

5 December 2017

ASX RELEASE

## **MARQUEE TO ACQUIRE HIGH GRADE COBALT PROJECTS - CANADA**

Marquee Resources Limited ("MQR") is to acquire three highly prospective Canadian exploration projects: Werner Lake, Warner Lake East/West and Skeleton Lake.

### **PROJECT HIGHLIGHTS**



#### **Werner Lake Project<sup>(a)</sup>**

- Tier 1 Location for mining of cobalt in Ontario, Canada
- Indicated Mineral Resource of 79,400 Tonnes at 0.43% Co<sup>(b)</sup>
- 40,000+ m of diamond drilling previously completed
- Mineralised zones remain open in all directions
- Total mine production was reported at 143,386 lbs of cobalt grading approximately 2.2% cobalt and 0.75 % copper (Hughes 2010a).
- Previous drill hole WL1004 intercepted 12.3m @ 1.21% Co (from 25.4m)-including 0.9m @ 12.48% Co



#### **Werner Lake East/West Project**

- Unification of Werner Lake Area undertaken to explore additional high-grade cobalt mineralised zones throughout the Werner Lake Geological Belt.
- Adjoins Past Producing Cu-NI-PGE+ Cobalt Mine
- Approx. 18.4 sq Km (West Block 7.8 sq Km + East Block 10.6 sq Km)
- Exploration to be undertaken to confirm extension of Mine Trend to East and West



#### **Skeleton Lake Project (Mulligan Area)<sup>(c)</sup>**

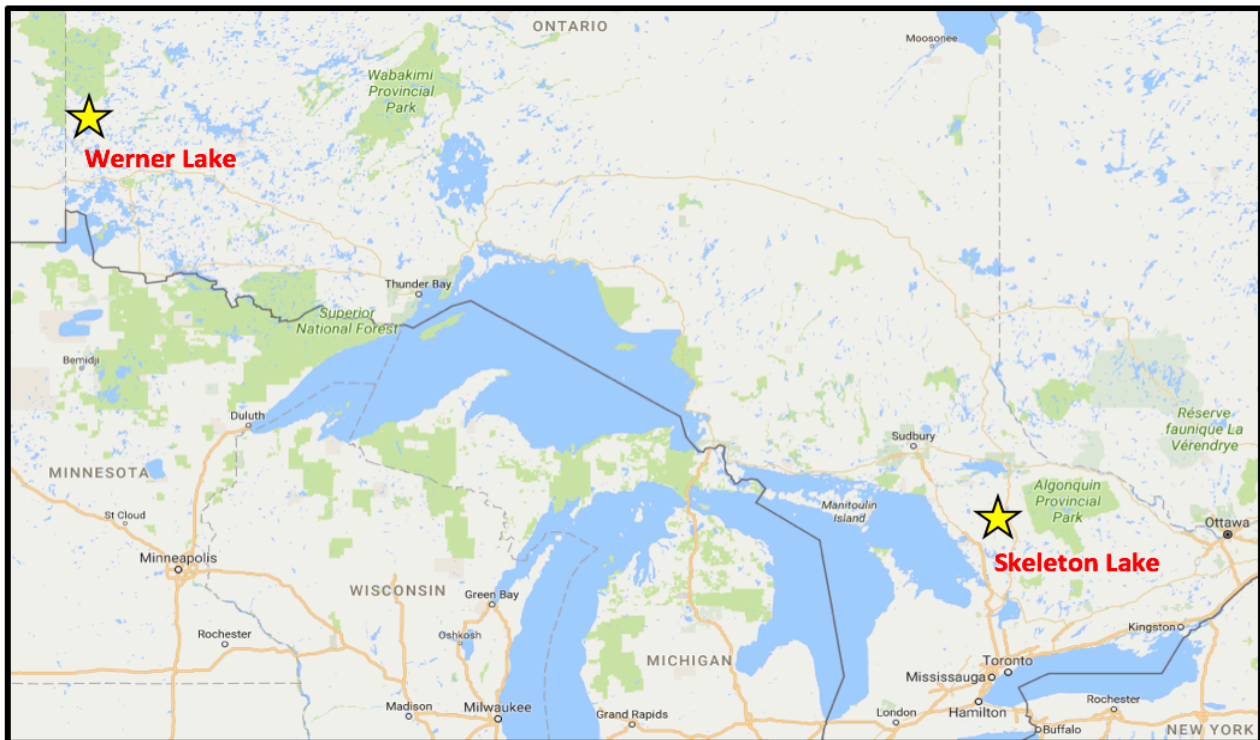
- To acquire 1,408 hectares (14.08km<sup>2</sup>) prospective for cobalt and situated 55km north of the town of Cobalt, Ontario.
- The claims surround and abut Meteoric Resources NL (MEI:ASX), Mulligan and Mulligan East Cobalt Property
- Historical assays at the neighbouring Foster Marshall Ag-Co project returned high-grade up to 4.5% Cobalt and 87oz/t Silver ([www.suprememetalscorp.com](http://www.suprememetalscorp.com))

(a) Historical information sourced from Global Energy Metals and Superior Exploration Ltd exploration reports

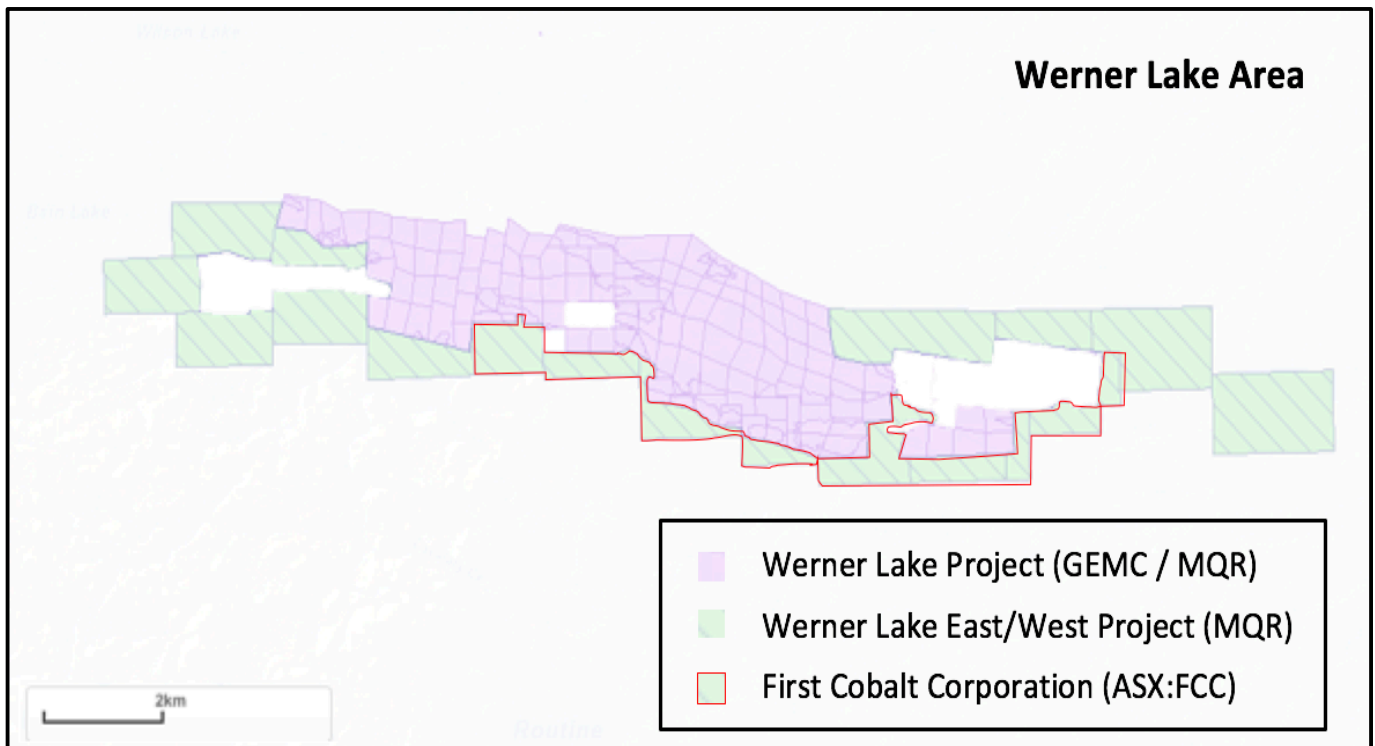
(b) This work was based on a technical report AGP Mining Consultants, Sept 6, 2017 titled "NI 43-101 Resource Estimate for the Werner Lake Project, Werner Lake Ontario" for Global Energy Metals Corp ("GEMC"), conforming to CIM technical standards and NI 43-101 reporting standards for resources estimates. MQR deems this resource still relevant because economic parameters have not negatively changed significantly since publication date and MQR has confidence in the estimate based on review of technical data. There are no more recent estimates or data available. To upgrade this work from a historical or foreign estimate to a current mineral resource, MRQ will review the data set and complete additional drilling and modeling work to verify the historic or foreign estimate as a current mineral resource. A qualified person has not done sufficient work to classify the historical or foreign estimate as current mineral resources or reserves under JORC (2012) standards, and the issuer is not treating the historical or foreign estimate as a current mineral resources or reserves. See from page 6 for further information.

(c) The Mulligan cobalt occurrence is contiguous to the Skeleton Lake project and is an extremely important indicator with respect to the surrounding geology.

**Figure 0-1: Location Map**



**Figure 0-2: Werner Lake Area**





## EXECUTIVE SUMMARY

Marquee Resources Limited (Company or Marquee) (ASX:MQR) is pleased to announce that it has entered into a binding Share Purchase Agreement (SPA) with the shareholders (Sellers) of Canadian CO27 Pty Ltd (CO27) under which it intends to acquire 100% of the issued capital of CO27 (Acquisition).

CO27 is party to the following agreements (Project Agreements) to acquire interests in the following cobalt projects (Projects):

- An agreement with Global Energy Metals Corp. (GEMC) to earn up to a 70% interest in the Werner Lake Project;
- An agreement with Caamo Capital Corp., Gino Chitaroni and Blackstone Development Inc. to acquire a 100% interest in the Skeleton Lake Project; and
- An agreement with Perry Vern English to acquire a 100% interest in the Werner Lake East/West Project.

The purchase price payable to the Sellers for the acquisition of CO27 is 11,000,000 shares in the Company, and AUD\$200,000 plus US\$150,000 in cash, of which AUD\$25,000 plus US\$20,000 in cash comprises a non-refundable deposit enabling the Company to carry out an exclusive, 60-day period of due diligence into the Projects. The cash component is subject to ASX granting 'pass through' relief from Listing Rule 10.7, or the Company providing ASX with appropriate evidence of past expenditure on the Projects.

Completion of the Acquisition is subject to certain conditions including Marquee obtaining shareholder approvals and completing due diligence to its absolute satisfaction. The Sellers of CO27 have given representations, warranties and indemnities in favour of Marquee which are considered customary for a transaction of this nature.

The aggregate purchase price payable by the Sellers to the vendors under the Project Agreements is AUD\$100,000 plus US\$80,000 worth of shares (based on the 5 day VWAP post completion), and AUD\$200,000 plus US\$150,000 in cash. These shares and cash will effectively come out of the consideration paid by the Company to the Sellers under the SPA.

Subject to completion, under the Project Agreement for the Werner Lake Project, the Company will be able to initially acquire a 30% interest in the Werner Lake Project by incurring expenditure of AUD\$1,000,000 on the Werner Lake Project over a period of 12 months. The Company can then acquire a further 40% interest in the Werner Lake Project for a total of 70% by incurring additional expenditure of AUD\$1,500,000 over a 24-month period. The parties will then form a joint venture to conduct further exploration and development activities on the Project. If the parties obtain an encouraging pre-feasibility study according to commercially reasonable standards (an independent expert will be appointed if the parties cannot agree) with respect to any part of the Project then the Company must pay AUD\$150,000 in cash to Global Energy Metals Corp. The agreement contains other provisions considered customary for such documents.

