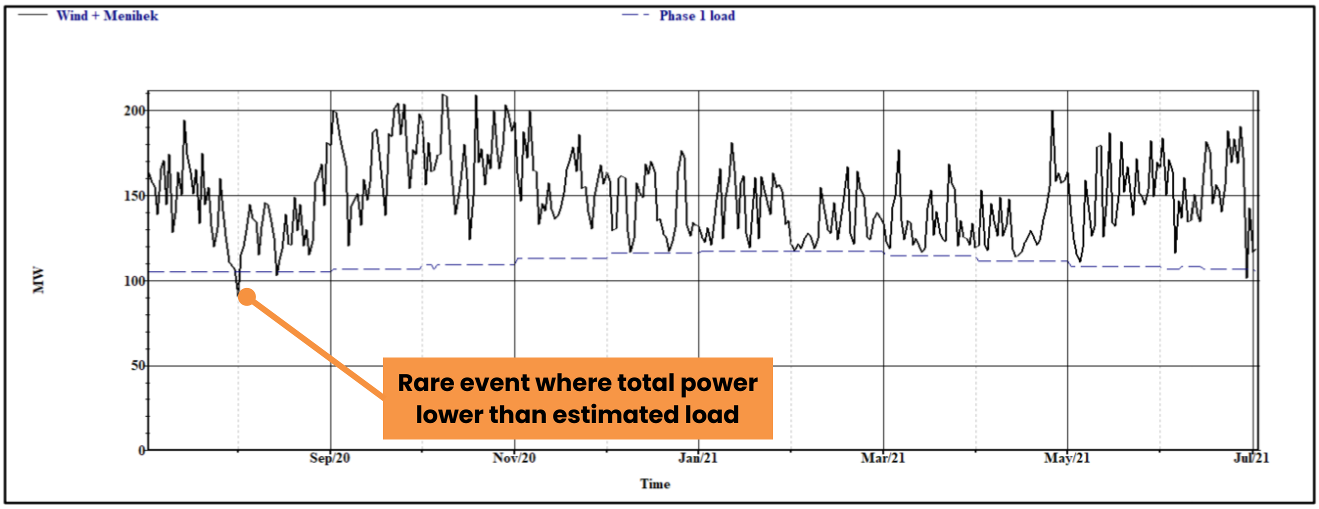
Figure 8 Total Power Generation Phase 1



It is evident that for most of the year there is excess wind and hydro generation available to serve the demand of IB and Schefferville in Phase 1. However, with only 60 MW of hydro capacity and variability in wind generation, there a few periods where the generation is below the load. Therefore, wind forecasting, mine load management and potential emergency power sources will be required in Phase 1 to manage rare, but possible, power shortages.

7 CAPEX AND OPEX ESTIMATES

This section describes the methodology and basis for the preparation of the capital cost (CAPEX) and operating cost (OPEX) for the different source of energy and scenarios, including forty (40) – 7MW wind turbines, the refurbishment or new hydro units installation at Menihek and transmission lines from Churchill Falls were considered.

The CAPEX estimate covers the direct and indirect costs including the engineering cost, material and equipment procurement, construction and commissioning costs, and contingency. Construction of the wind farm includes access roads, collector system, power substations, and a high-voltage transmission line.

The operating expenditure (OPEX) estimate consists of fixed and variable operating costs. OPEX estimates were based on recent benchmarks and experience with similar projects.

Given this is a Class 5 estimate, the expected accuracy range is between -50% and +100%, according to the AACE.

a. QUALIFICATIONS AND ASSUMPTIONS

CAPEX and OPEX estimates are based on the following assumptions and parameters:

- Quotes from previous projects and internal benchmarks were used to estimate the cost of the project. No quotes were requested from vendors or contractors.
- Hatch experience with similar projects and industry standards
- Adjust for project-specific factors, like locations factors (e.g., labour costs, land condition and accessibility, climate, etc.)
- Use of recent quote from wind turbine manufacturers for wind turbine pricing factored to site conditions, like remoteness and impact on transportation cost.
- Use of benchmarks and quotes for major electrical components like transformers, HV circuits breakers, etc., factored to site conditions and using Hatch experience with similar projects.
- Contingency applied on major equipment and indirect costs for Hydro and Transmission (10 to 25%). Higher contingency has been applied to transmission line cost due to increased uncertainty in design and construction expenses at this level of the study.
- 5% contingency applied on Wind Turbine as more recent quote from OEMs used. 15% to 20% applied on all other costs for the wind farm.