Subject to completion, the company will acquire a 100% interest in the Skeleton Lake Project and a 100% interest in the Werner Lake East/West Project.

Subject to completion, the Company will also pay various net smelter royalties ranging from 2% to 3.5% over the Projects.

The Sellers comprise Syracuse Capital Pty Ltd (Syracuse), Jet Capital Pty Ltd, Vonross Nominees Pty Ltd and Ninety Three Pty Ltd, none of whom are related parties of the Company. However, ASX has determined that Syracuse is a party of the type contemplated in Listing Rule 10.1.5 and, therefore, the Acquisition requires shareholder

approval for the purposes of Listing Rule 10.1. Syracuse is a substantial shareholder in the Company, and is controlled by Rocco Tassone who was previously a director of the Company.

ASX has determined that the Acquisition will not require the Company to re-comply with Chapters 1 and 2 of the Listing Rules. However, the Company will be required to obtain shareholder approval of the Acquisition for the purposes of Listing Rule 11.1.2 due to the change of scale. The Company anticipates that existing shareholders will be diluted by approximately 54% as a result of the shares issued under the SPA. Although the Company has no current intention of raising capital in connection with the Acquisition, if it ultimately does then shareholders may be diluted further.

In addition, the Company will be required to obtain shareholder approval for the purposes of item 7 of section 611 of the Corporations Act due to the Sellers acquiring an aggregate interest in excess of 20% in the Company under the Acquisition. The Company understands, however, that the Sellers will cease to aggregate their interests immediately following completion as they do not consider themselves to be associates of one another, other than by virtue of the SPA.

Therefore, if the Company is satisfied with its due diligence investigations into the Projects, the Company will convene a general meeting of shareholders to approve the Acquisition by issuing a notice of meeting containing an independent expert's report on the fairness and reasonableness of the Acquisition, and an independent geologist's report on the valuation of the Projects.

Marquee's Managing Director Charles Thomas commented:

"We are extremely pleased to have been able to secure this agreement which allows us to acquire interests in these three exciting cobalt projects"

"By acquiring these three abutting properties we have consolidated the Werner Lake area which contains the previously operating Werner Lake cobalt mine"

"Werner Lake is one of the key cobalt resources in Canada and this transaction enables Marquee shareholders to gain exposure to the booming cobalt market which is a critical material to the growing rechargeable battery market"

"We will now move extremely quickly to complete Due Diligence and activate the exploration and development program".

Mitchell Smith CEO of Global Energy Metals said:

"We are very pleased to be advancing this important Canadian cobalt project with Marquee Resources. Their strong funding support and experienced operating team were important considerations in partnering with them to ensure that the Werner Lake project advances and builds value for shareholders under the current cobalt market conditions."



An indicative timetable for the Acquisition is set out below.

Event	Date
Announcement of the Acquisition	5 December 2017
Due diligence investigations into the Projects	Ongoing
Notice of meeting sent to shareholders	19 December 2017
General meeting to approve the Acquisition	18 January 2018
Completion of the Acquisition	25 January 2018



## WERNER LAKE PROJECT

### Overview/Disclaimers

“Canmine” information (pre 1990) is based primarily on government database and is believed to be an accurate presentation of information, but key assumptions, mining and processing parameters and methods to prepare any resource estimates are unknown.

Canmine Resources carried out extensive exploration and development work from 1995 to 2002. This work pre-dates JORC Code 2012 reporting standards but was completed to industry standards of the day. Details of this work has been reported in the JORC table 1 located at the end of this announcement. Canmine completed over 25,071 metres of diamond drilling to delineate the historical resource estimate that prompted the Canmine to move to development stage studies on the project. Development work by Canmine included close space definition diamond drilling (12.5 to 50 metre spacing). All drill core was logged and sampled at site by company geologists and sent to a recognized laboratory for analysis. Historic reserves and resources were initially completed by Canmine geological staff and no independent evaluation was undertaken until Stoner engineering was contracted to complete a pre-feasibility study in 1997. Canmine undertook engineering studies including a 25 tonne bulk sample that was sent to Lakefield Research and Western Mineralis Technology Pty Ltd for analysis. Results of those studies indicated that a Co concentrate could be derived with recoverable cobalt and copper with only trace deleterious elements. As part of the work program Canmine initiated underground development and completed approximately 258 metres of underground ramping, drifting and raising into the West Cobalt Deposit. In 2001, SNC Lavalin was contracted to complete an independent resource estimate for the project. The work reviewed, assessed and made recommendations on all previous work and used industry leading techniques to finalise a resource estimate published in 2002. The SNC resource estimate used more than 2,000 drill core samples assayed for cobalt, copper, gold and arsenic.

In 2009-2010 Puget Ventures completed a 33 hole, 7,565 metre diamond drill program at Werner Lake. Diamond drill core was logged by company geological staff, sampled and shipped to industry-recognized laboratories for analysis. This drill program was carried out at or exceeding industry standards at the time. No further work was undertaken by Puget Ventures.

In 2017 Global Energy Metals Corp (“GEMC”) undertook a major reassessment of the technical data at Werner Lake and contracted to AGP Mining Consultants, a recognized engineering group that had oversight involvement during the Puget program, to complete a resource assessment. AGP compiled both the Canmine and Puget

databases which included all diamond drilling, all assay results that could be verified, surface and trench sampling, underground sampling, metallurgical work and any other data that could be utilised with confidence. After a lengthy process, AGP has commented on and made suggestions for further database work and improvements. AGP validated the dataset and was satisfied that the dataset met high standards of technical due diligence and undertook a NI 43-101 resource estimate that met the reporting requirements of the Canadian Mining and Metallurgical Institute (CIM 2014). The database consisted of 260 diamond drill holes totaling over 32,702 m, of which 254 holes were included in the model. As part of the resource estimate AGP created a computer wireframe geological and grade model for the deposit and once satisfied with the technical parameters assumed an underground mining situation. Basic parameters for the resource estimate included; 0.25% Co cut-off, assumed Co price of \$US 15.60/lb, minimum mining width of 1.5 m, bulk density based on mineralisation that ranged from 2.97g/cm<sup>3</sup> to 3.12 g/cm<sup>3</sup>, metallurgical recoveries of 85% for cobalt, underground operating costs of \$US 40, processing costs of \$US 13.50, G&A of \$US 8.00 (all per tonne processed) and effective mining dilution of 20%. AGP also employed capping levels on cobalt, copper and gold and arsenic values in the database. Historic production from the early mining and the Canmine development was calculated so as to not overestimate the resource. More comprehensive details can be found in the JORC Table included as part of this release.

Although not finally determined, and subject to Marquee being satisfied with its due diligence investigations and completing to Acquisition, Marquee contemplates undertaking a minimum 13 hole, 3,500 m diamond drill program to test the extents of the project at depth and along strike, additional data compilation, survey of historic collars, dewatering and underground sampling and finally additional metallurgical test work. This is expected to cost approximately C\$760,000 and would likely take place during the first half of 2018. The Company will likely fund this work using either, or a combination, of existing cash reserves and funds raised under a capital raising.

It is the opinion of the Competent Person, Paul Sarjeant, P.Geo., that the material included in this market announcement relating to the Werner Lake Cobalt Project is an accurate representation of the available data and studies for the material mining project. No additional work has been completed on the Werner Lake Project since the release of the AGP Resource Estimate (September 2017). The historical or foreign Mineral Resource statements included in the release are not reported in accordance with the JORC Code 2012. A Competent person has not done sufficient work to classify the estimates of Mineral Resources or Ore Reserves in accordance with the JORC 2012 Code and it is possible that following evaluation and/or further exploration work the currently reported estimates may materially change and hence will need to be reported afresh under and in accordance with the JORC Code 2012. Nothing has come to the attention of Marquee that causes it to question the accuracy or reliability of the former owner's estimates; but Marquee has not independently validated the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

All historical or foreign resource estimates in this release have been previously reported by former operators of the Werner Lake Project and are not the results of Marquee work programs. There is a significant database of project reports for the Werner Lake Project and the reader is directed to the most recent and relevant reports: AGP Mining Consultants, 2017; NI 43-101 Resource Estimate for Werner Lake Cobalt Project, Werner Lake, Ontario Canada; Wahl, G.H. (SNC), 2002. Werner Lake Project, Canmine Resources Corporation, Geology & Resource Estimation. SNC-Lavalin Engineers and Constructors; Harper, G., 2011, Werner Lake Mineral Belt Properties, Kenora Mining Division, Ontario, Report for Puget, July 2008. Further references are located within the Reference section of this release.



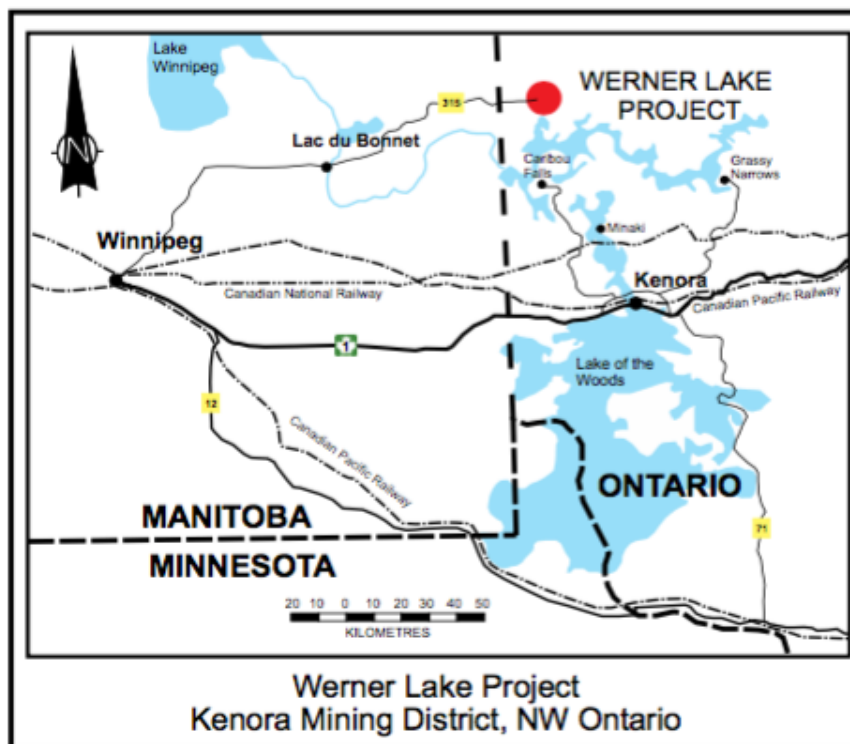
# WERNER LAKE PROJECT

## Location

The Werner Lake property is located in north-western Ontario, within the Kenora Mining District approximately 85 km north-northwest of Kenora, Ontario and approximately 170 km east-northeast of Winnipeg, Manitoba. The Werner Lake mine site area is centered on latitude 50° 28' 11" N and longitude 94° 56' 50" W. The National Topographic System (NTS) map reference to the sheet covering the area is the Umfreville Lake sheet, NTS 52L/07 (1: 50,000 scale). Figure 1-1 shows the location of the Property.

The Property is most easily accessed from Manitoba, following Manitoba provincial roads 313 and 315 from Lac du Bonnet to the Ontario border. East of the Ontario/Manitoba border access continues along an unmaintained dirt road (the "Werner Lake Road") for approximately 20 km to the old mine site. The Werner Lake Road continues to the old Gordon Lake Mine, another 3.5 km to the east.

**Figure 1-1: Property Location Map**



Currently the Werner Lake property consists of 102 Patented Mining claims conveying mineral rights, 6 Patented Mining claims conveying mineral and surface rights and 2 Leaseholds. This group of Patented Mining claims and Leaseholds covers approximately 1,746.4 ha (Figure 1-2). In addition, GEMC also controls Licences of Occupation totaling approximately 356.5 ha that overlap the Patented Mining claims and Leaseholds (Figure 1-3). A summary of the Patented Mining claims, Leaseholds and Licences of Occupation can be found in Table 1-1. Details of the patented Mining claims can be found in Table 1-2, details of the Leaseholds in Table 1-3, and Licences of Occupation in Table 1-4.





## WERNER LAKE PROJECT continued

Figure 1-2: Werner Lake Minesite Area Property Outline

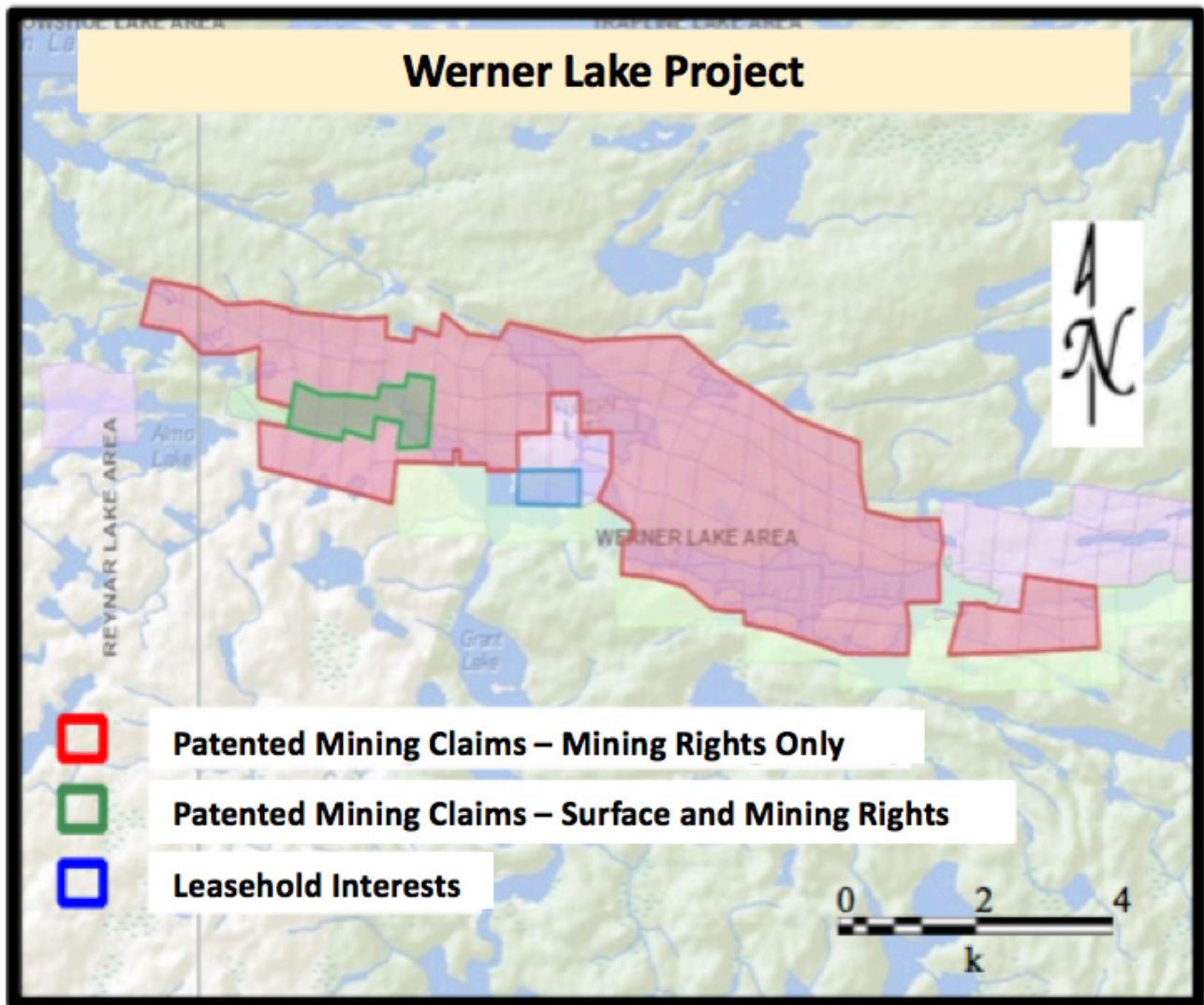


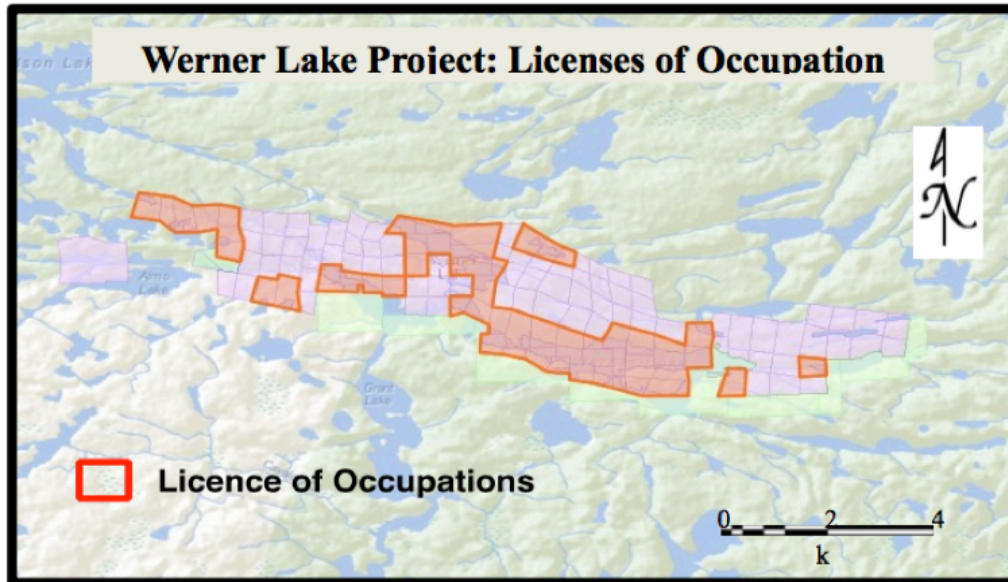
Table 1-1: Summary of Minerals Rights for the Werner Lake Property - Refer Appendix A.

Mineral Rights	No. of Claims/Leases	Area (ha)	Comments
Patented Claims	102	1,631.30	Mining Rights Only
Patented Claims	6	86.5	Surface & Mining Rights
Leaseholds	2	28.57	Mining Rights Only
<b>Total</b>	<b>110</b>	<b>1,746.37</b>	
<b>Licenses of Occupation</b>	<b>10</b>	<b>356.567</b>	Mining Rights Only
<b>Total</b>		<b>356.567</b>	



## WERNER LAKE PROJECT continued

**Figure 1-3: Werner Lake Project – License of Occupation**



### History

Werner Lake has a long and extensive exploration and development history and can best be grouped into three phases:

1. Early discovery, exploration, and production
2. Development and operation from Canmine Resources Corporation
3. Exploration activities from Puget Ventures Ltd.

The following section has relied heavily a previous report by Hughes, T.N.J 2010 and Harper, G. 2011 which was summarised and edited by P. Sarjeant and AGP Mining Consultants Inc (AGP)

#### Early Discovery, Exploration, and Production (1920 – 1944)

The earliest claim staking in the Werner Lake area was undertaken in 1920-1921 when copper- cobalt mineralisation was discovered by prospector Mr. Carleson. Subsequently, a series of test pits, trenches, and a shallow shaft was sunk near the current Werner Lake Cobalt deposit by Kenora Prospectors and Miners Ltd. Government records indicate approximately 70 tons of copper-cobalt ore was shipped to Norwood, Ohio.

The property was then leased to N.B. Davis who operated the mine until it closed in 1944. During this period, a two-compartment shaft was sunk, a 42 ft adit was completed and a 25 ton per day mill was installed. A total of 123,386 lbs of cobalt was shipped between 1940 and 1944. Total mine production was reported at 143,386 lbs of cobalt grading approximately 2.2% cobalt and 0.75 % copper (Hughes 2010a).

Further prospecting in the area was rewarded by additional discoveries including sulphide mineral occurrences carrying nickel and copper near the southeast shores of Gordon Lake which subsequently, was developed to become the Gordon Lake Nickel Deposit. During this period Noranda Mines Ltd trenched and drilled the Gordon Lake property but dropped the ground.



## WERNER LAKE PROJECT continued

The claims were then acquired by Rexora Mining Corporation and optioned to Falconbridge Nickel Mines Ltd. in 1948. The belt was further explored by many companies including Dome Exploration (Canada) Ltd, International Nickel Company of Canada Ltd, Frederick Mining and Development Ltd., Rexora Mining Corporation Ltd. and Torburn Gold Mines Ltd.

In 1952, Quebec Nickel Corporation Ltd. acquired all the ground and began underground exploration and development (Rose, E.R., 1956). In 1955, Quebec Nickel Corporation Ltd merged with Eastern Smelting and Mining Corporation to form Eastern Mining and Smelting Corporation Ltd. In 1958, the name was changed to Nickel Mining and Smelting Corporation Ltd. The company was reorganized twice more to finally form Consolidated Canadian Faraday Ltd in 1967.

In 1962, the Gordon Lake Mine began production and produced 1,370,285 tons grading 0.92% nickel and 0.47% copper, 0.004 ounces per ton platinum and 0.023 ounces per ton palladium. The mine shut down in late 1969.

The mineral resource estimates and reserves described in this section are historical in nature. They are provided here for historical context only. The QP is not treating these historical estimates as current mineral resources or reserves and has not undertaken any independent investigation of the resource estimates; therefore, the resource estimates stated above should not be relied upon.

Numerous other companies undertook exploration activities throughout the Werner Lake Belt including geophysical surveys, mapping, sampling, diamond drilling, and in some cases underground development work.

### Canmine Resources Corporation (1994 – 2001)

The Werner Lake Cobalt Deposit lay relatively dormant from the time of the mine closure in 1944 until Canmine conducted regional exploration work at Werner, Rex, and Bug lakes beginning in 1994. Despite the lack of work at the Werner Lake Cobalt deposit, significant work continued throughout the Werner Lake Belt until the late 1980's.

Canmine's initial efforts included a 1,923 line-kilometre (line-km) helicopter-borne geophysical survey conducted by Aerodat Inc. This work led to more detailed ground geophysical surveying which ultimately resulted in the discovery of the Big Zone Deposit and the Eastern Shallows Deposit.

Between 1995 and 1997, Canmine completed over 75,000 ft (roughly 22,860 m) of diamond drilling at the Werner Lake project. Drilling of previous identified zones of mineralisation resulted in the delineation of Lenses 1 and 2 of the Werner Lake Minesite Deposit and the discovery of Lens 3 of the Werner Lake Minesite Deposit and the West Cobalt Deposit.

Lenses 1 and 2 have since been combined and are now labeled Old Mine Upper Zone and Lens 3 is Old Mine Lower Zone.

In 1998, Quantec Consulting Inc. (Quantec) was contracted to undertake a time domain electromagnetic (TEM) 3-D borehole. Quantec tested two drill holes and located three deep conductors, the sources of which are not known.

All drill core was logged in detail in the field with lithological, structural, mineralogical, and alteration observations recorded on standardized logging sheets. Drill hole collar locations were surveyed and acid tests



## WERNER LAKE PROJECT continued

were taken at regular intervals down-hole. Drill hole Azimuth deviations were not recorded. Drill holes dips ranged from -45o to -75o. Drill core diameter was BQ.

Harper (2011) has concisely summarised the work of Canmine and the following sections have been extracted from his report and were slightly edited by AGP.

Canmine assayed more than 2,000 drill core rock samples for cobalt, copper, gold, and arsenic from the West Cobalt and Werner Lake Old Mine Deposit. Additionally, a total of 646 drill core samples were assayed for cobalt, copper, gold, and arsenic from the Eastern Shallows Deposit drill program. Standard procedures for handling core in the field were used by the diamond drill contractors and the field geologists. Canmine reported the drill core recovery was typically high, with virtually 100% recovery. The infrequent intervals of lost core were noted in the drill logs.