b. POWER COSTS FROM CHURCHILL FALLS

A base cost of the energy imported from Churchill Falls in Phase 2 and 3 of 5.149 cents per kWh and a rate for firm power of 41 cents per kW per month were established. This cost is based on the Labrador industrial rates published in the Newfoundland's "Schedule of Rates, Rules and Regulations" document. These energy rates have not been approved nor confirmed by NL Hydro and have been used solely for reference purposes.

c. CAPEX AND OPEX PHASE 1

All numbers are in CAD

Table 3 CAPEX and OPEX Summary, Phase 1

CAPEX	Wind 280 MW	Hydro 60 MW
	CAD million	CAD million
Wind Farm - Hydro Plant Retrofit	612	345
Substation	103	81
Transmission	285	170
BESS	10	/
Environmental Study	5	2
Total	**1,015**	**598**
OPEX	**CAD million**	**CAD million**
Total	**16**	**5**

d. CAPEX AND OPEX PHASE 2

Table 4 Capex and Opex Summary, Phase 2

CAPEX	Wind 280 MW	Hydro 60 MW	2X 315 kV Transmission line (incremental cost)
	CAD million	CAD million	CAD million
Wind Farm - Hydro Plant Retrofit	612	345	/
Substation	103	81	174
Transmission	285	170	1,570
BESS	10	/	/
Environmental Study	5	2	8
Total	1,015	598	1,752
OPEX	**CAD million**	**CAD million**	**CAD million**
Total	16	5	64

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e. CAPEX AND OPEX PHASE 3

Table 5 CAPEX and OPEX Summary, Phase 3

CAPEX	Wind 280 MW	Hydro 60 MW	2X 315 kV Transmission line (incremental cost)	3X 315 kV Transmission line (incremental cost)
	CAD million	CAD million	CAD million	CAD million
Wind Farm - Hydro Plant Retrofit	612	345	/	/
Substation	103	81	174	43
Transmission	285	170	1,570	1,030
BESS	10	/	/	/
Environmental Study	5	2	8	/
Total	1,015	598	1,752	1,073
OPEX	**CAD million**	**CAD million**	**CAD million**	**CAD million**
Total	16	5	64	108

8 POWER STUDY[1] SUMMARY TABLE

IRON BEAR (IB) POWER SCOPING STUDY SUMMARY

AACE Class 5 standards

	PHASE 1	PHASE 2	PHASE 3
Demand load (MW) Concentrator capacity (Mta) Commercial Operational Date	120 MW 10 Mta 2031 – 2032	270 MW 25 Mta 2035 – 2036	520 MW 50 Mta 2038 – 2039
Iron Bear power infrastructure description	Expand Menihek hydro-power plant to 60MW and build a 280 MW Wind Farm to supply IB[2] with 100 MW	Phase 1 power production plus two 315kV power lines from Churchill Falls hydro-power plant to supply IB with 250 MW	Phase 2 power production plus one additional 315kV power line from Churchill Falls to supply IB with 500 MW
Total CAPEX estimate (CAD million)	CAD 1613 million	CAD 3365 million	CAD 4438 million
Power Balance Yearly Simulation[3] Wind Farm Hydro plant Menihek Hydro plant Churchill Falls Max. demand (IB + Schefferville)	 743 GWh / year 151 GWh / year 0 GWh / year 893 GWh / year	 981 GWh / year 219 GWh / year 977 GWh / year 2095 GWh / year	 979 GWh / year 216 GWh / year 2898 GWh / year 4095 GWh / year
OPEX estimate (CAD million / year)	CAD 21 million / year	CAD 85[4] million / year	CAD 194[4] million / year
Average Power Costs CAD cents / KWh	CAD 2,34 cents / kWh	CAD 4,06 cents / kWh	CAD 4,74 cents / kWh

1: 'Power Capacity and Expansion Assessment' dated 22/05/2025 by Hatch. Conceptual engineering study to AACE Class 5 standards

2: The IB concentrator and mine requires 100MW but the electricity production will also provide 20MW to Schefferville and Kawachikamak (local towns)