By the end of 1997, a total of 847 ft (approximately 258 m) of underground ramping, drifting, and raising was completed into the West Cobalt Deposit and 10,000 tonnes of mineralized material was extracted.

In 1997, Canmine contracted Lakefield Research Limited (Lakefield) to conduct metallurgical bench test milling and chemical analysis on the Werner Lake mineralized material. A 25-tonne bulk sample was extracted from the Werner Lake Minesite area and shipped to Lakefield for the preparation of two concentrate samples for hydrometallurgical work. The metallurgical and hydrometallurgical test work proved positive and it was recommended that Canmine proceed to pre-feasibility work. Concurrent with this work, Canmine contracted Western Minerals Technology Pty Ltd from Australia to begin preliminary design work on a proprietary "Activox" process plant to treat the pyritic cobalt concentrates. Results of this work indicated 76% cobalt recovery after two hours of "Activox" leaching. The report suggested that with further work and modification, it would be possible to achieve in excess of 90% extraction of the cobalt from the concentrate (Johnson 1997 and Evans et al. 1998). With high-temperature pressure leaching, Lakefield extracted greater than 99% of the cobalt which was then treated to precipitate cobalt carbonate assaying 35% cobalt with little arsenic (0.03%) and other deleterious elements.

In 1999, a Pre-Feasibility Study was contracted to Stoner. The study concluded that full feasibility work on the project was warranted. Canmine began feasibility work, but ran out of funds prior to the studies being completed. In April 2003, Canmine officially announced receivership proceedings (Northern Miner, April 7-13, 2003).

### Puget Ventures Ltd. (2009-2010)

In September 2008, Puget acquired a large land package including the Werner Lake Deposit and West Werner Lake Deposit and other claims and patents within the Werner Lake Belt primarily through a business arrangement with Commerce Capital. A number of unpatented mining claims were acquired through property deals with Benton Resources and others, but those claims were allowed to lapse in recent years. Other unpatented mineral claims acquired through the arrangement with Commerce Capital were also allowed to lapse.

From December 2009 to May 2010 Puget initiated a 7,565.3m drill program with a primary goal to increase known mineralisation and produce a revised resource estimate for the Werner Lake and West Werner Lake cobalt-copper-gold deposits. The drill program comprised NQ diameter holes surveyed at 50 m intervals down hole, typically with readings taken at the bottom of holes and just below the casing. Collars were located by referencing the historic drill holes and the historic mine grid. All drill core was logged by company personnel at the Mustang Minerals core facility west of the Property or at the warehouse facility at site. Drill core was half sawn, one half stored at the Puget warehouse on the Werner Lake property and the other half sent for assay at



## WERNER LAKE PROJECT continued

Accurassay Laboratories Ltd in Thunder Bay Ontario. A total of 1,862 samples, including blanks and standard reference material, were analysed for thirty elements including, ICP, Au, Cu-Ni-Co, and PGM elements.

In July 2011, Puget, through a reverse takeover, became Global Cobalt Corporation. No further work was conducted on the Property by Global Cobalt Corporation since 2010.

### Global Energy Metals Corporation (2016 – present)

In January 2016, GEMC acquired the Werner Lake Project as part of a spin-out transaction from Global Cobalt Corporation. As of the date of this report, GEMC has not completed any on-site physical work on the project. Work efforts to this point have focused on reviewing historic data primarily from the Canmine and Puget activities and completing the most recent NI 43-101 Technical Report.

### Historic Production

Reports of the historical production from the Werner Lake mine are limited. Carlson (1957), reported that in 1932, some 70 tons of cobalt ore contained approximately 20,000 lbs Co. Carlson also reported that during operation between 1940 and 1944, a total of 123,386 lbs Co was shipped from the mine site. The total tonnage was not reported. Carlson also noted that up until 1942, the ore was hand-cobbed when a mill was erected on site. This method of selecting ore makes an accurate account of actual tonnages extracted and milled difficult to determine.

In 1995-1996, Canmine reported in their 1998 Annual Information Circular (AIF), 3,382 tonnes were taken from the former Werner Lake mine site (Old Mine). In 1997, Canmine stated the underground exploration was to include excavating up to 20,000 tonnes of potential ore for testing (AIF, 1998). Canmine reported that by the end of 1997, approximately 10,000 tonnes of cobalt bearing material had been excavated from the West Cobalt deposit via 846 ft (~257.9 m) of ramp development and drifting (AIF, 1998). Canmine does not reference other work completed at Werner Lake, however, one mine plan from November 1988 shows a planned, or possibly developed, second level and a stope. Table 1-5 summarises the available information of historical production at the Werner Lake Deposit.





## WERNER LAKE PROJECT

**Table 1-5: Summary of Historic Production at the Werner Lake Deposit**

Location	Year	Tons and tonnes produced	Co lbs produced	Comments
Old Mine	1932	70 tons (Carlson, 1957)	20,000 (Carlson, 1957)	70 short tons = 64.6 metric tonnes Shaft sunk to about 35 ft (10.7 m) (Carlson, 1957)
Old Mine	1940 - 44	n/a	123,386 (Carlson, 1957)	Ore was hand-cobbed until 1942. (Carlson, 1957) Shaft is 100 ft. (30.5 m). (Thomson, 1950) 2 compartment shaft developed and deepened and a 42 ft. (12.8 m) adit was completed. (ODM, 1945; Parker, 1998)
Old Mine	1940 - 44	2,955 tonnes (AIF, 1988)	n/a	reference to tonnes in AIF 1998 is of unknown origin; no reference cited
Removed from "former Cobalt mine site" Old Mine	1995-96	3,382 tonnes (AIF, 1998) (Harper, 2011)	n/a	reference to tonnes in AIF 1998 is of unknown origin; no reference cited tonnes are reiterated in Harper (2011); no reference cited
West Cobalt	1997	~10,000 tonnes	n/a	UG Development ramp development and drifting Canmine stated they expected underground exploration to include up to 20,000 tonnes of potential ore to be tested (AIF,1998).

### Historic Resource Estimates

Marquee cautions the reader that the historical resources presented in this section are for historical context only. Marquee is not treating the historical estimate as current mineral resources or mineral reserves since key assumptions, parameters, and methods used to prepare the historical estimates are largely unknown. A QP has not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve and more importantly, the mineral resources estimate presented in this section have now been superseded by the current mineral resources estimate.

A number of resource estimates were completed by Canmine Resource during the period 1996-1998 which led the company to carry out detailed engineering studies and resulted in the development of an underground exploration program that focused on the Werner Lake West deposit. The mineralised zones are well defined and supported by diamond drilling and underground development but the resource estimates were not to industry standards at the time thus Marquee is choosing to not release this information. The underlying technical data is deemed reliable and forms the basis for more recent resource estimates.

In April 2002, SNC reported a resource estimate for the Werner Lake project (Wahl 2002) at a 0.1%, 0.15%, and 0.2 %Co cut-off. The 0.15 %Co cut-off is as follow:

- Measured resources total 147,700 tonnes of 0.32% cobalt, 0.26% Copper and 0.007 Oz/t gold
- Indicated resources total 31,500 tonnes of 0.23% cobalt, 0.28% Copper and 0.006 Oz/t gold
- Inferred resources total 100 tonnes of 0.29% cobalt, 0.14% Copper and 0.003Oz/t gold

The resources were estimated using geostatistical methods (Inverse distance squared) within a suite wireframe outlining the mineralisation. The methodology is well described in the SNC report dated 2002 and authored by



## WERNER LAKE PROJECT

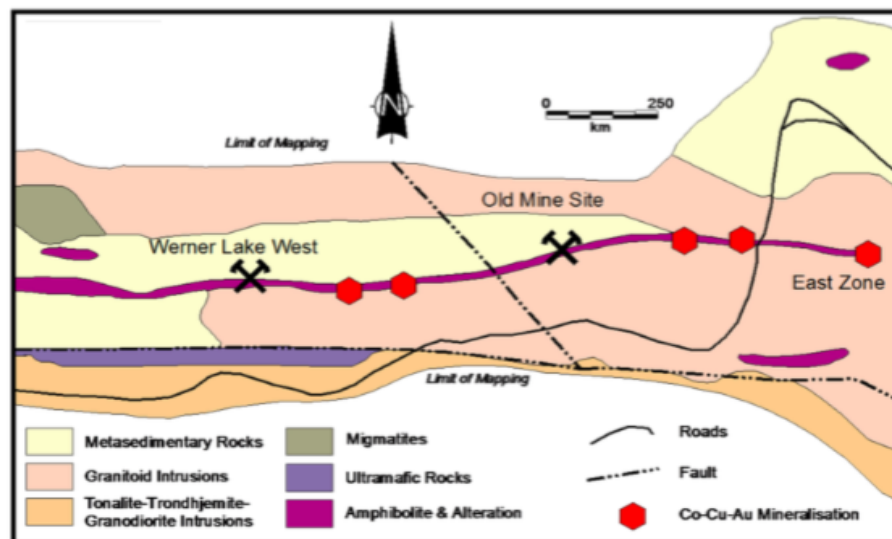
G.Wahl, independent consulting geologist under sub-contract to SNC, however it is not clear if the mined-out areas were removed from the estimate. This report was never published by Canmine as they went into bankruptcy as the report was being completed.

The historic estimate by SNC 2002 has not been reported in accordance to JORC Code 2012 reporting standards and a competent person has not done sufficient work to classify the Mineral Resource or Reserve as a current JORC Code 2012 Mineral Reserve or Resource. Marquee has not independently validated the historic resource estimate and cautions readers that this information should not be relied upon and is only presenting the material to give a full history of the project. Marquee has not independently validated the former owner's estimates and therefore is not to be regarded as reporting, adopting or endorsing those estimates.

### Property Area Geology

The Project area is underlain by a complex sequence of east-west striking, steeply dipping sequences comprised of metasedimentary gneiss, granitic gneiss, mafic to ultramafic rocks, alteration rocks, and massive Co-Cu-Au mineralisation plus granitoid intrusive rocks (Figure 1-4).

**Figure 1-4: Simplified Geology of the Werner Lake Mine Areas (GEMC 2017 – Modified from Parker 1998)**



### Drilling

**Table 1-6: Summary of Drill Holes in Database, Werner Lake Deposit**

Drill Program	Number of Drill Holes	Length (m)
1995-1997	219	21,312.85
2001	13	3,759.76
2009-2010	22	7,565
<b>TOTALS:</b>	<b>266</b>	<b>32,702.91</b>



## WERNER LAKE PROJECT continued

### Canmine Drilling (1995 – 2001)

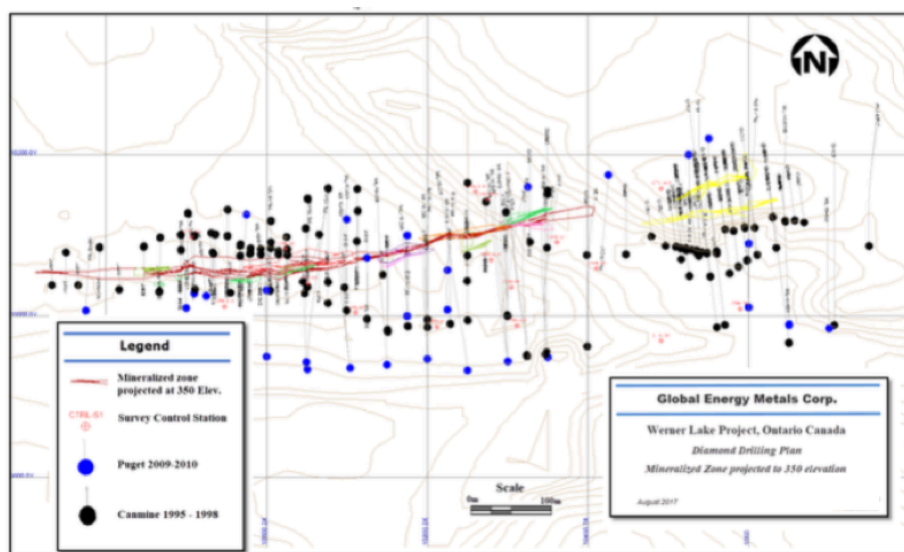
Between 1995 and 1997, Canmine completed a total of 27,984 m of BQ size diamond drilling (217 drill holes). The drilling was carried out by Wynne Drilling based in Bissett, Manitoba. Many of the drill holes were completed on 12.5 m and 25 m spacing at both West Cobalt and Old Mine Zones. Drill holes were spotted on the exploration grid (Wahl, 2002). Figure 1-5 shows the collar locations which include the Canmine 1995-1998 drilling.

Canmine collected core recovery data on three holes (Juan 118, 199 and 120). The average core recovery from these holes was reportedly 98.17%.

### Puget (2009 – 2010)

From December 2009 to May 2010 Puget completed 33, NQ sized diamond drill holes for a total of 7,565 m of core at the Werner Lake and West Werner Lake deposits. The objective of the drill program was to better define and confirm known mineralized zones, expand those zones if possible, discover new mineralized zones, and to provide additional geological information to complete a NI 43-101 compliant mineral resource estimate for the Werner Lake and West Werner Lake Co-Cu-Au deposits

**Figure 1-5: Drill holes Location Map**



## Mineral Resources Estimate

### Introduction

This section discloses the mineral resources for the Werner Lake Cobalt Project, prepared and disclosed in accordance with the CIM Standards and Definitions for Mineral Resources and Mineral Reserves (2014). The QP responsible for all resource estimates is Mr. Paul Daigle, P.Geo., Associate Senior Geologist for AGP. The effective date of this mineral resource is August 18, 2017. The foreign estimate for resources by AGP 2017 are not reported in accordance with JORC Code 2014 as a competent person has not done sufficient work to classify the resource as such. Marquee however believes the data and work by AGP 2017 are timely and material due to the industry standards practices carried out by AGP in producing the report. The AGP 2017 resource classifications meet Canadian Institute of Mining ("CIM") reporting standards and were reported in accordance to the CIM Mineral Resources definitions referred to in the Canadian National Instrument 43-101 (NI 43-101) Standards of Disclosure for mineral Properties. Marquee believes the foreign estimate to be timely and relevant and lists the particulars of the study in JORC Code Table 1 appended hereto.

## **WERNER LAKE PROJECT** continued

The resource estimate has been prepared using interpreted mineralized veins (domains). A cut-off grade of 0.25%Co was selected for reporting the mineral resources based on a cobalt price of \$14.90 and metal recovery of 85%. AGP considers a 0.25 %Co cut-off grade to be reasonable for this deposit. The mining method presumed for this deposit is an underground scenario, therefore a constraining shell was not applied to mineral resources. Table 1-7 presents the mineral resources for the Werner Lake deposit.

**Table 1-7: Mineral Resource Summary for the Werner Lake Deposit at a 0.25 %Co cut-off**

Classification	Co Cut-off (%)	Tonnage ('000t)	Co (%)	Cu (%)	Contained Co ('000 lbs)
Indicated	0.25	57.9	0.51	0.25	653
Indicated	0.25	6.3	0.48	0.14	67

**Notes:**

Block model was estimated by ID cubed interpolation method

Average density of mineralized rock is calculated based on %Co + % Cu relation Mined out areas are excluded from the Mineral Resources

Tonnage and average grade numbers are rounded; summation errors may occur

### Cut-off Grade Sensitivity

Table 1-8 below shows the deposit sensitivity to a range of %Co cut-off grades for all mineralized veins in the Werner Lake Deposit.

**Table 1-8: Indicated Mineral Resources for the Werner Lake Deposit**

Co Cut-off (%)	Tonnage ('000 lbs)	Co (%)	Cu (%)	As (%)	Au (%)	Contained Co ('000 lbs)
0.35	29.1	0.72	0.24	0.41	0.26	461
0.3	45.0	0.58	0.24	0.32	0.22	574
0.25	57.9	0.51	0.25	0.27	0.22	653
0.20	79.4	0.43	0.25	0.21	0.21	759

**Note:**

Tonnage and average grade numbers are rounded Mined-out areas are excluded from the Mineral Resources

### Adjacent Properties

Historically, the Werner Lake Belt has seen significant exploration and development work over the years from the initial discovery of copper, nickel, cobalt, and PGM's. It can be constructive to research adjacent projects as geology and mineralisation may be indicative of that of the subject property. It should be noted, that none of the following properties form part of the GEMC holdings.

In reading the text below, Marquee cautions the reader that AGP has not been able to confirm the historical estimates stated below can be relied on and the QPs have not done sufficient work to classify the historical estimate as current mineral resources or reserves.



## WERNER LAKE PROJECT continued

AGP is not treating the historical estimate as current mineral resources or mineral reserves. Key assumptions, parameters, and methods used to prepare the historical estimates are not known. The QPs have not done sufficient work to classify the historical estimate as a mineral resource or mineral reserve. Additional drilling and testing is required to determine a current classification as a mineral resource or mineral reserve. AGP is not treating the historical information as a current mineral resource or mineral reserve and the reader is cautioned to not rely upon this data.

AGP would also like to add that the production figures in adjacent properties are not indicative of the possible future production at the Werner Lake project since the deposits are not geologically comparable.

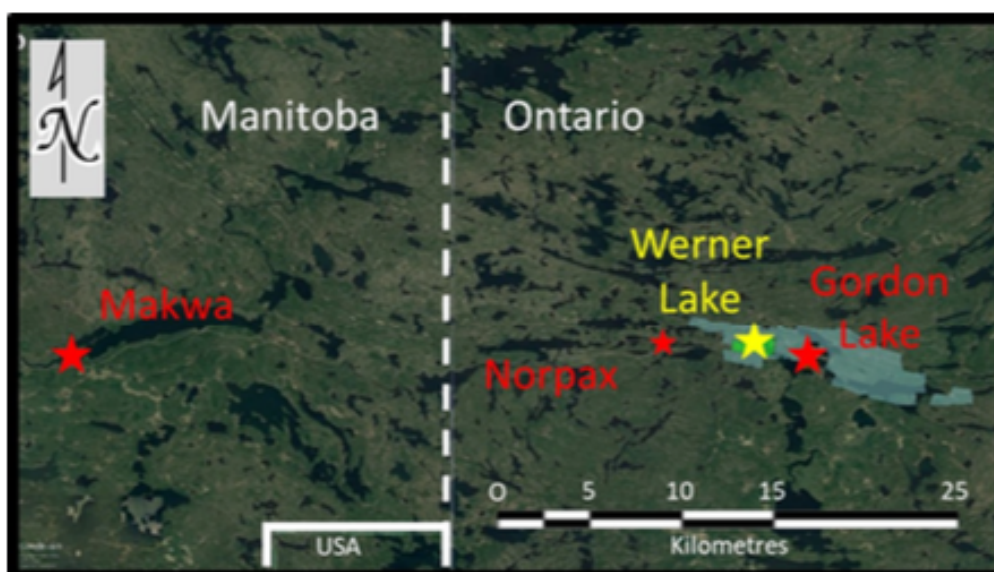
### Gordon Lake Mine

The Gordon Lake Mine property is completely surrounded by the Werner Lake Property (Figure 1-6). Nickel-copper mineralisation in ultramafic rocks was first discovered in 1942 and was explored for a number of years by various groups. In 1954, the Quebec Nickel Corporation Ltd acquired the project and began underground development of the deposit. Over the following eight years, the company was reorganized a number of times under the name Consolidated Canadian Faraday Ltd. The Gordon Lake Mine commenced production in 1962 and over the life of the mine produced 1,370,285 tons of ore averaging 0.92 %Ni, 0.47 %Co, 0.004 ounces per ton Pt and 0.023 ounces per ton Pd. The mine shut down in 1969, though the mill continued to process ore until 1972 when all operations ceased. Two types of sulphide mineralisation were mined:

- disseminated copper-nickel sulphides in ultramafic bodies
- breccia sulphides in “amphibolite” (Scoates 1972)

The site was reactivated in the 1970’s when Makwa Nickel Chrome Mines (Falconbridge subsidiary) utilised the mill to process nickel-copper ore from their Dumbarton and Makwa deposits further west within the Werner Lake Belt, just inside the Manitoba border.

**Figure 1-6: Adjacent Properties within or near the Werner Lake Geological Belt**







## WERNER LAKE PROJECT continued

### Makwa Deposit

The Makwa deposit in Manitoba (Figure 1-6), now under ownership of Mustang Minerals Corporation (now called the Makwa Nickel Property), was mined by Falconbridge in the mid- 1970's. Mustang completed additional diamond drilling and outlined a larger open pit deposit. The deposit is located within serpentinized ultramafic rocks which grade upwards into gabbro in a vertically dipping limb of a differentiated sill. According to a press release dated April 8 2014, Mustang reported the following resource estimate (Table 1-9) updated by RPA Inc.:

**Table 1-9: Mineral Resources for the Makwa Deposit at an NSR Cut-off Value of C\$20.64/t (RPA, 2014)**

Classification	Tonnage ('000 t)	Ni (%)	Cu (%)	Pt (gpt)	Pd (gpt)	Po (%)
Indicated	7.2	0.61	0.13	0.1	0.36	0.01
Indicated	0.7	0.27	0.08	0.05	0.14	0.02

### Norpax Deposit

Nearer to the Werner Lake Property, there are a number of smaller showings that have seen various levels of exploration and/or development work. The most significant of these is the Norpax Deposit which is located immediately west of the west end of the Property (Figure 1-6). Norpax was discovered in 1953 and the project saw extensive diamond drilling and underground exploration and development. In 1958, a four hundred foot, three-compartment vertical shaft was completed. Drifting into mineralisation was carried out on the 250 ft and 375 ft levels. According to Canadian Mines Handbook (1963), Norpax Nickel Mines reported 1,010,000 tons of probable resource grading 1.2 %Ni and 0.5 %Cu.