3: Power production simulations are based on Hatch proprietary simulation tool leveraging historical hydrological and wind data

4: Includes annual energy costs imported from Churchill Falls. These costs are derived from the MOU signed between Newfoundland and Quebec in December 2024 which outlines the commercial conditions for power associated with the planned expansions of the Churchill Falls and Gull Island hydro-plants

9 MAIN STUDY ASSUMPTIONS

Potential sources of power and energy to supply the proposed Iron Bear Mine in Labrador include:

- Expansion of Menihek hydro plant or development of a new facility;
- Capacity increases at Churchill Falls generating station as per the recent MoU between Newfoundland and Labrador Hydro and Hydro-Québec; and
- The development of a wind farm to be combined with the Menihek hydroelectric power

Transmission via Menihek

- New transmission will follow the existing 69 kV right of way and rail line between Menihek and Schefferville where practical;
- New transmission will be built within Labrador;
- The transmission line deviates from the existing corridor around the Tacora mine site then follows the proposed 25 km long rail line extension from Tacora to the Iron Bear Mine;
- Transmission line length of approximately 85 km to be confirmed during review;
- The 100 MW capacity range and over 85 km lends itself to analysis of 69 kV and 138 kV transmission voltages;

Transmission via Churchill Falls

- The Iron Bear Mine Load will be set at 250 MW with a potential to increase to 500 MW; • The presence of 315 kV at Churchill Falls provides the most reasonable voltage level for power transfers on the order of 500 MW;
- For ease of construction the new 315 kV transmission system will follow the Esker Road that was used for initial construction of the Churchill Falls site then run northward along the rail line approximately 71 km from the Esker siding to Menihek; From Menihek to Iron Bear Mine the transmission system will take the same route as described above;

Transmission via the Wind Farm

- New 315 kV transmission line will run the Wind Farm substation to IBM and will be located in Labrador;
- Hope Lake tap station will connect to the Wind Farm substation via a 315 kV line running along the Quebec border and located in Labrador;

Wind Farm

- The wind farm location will be established based on the best wind resource in the area and close enough to Iron Bear Mine to minimize the cost of the transmission line and the electrical losses.
- Vortexwind data will be used to determine the best wind resources of the area combined with GIS tools like google earth map to assess general accessibility and topography of the site.
- Given the isolated nature of the interconnection in Scenario B – Phase 1, before the interconnection to Churchill Falls, the addition of a 10 MWh Battery Energy Storage System (BESS) to the Wind Farm has

been considered. The BESS system provides grid forming capabilities-maintaining voltage and frequency-and supplies auxiliary power to the wind turbines when wind is insufficient.

Iron Bear Mine Load

- The mine will be operating for approximately 8,000 hours per year;
- The load will evolve with the mine development Stages, as follows: Stage 1: 100 MW; Stage 2: 250 MW; Stage 3: 500 MW.
- The load will be supplied by multiple power transformers equipped with on load tap changers to assist with voltage regulation of the supply bus(es);
- The load will have a power factor of 0.95; •
- The supply bus voltage will be 34.5 kV.

Load Flow Study Assumptions

Iron Bear Mine loads based on annual power requirements are as follows:

- Stage 1 development 100 MW at 0.95 pf;
- Stage 2 development 250 MW at 0.95 pf;
- Stage 3 development up to 500 MW at 0.95 pf. The Schefferville loads are expected to at least double from the existing peak of approximately 10 MW to 20 MW due to the economic impact of the mine development. Schefferville load was assumed to have precedence over the mine site; however, no specific control mechanisms were applied during the dynamic flow analysis

Cost Estimate

- Contingency applied on major equipment and indirect costs for Hydro and Transmission (10 to 20%). Higher contingency has been applied to transmission line cost due to increased uncertainty in design and construction expenses at this level of the study.
- 5% contingency applied on Wind Turbine as more recent quote from OEMs used. 15% applied on all other costs for the wind farm.

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This announcement has been approved by the Company's board of directors.

COMPLIANCE STATEMENT

Forward-Looking Statement

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning the Company's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "expect," "intend," "may", "potential," "should,", "further" and similar expressions are forward-looking statements. Although the Company believes that its expectations reflected in these forward- looking statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that further exploration will result in additional Mineral Resources.