## WERNER LAKE EAST/WEST PROJECT

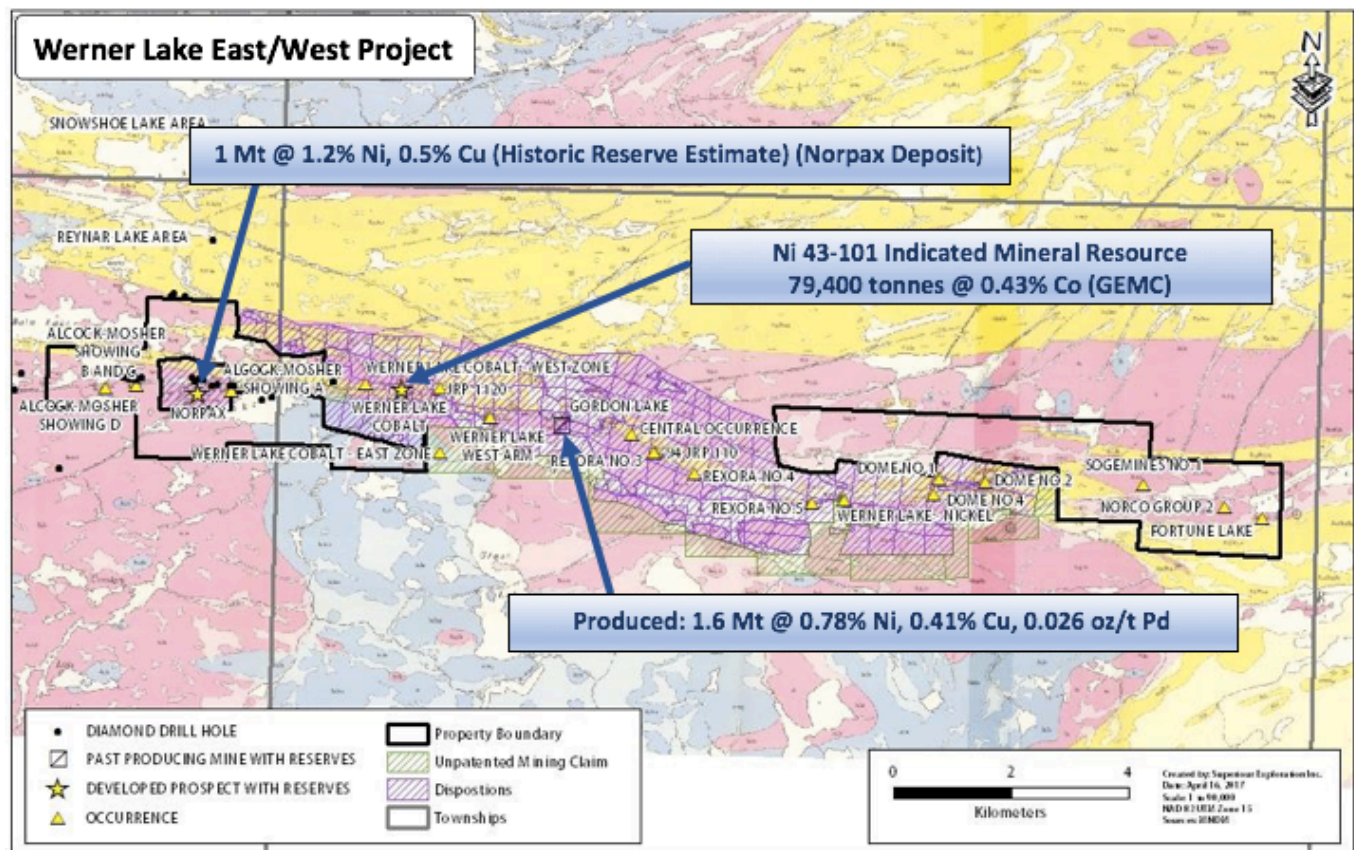
### The Project

The Werner Lake property is located in north-western Ontario, within the Kenora Mining District approximately 85 km north-northwest of Kenora, Ontario and approximately 170 km east-northeast of Winnipeg, Manitoba. This project abuts the Werner Lake GEMC project.

The project is approximately 18.4 sq Km consisting of the 7.8 sq Km West block and the 10.6 sq Km East Block.

The acquisition of the Werner Lake East/West Project allows Marquee to unify the Werner Lake area and further explore for high grade Cobalt occurrences.

**Figure 2-1: Adjoints past producing Cu-Ni-PGE + Cobalt Mine**



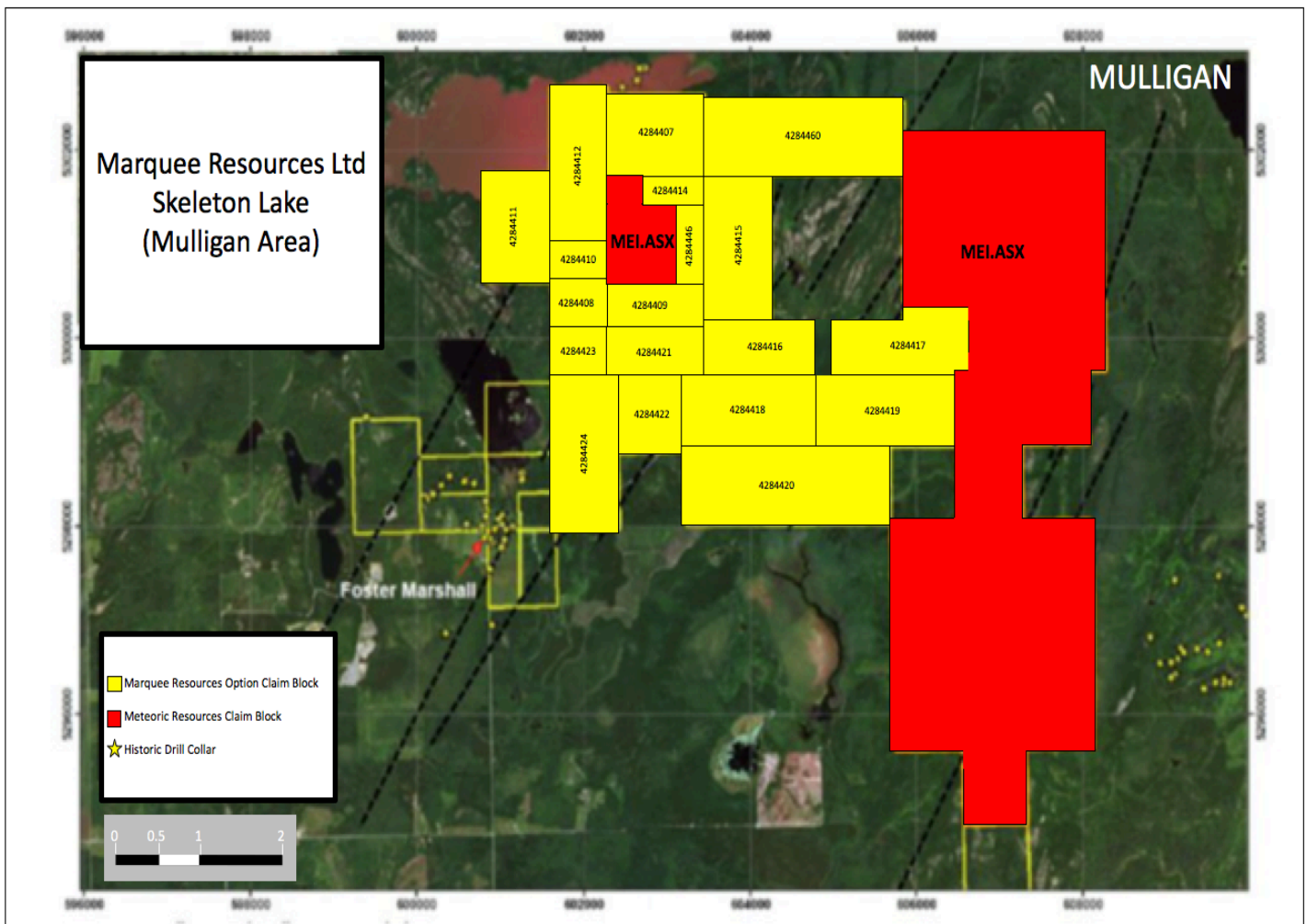
Note: The historic reserve estimate for the Norpax Deposit is drawn from data published in the Canadian Mines handbook (1963). Marquee is not aware of the assumptions underlying this estimate and, therefore, cannot comment on their reliability or relevance. This estimate does not meet JORC reporting standards. Marquee is not aware of any updates to the estimate, and is not aware of any further work undertaken on the deposit since the estimate was reported.

## SKELETON LAKE PROJECT

### Location

The Skeleton Lake property is located in Northern Ontario, Canada, approximately 470 km northwest of Ottawa, 55 km north of the town of Cobalt.

**Figure 3-1: Skeleton Lake (Mulligan Area) Location Map**



### Regional Geology

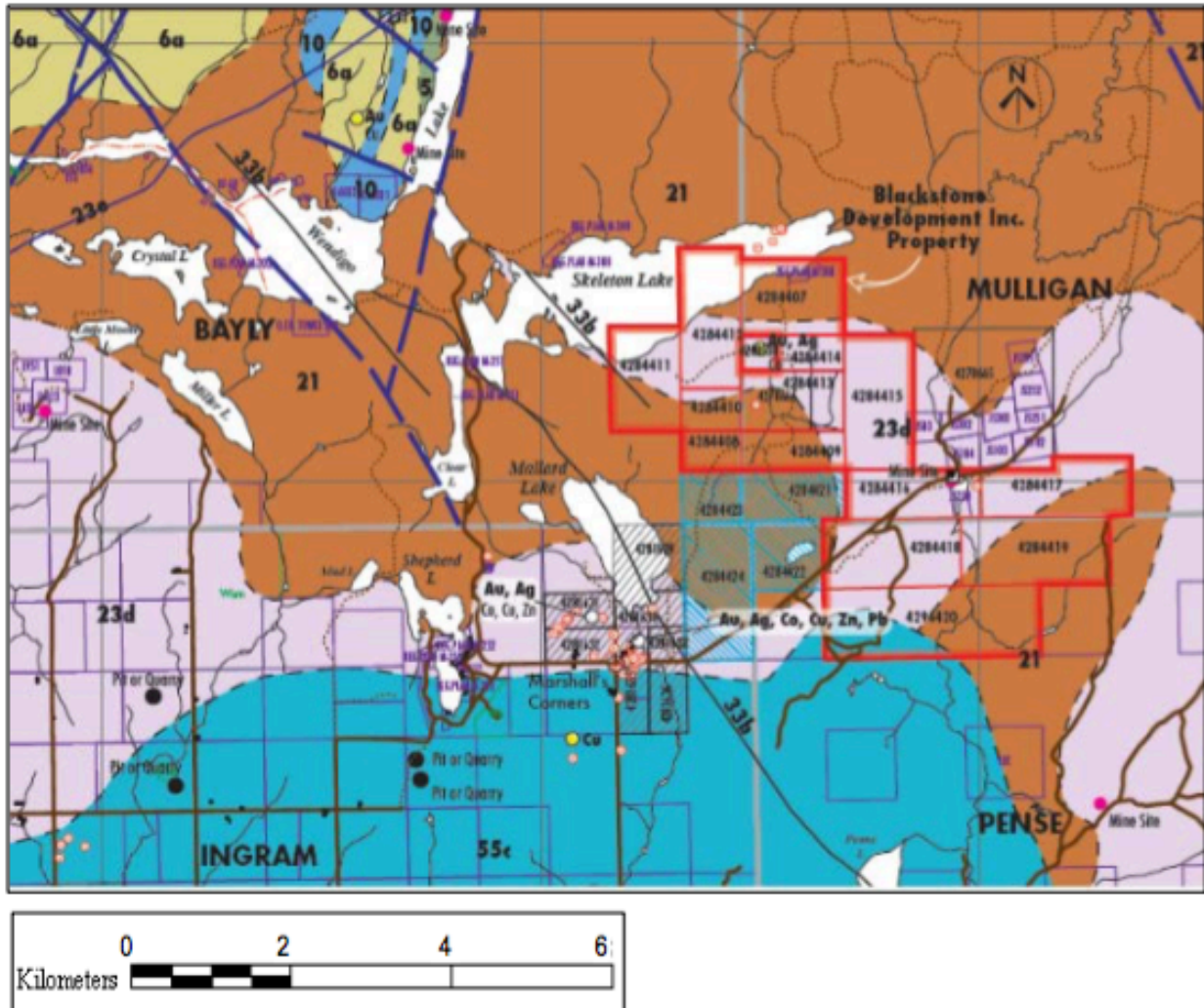
Regional geology consists of Nipissing Diabase covering most of the occurrence. Outcrops of conglomerate, greywacke and argillites of the Cobalt Group outcrop North and South of the occurrence. The general geology of the Mulligan cobalt occurrence and surrounding area is shown. The area of the map showing the Au-Ag-Co southeast of Skeleton Lake is the Mulligan Cobalt occurrence.





## SKELETON LAKE PROJECT continued

Figure 3-2: Geological Setting





## SKELETON LAKE PROJECT continued

**Table 3-1: Staked Claims**

Claim Number	Claim ID Number	No. of 16 Ha Units in Claim	Staking Description	Staking Date
1	4284407	6	Mulligan Twp.	04/15/17
2	4284408	2	Bayly Twp.	04/23/17
3	4284409	3	Mulligan Twp.	04/23/17
4	4284410	2	Bayly Twp.	04/14/17
5	4284411	6	Bayly Twp.	04/14/17
6	4284412	8	Bayly Twp.	04/14/17
7	4284414	2	Mulligan Twp.	04/15/17
8	4284415	8	Mulligan Twp.	04/22/17
9	4284416	8	Mulligan Twp.	04/27/17
10	4284417	9	Mulligan Twp.	04/25/17
11	4284418	8	Pense Twp.	04/26/17
12	4284419	8	Pense Twp.	04/26/17
13	4284420	12	Pense Twp.	04/27/17

### **Mineralisation**

Previous fieldwork on the Mulligan cobalt occurrence is limited.

For further information please contact:

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 Managing Director  
 Marquee Resources Limited  
[info@marqueeresources.com.au](mailto:info@marqueeresources.com.au)

The information in this announcement that relates to the historical exploration results on the Werner Lake Project is based on information compiled and fairly represented by Mr. Paul Sarjeant, P.Geo., who is a member in good standing of the Association of Professional Geoscientists of Ontario. Mr. Sarjeant, P.Geo., is a consulting geologist for Doublewood Consulting Inc. with over 30 years of experience. Mr. Sarjeant, P.Geo., has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of exploration results, Mineral Resources and Ore Reserves. Mr. Sarjeant, P.Geo., provides his consent to the inclusion in this report of the matter based on this information in the form and context in which it appears. M. Sarjeant considers that the information included in this market announcement relating to the Werner Lake Project is an accurate representation of the available data and studies for the Werner Lake Project. No additional work has been completed on the Werner Lake Project since the release of the AGP Resource Estimate (September 2017).



## References

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# JORC Code, 2012 Edition - Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>• Mineralised zones at the Werner Lake project were sampled using diamond drill techniques and holes had a nominal spacing of 12.5 to 50 metres along strike and 25 to 150 m down dip within the historic resource area.</li> <li>• Canmine Resources submitted more than 2,000 drill core rock samples for cobalt, copper, gold and arsenic to TSL Labs for analysis. TSL Labs was a certified laboratory (ISO Standard 17025 at the time the work was performed). Individual check assays or re-assays were done on an as needed basis to verify results between visual estimates made during drill core logging and assay results from sample splits.</li> <li>• Puget Ventures submitted a total of 1,862 for analysis to Accurassay Laboratories in Thunder Bay Ontario. Standards and blanks were inserted every 20 samples for quality control and duplicates were also analysed for quality control. Samples were analysed for thirty element ICP analysis plus Au, Cu-, Cu-Co and platinum group elements. Drill holes were spaced from 25m to +100m depending on the target of the drill hole during the Puget program.</li> <li>• AGP reviewed and vetted all analytical related data and approved for inclusion in the NI 43-101 Resource Report titled Global Energy Metals Corp., NI 43-101 Resource Estimate for Werner Lake Cobalt Project, AGP Mining Consultants, September 6, 2017.</li> </ul>
Drilling	<ul style="list-style-type: none"> <li>• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter,</li> </ul>	<ul style="list-style-type: none"> <li>• Canmine Resources drilled a total of 217 diamond drill holes totalling 27,895 metres of BQ sized core at the Werner Lake project between</li> </ul>

techniques	triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	<p>1995 and 1997. They utilised a hexagonal core barrel to minimise deviations in the hole. As most holes were shallow, multi-shot downhole surveys were deemed unwarranted. Acid tests were taken at regular intervals downhole to measure changes in dip; which were small and predictable. Drill logs indicate near 100% recovery from these drill holes.</p> <ul style="list-style-type: none"> <li>• Puget Ventures Inc. completed 33 holes, 7,565 metres diamond drill program from December 2009 to May 2010 using NQ diameter holes. Holes were surveyed at 50 m intervals downhole using a single shot reflex surveying tool. Readings were taken at the hole collar and bottom of the drill holes. Hole depths ranged from 69m to 499m.</li> <li>• AGP reviewed and vetted all drill and analytical related data and approved for inclusion in the NI 43-101 Resource Report titled Global Energy Metals Corp., NI 43-101 Resource Estimate for Werner Lake Cobalt Project, AGP Mining Consultants, September 6, 2017.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>• All drill core was recovered, placed into wooden core tray boxes and then logged by geologists at a core facility with all necessary equipment.</li> <li>• Recovery was generally in excess of 95% and typically was in the 99% range due to the nature of the host rock and mineralised material. No geotechnical data was recorded during the Canmine drill programme.</li> <li>• No relationship was qualitatively noted between sample recovery and grade. The consistency of the mineralised intervals suggests sample bias due to material gain or loss is not an issue.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> </ul>	<ul style="list-style-type: none"> <li>• All drill holes were logged in detail by the operator at the time of drilling including lithology, alteration, structure, mineralisation and any other characteristics deemed important by geological staff. Details of geology are recorded in detail on paper logs and assay results have been correlated to the downhole geology in digital format to facilitate digital processing and storage.</li> </ul>

	<ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Core boxes were labelled with aluminium tags to permanently record the hole number, core box number and downhole depth.</li> <li>Core from the Puget Ventures drill program is currently stored in a warehouse near the project site.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>All diamond drill samples were based on geological interpretation and at the discretion of the logging geologist. Canmine sample length varied from 0.04 to 3.73 m with 2,615 samples with a length of 1.0m.</li> <li>Puget Ventures samples generally were no less than a minimum of 0.25 m within mineralised zones to a maximum of 2.5 m length.</li> <li>Canmine drill core was split using either a mechanical core splitter or diamond saw. Core was halved with one section being bagged, labelled and ship to a local qualified laboratory for analysis.</li> <li>Core processed by Puget Ventures was half sawn using an electrical diamond blade core cutter, bagged, labelled and shipped to the Accurassay Laboratories.</li> <li>Sample sizes are considered appropriate and correctly represent the mineralisation based on the style of mineralisation, width and consistency of intersections, the sampling methodology and the assay ranges for the various elements of interest.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>TSL conducted all sample preparation for Canmine. Sample preparation methods varied over the three-year exploration program. Sample preparation consisted of crushing the entire sample to 70% passing -10 Mesh during August 1995 to October 1997 drill programmes. From 1995 to 1996, TSL riffled and split a 250 g sample that was pulverised to 90% passing 100 Mesh. From 1997 onward, TSL riffled and split approximately 250 g which was pulverised to 90% passing 150 Mesh. Cobalt, copper, and arsenic sample procedures used by TSL included a 0.5 g sample being digested with 20 ml HCl/HNO<sub>3</sub> acids and then re-dissolved with 20% 3:1 HCl/HNO<sub>3</sub> acid. If assays were over 5,000 ppm, then 0.5 g were digesting in 100 ml flask and the</li> </ul>

		<p>solution was then analysed by Atomic Absorption Spectrophotometry (AAS). Two fire assay procedures were used to assay for gold. These consisted of a fire assay/atomic absorption analysis and a fire assay/gravimetric analysis for assays greater than 1,000 ppb Au.</p> <ul style="list-style-type: none"> <li>• Puget Ventures assay work was also performed by a registered laboratory and is considered in accordance with industry standards at the time the work was completed.</li> <li>• Sample preparation consisted of crushing the samples to a minimum of 85% passing 10 mesh, a 500-g split was pulverized to 90% passing 200 mesh (procedure APL1). Platinum metals (Pt and Pd) and gold were analyzed using procedure code APLPG1, which is a fire assay with atomic absorption spectrophotometry (AAS) finish on 30 g sub-sample. Samples were also analyzed for a suite of 30 elements using a multi-acid digestion (HNO<sub>3</sub>, HCl, HF, HClO<sub>4</sub>) with inductively coupled plasma atomic emission spectroscopy (ICP-OES) finish, procedure code ALMA1.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• The verification of significant intersections by either independent or alternative company personnel.</li> <li>• The use of twinned holes.</li> <li>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>• Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>• Due to the lack of QA/QC samples during the Canmine drill program, SNC proposed a series of drill core pulps and rejects were to be selected from mineralized intervals with the deposit to confirm the validity of the reported assay values for cobalt, copper, and arsenic.</li> <li>• At ALS Chemex, the samples were crushed to 65% passing 10 mesh. A 250 g sub-sample was pulverized to 90% passing 100 mesh using a chrome steel ring mill. Gold assay was performed using a 30-g aliquot and analysed by fire assay and atomic absorption finish (FA-AA). Copper, cobalt, and arsenic was tested using a 4-acid digestion (HF-HNO<sub>3</sub>-HClO<sub>4</sub>-HCL) and AAS.</li> <li>• The results of the study suggest that the aqua regia assay method from TSL under reported the by an average of 5% throughout the various grade ranges. A similar bias in copper is also reported.</li> <li>• During the Puget Ventures drill program Accurassay also inserted their own blanks into the sample string as a secondary check.</li> </ul>



		<ul style="list-style-type: none"> <li>During the Puget Ventures 2009-2010 drill program, drill holes WL-10-18 (sample 834721) and WL-10-26 (sample 835202) blanks indicated anomalous copper and nickel were present. Back checking suggested that Standard CDN-ME-10 was inserted instead of the prescribed blank.</li> <li>AGP reviewed and vetted all analytical related data and approved for inclusion in the NI 43-101 Resource Report titled Global Energy Metals Corp., NI 43-101 Resource Estimate for Werner Lake Cobalt Project, AGP Mining Consultants, September 6, 2017.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>Canmine diamond drill holes were surveyed using total stations and control points are well marked throughout the project area with rebar implanted in outcrops featuring a welded steel plate with station number.</li> <li>A local mine grid was established by Canmine with a point of origin being 10,000 E and 7,700 N with corresponds to 357,533.3 mE and 5,592,526.5 mN in the UTM NAD83 coordinate system.</li> <li>Puget Ventures drill holes were chained from existing reference markers such as historical holes or control stations.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>Within the historic resource areas at Werner Lake diamond drill holes and had a nominal spacing of 12.5 to 50 m metres along strike and 25 to 50 m down dip.</li> <li>Drilling by Puget Ventures was more widely spaced, nominally 50 to 100 m along strike with larger gaps down dip when drilling for projected targets at depth.</li> <li>AGP (2017) determined the data spacing is sufficient to allow the grade intersections to be modelled into coherent wireframes for each defined domains.</li> <li>Based on the work by AGP (2017), mineralised domains have demonstrated sufficient continuity in both geological and grade to support the definition of Indicated and Inferred Mineral Resources under the CIM definitions.</li> </ul>

		<ul style="list-style-type: none"> <li>AGP (2017) Wireframes measuring less than 1.5 m horizontally at the drill hole intercepts were expanded to approach 1.5 m minimum mining width. Seventeen distinct wireframes were modelled by AGP to complete the NI 43-101 Resource Report for Global Energy Metals Corp.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>Drill holes by all operators were drilled between -45° to -75° and were located so as to cut the sub-vertical mineralised zones as close to perpendicular as possible based on knowledge of the zones at the time of drilling. Due to the nature of the host rocks and mineralised zones, there is no sample bias recorded in the sampling procedure or subsequent analysis.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>No information regarding security of samples from the Canmine drill campaigns is available.</li> <li>Puget Ventures samples were logged, sampled, bagged and shipped by company personnel under the supervision of the project geologist. Samples were transported but the company to the assay laboratory using a commercial, bonded shipment company.</li> <li>AGP (2017) has reviewed the analytical results and have deemed them appropriate for use in the NI 43-101 Resource Report.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>SNC Lavelin carried out extensive database validation in 2002 as part of the resource calculations completed for Canmine Resources that are viewed as historical and have been superseded by the AGP (2017) Resource Report.</li> <li>AGP Mining Consultants Inc. completed additional database validation work during their efforts to produce an updated Ni 43-101 Mineral Resource Estimate that meets Canadian CIM reporting standards.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Global Energy Metals controls 100% interest in the Werner Lake project which consists of 102 patented mining claims with mining rights only, 6 patented claims with surface and mining rights, 2 Leaseholds with mining rights that cover approximately 1,746 hectares. There are also 10 Licenses of Occupation that cover approximately 356 hectares over water.</li> <li>There are no annual work requirements and the ground is subject to approximately \$8,500 in taxes due each year.</li> <li>Pursuant to an agreement between Puget Venures and Commerce Capital, Commerce Capital was granted a 2% NSR on the subject property. Puget (now Global Energy Metals) retains the right to purchase 50% of the NSR for one-time payment of \$2 million.</li> <li>The Ministry on Mines completed several inspections and recommended actions to meet the requirements of the Mine Rehabilitation Code of Ontario. These actions are currently in process.</li> <li>There are no other impediments to ongoing work at the project.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The project area has seen considerable exploration since its initial discovery in the 1920's. The site was originally mined in the 1940's and a total of 143,386 lbs of cobalt were reportedly shipped for the Minesite Deposit.</li> <li>Canmine Resources carried out the most extensive exploration/development efforts on the project completing 1,923 line-kilometres of helicopter-borne geophysical surveying and extensive ground geophysics. Between 1995 and 1997 Canmine completed over 75,000 ft of diamond drilling delineating the Minesite Deposit and the West Cobalt Deposit. Several companies completed resource</li> </ul>

		<p>estimations for Canmine and work resulted in underground development of approximately 847 ft of ramping, drifting and raising into the West Cobalt Deposit. A 25-tonne bulk sample was extracted in 1997 and sent to Lakefield Research for bench test milling and chemical analysis. Test work proved positive and it was recommended that Canmine move to pre-feasibility work. Pre-feasibility work was contracted to Stoner Consulting. SNC Lavelin completed an unpublished resource estimate in 2001 prior to Canmine declaring bankruptcy.</p> <ul style="list-style-type: none"> <li>• Puget Ventures completed an additional 7,565 metres of diamond drilling in 2009-2010 in addition to surface mapping and other work.</li> <li>• Global Energy Metals completed a NI 43-101 resource report in 2017 that meets CIM reporting standards for resource estimates. All previous work has been included in this work and documents or gives reference to all previous work completed at the project.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>• Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>• The Werner Lake Geologic Belt is part of the Archean English River Sub province of the Superior Geological Province in Ontario. The area is underlain by metasedimentary migmatites intruded by syn- to late-tectonic felsic intrusive rocks.</li> <li>• On the Werner Lake property, high-grade cobalt mineralisation occurs in stacked lenses that occupy tensional areas intruded by gabbroic pegmatites to produce skarnoid assemblages. These tensional areas occur as sigmoidal folds in larger drag folds and in tensional fractures on the east side of major block faults. They occur in rare swarms over a distance of approximately 10 kilometres, extending from the Eastern Shallows Cobalt Deposit on the east side of Gordon Lake to the West Cobalt Deposit 500 metres west of the Werner Lake Minesite. Individual pegmatite dykelets are tens of centimetres wide and unusually up to five metres wide. They are discontinuous, rootless, pinch-and-swell features, with individual boudins approximately 25</li> </ul>

		metres in length. Chalcopyrite, pyrite, pyrrhotite and cobaltite are hosted by biotite-amphibole-garnet gneiss.																				
Drill hole Information	<ul style="list-style-type: none"><li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:<ul style="list-style-type: none"><li>○ easting and northing of the drill hole collar</li><li>○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li><li>○ dip and azimuth of the hole</li><li>○ down hole length and interception depth</li><li>○ hole length.</li></ul></li><li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li></ul>	<ul style="list-style-type: none"><li>• Significant work has been completed on the Werner Lake project over the past 90 years. The reader is directed to the Global Energy Metals press release dated September 6, 2017 for a summary and link to the latest NI 43-101 Resource Report. This report compiles much of the previous work and uses CIM reporting standards to file the first NI 43-101 report for the project. There is significant data available in the public domain for interested readers.</li><li>• NI 43-101 Resource Estimate for Werner lake Cobalt Project, Werner Lake, Ontario Canada. AGP Mining Consultants Inc. September 6, 2017.</li><li>• Table of Selected Drill Intercepts from Puget Venture 2009-2010 drill program- see Appendix A.</li></ul>																				
Data aggregation methods	<ul style="list-style-type: none"><li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li><li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li><li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li></ul>	<ul style="list-style-type: none"><li>• AGP 2017 analysed capping effects in the NI 43-101 Resource report and submitted the following:</li><li>• A capping analysis in the form of decile analysis, degradation/disintegration analysis, histogram, and log-probability plots was used to assess the sample populations within the Old Mine and West Cobalt mineralized zones for high grade outliers for all metal grades. Table 14-5 shows the capping levels for all metals by zone.</li></ul> <table><tr><th colspan="5">Table 14-5: Capping Levels by Zone for all Metals</th></tr><tr><th></th><th>Co (%)</th><th>Cu (%)</th><th>As (%)</th><th>Au (gpt)</th></tr><tr><td>Old Mine Zone</td><td>6.76 (4)</td><td>1.10 (5)</td><td>5.60 (4)</td><td>4.423 (1)</td></tr><tr><td>West Cobalt Zone</td><td>4.90 (3)</td><td>4.48 (6)</td><td>3.90 (4)</td><td>4.937 (4)</td></tr></table> <ul style="list-style-type: none"><li>• Note: ( ) = number of values affected</li></ul>	Table 14-5: Capping Levels by Zone for all Metals						Co (%)	Cu (%)	As (%)	Au (gpt)	Old Mine Zone	6.76 (4)	1.10 (5)	5.60 (4)	4.423 (1)	West Cobalt Zone	4.90 (3)	4.48 (6)	3.90 (4)	4.937 (4)
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Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration results are not being reported in this release.</li> <li>• Historical diamond drilling was oriented in such a manner as to intersect the mineralised horizon as close as possible to perpendicular along strike. Mineralisation dips sub-vertically and so drill intercepts have been adjusted to true widths when completing the resource estimate. A minimum mining width of 1.5 m horizontal has been taken for all resource blocks.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>• Typical drill section as reported in the AGP 2017 Resource Report – see Appendix A.</li> <li>• Wire frame model diagram for the AGP 2017 Resource Report is included in Appendix A.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>• Exploration results are not being reported in this release.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant work has been completed on the Werner Lake project over the past 90 years. The reader is directed to the Global Energy Metals press release dated September 6, 2017 for a summary and link to the latest NI 43-101 Resource Report. This report compiles much of the previous work and uses CIM reporting standards to file the first NI 43-101 report for the project. There is significant data available in the public domain for interested readers.</li> <li>• NI 43-101 Resource Estimate for Werner Lake Cobalt Project, Werner Lake, Ontario Canada. AGP Mining Consultants Inc. September 6, 2017.</li> <li>• Results from the Lakefield Research tests were used as a basis of potential recovery of metals for the Resource Report published by AGP (2017)</li> <li>• Metallurgical test work on a flotation concentrate sample from the Werner Lake deposit was carried out in 1997 at Lakefield Research (now SGS Canada Inc.) in Lakefield Ontario. The sample as received,</li> </ul>

		<p>graded 7.21 %Co, 3.19 %Cu, 2.01 %As, 27.5 %Fe, and 38.6 %S; and was subjected to a program of leach testing to determine if upgrading of the concentrate could be achieved.</p> <ul style="list-style-type: none"> <li>• High pressure leach tests, in acid and alkaline media, using a 2L batch autoclave were carried out. The optimal results of greater than 99% cobalt and copper extraction were achieved under acidic conditions at 223°C with 100 psi oxygen overpressure, and two hours residence time. At the same time, 90% of the iron and 85% of the arsenic remained in the residue.</li> <li>• Neutralization and precipitation tests were carried on the pregnant solution from the autoclave tests. A straightforward flowsheet was developed consisting of lime precipitation to remove iron and arsenic, followed by solvent extraction to recover copper as a separate stream, and then sodium carbonate precipitation to produce a cobalt carbonate product. Stage recovery of cobalt was calculated at 99.8% to a precipitate grading 34.8 %Co, 0.01 %Cu, and 0.006 %As. Both the pressure leaching and lime precipitation waste residues were tested using the USEPA TCLP procedure and were determined to be non-hazardous.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>• Additional diamond drilling work has been recommended and a definitive plan of action will be accessed after the completion of a comprehensive compilation process has been completed.</li> <li>• AGP has also recommended additional metallurgical work and underground sampling if the historic workings can be opened.</li> </ul>

## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>AGP Mining Consultants undertook detailed efforts to combine historic databases and have cross checked to the extent possible for duplicates, errors and omissions prior to reporting the resource estimate for the Werner Lake Project.</li> <li>Data was compiled from data analyses and assay certificates and those assay results without assay certificates have been documented. The database consists of 266 diamond drill holes for a total of 32,702 m of core. Of this dataset, 254 drill holes were used in the resource estimate.</li> </ul>
Site visits	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>AGP Mining Consultant Pierre Desautels, P. Geo. visited the site on April 20 &amp; 21, 2010 accompanied by Puget Venture management and geological staff. No work has been carried out at the site since 2010 and so no additional site visit was required to complete the resource estimate.</li> </ul>
Geological interpretation	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>Geological interpretation of the mineralisation is through direct observation by geological logging of core and assay grade cutoff. Classification of resource categories meets Canadian Institute of Mining (CIM) Standards Definitions.</li> <li>Drill holes information, and any surface where available was used in the resource model development and resource classification.</li> <li>Geological is well constrained based on both geological observation and assay grade cutoff. Structural complexity of the mineralisation could lead to varying interpretation.</li> </ul>
Dimensions	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below</li> </ul>	<ul style="list-style-type: none"> <li>Old Mine Site mineralisation is identified over a strike length of approximately 200 m and has been drilled to an approximate maximum</li> </ul>

	surface to the upper and lower limits of the Mineral Resource.	depth of 400 m. At West Cobalt mineralisation has been drilled over a strike length of 800 m and various domains have been drilled to approximately 300 m depth. Zone
Estimation and modelling techniques	<ul style="list-style-type: none"> <li>• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</li> <li>• The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</li> <li>• The assumptions made regarding recovery of by-products.</li> <li>• Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</li> <li>• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</li> <li>• Any assumptions behind modelling of selective mining units.</li> <li>• Any assumptions about correlation between variables.</li> <li>• Description of how the geological interpretation was used to control the resource estimates.</li> <li>• Discussion of basis for using or not using grade cutting or capping.</li> <li>• The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<ul style="list-style-type: none"> <li>• Block grades for all metals were interpolated from point composites by inverse distance cubed (ID3). Ordinary Kriging (OK) and Nearest Neighbour (NN) methods were also interpolated for validation purposes.</li> <li>• Wireframes were constructed targeting cobalt mineralisation grading 0.05% or above preferably within the logged WCBZ code (West Cobalt) and MINEZ code (Old Mine Zone). A total of 17 discrete wireframes for the interpreted mineralised veins were modelled. A total of 1.083 assays located in the wireframes were used for resource estimation.</li> <li>• Statistical analysis of the assay data resulted in capping of metals in all zones. Old Mine Site capping was: Co 6.76%, Cu 1.1%, As 5.6% and Au 4.423. At West Cobalt Zone capping was set at: Co 4.9%, Cu 4.48%, As 3.90% and Au 4.937.</li> <li>• The block model was set up with a block 5x1x5 high; no rotation was applied. Variables included grade models for Co, Cu, As, and Au, rock type, density, percent, and resource class models, as well as distance to nearest point, number of points used in the estimate, number of drill holes used in the estimate, and pass number.</li> <li>• The search ellipses for block model interpolations used the same search for all metals, for all passes. Since the veins vary slightly in strike and dip directions, the Old Mine domains and West Cobalt WC1100 were grouped into sub-domains for interpolation purposes. The smaller satellite veins in West Cobalt were interpolated by Rock Type.</li> <li>• Previous mining records are not sufficiently detailed to utilise, however volumes from both the 1940's mining and the Canmine ramp and development work was back calculated and removed from the resource model to give a fair representation of the remaining resource. Blocks</li> </ul>

		mine mined out were tagged as Class = 9). Further work is required to define the extents of the mine out material and whether the assumed volume of material corresponds to actuals.
Moisture	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<ul style="list-style-type: none"> <li>No moisture values were reviewed.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>A cobalt price of US\$ 15.60/ lb Co was used for the cut-off calculation. Cut-off calculations also included 85% metallurgical recoveries based on SNC (2002) estimates.</li> <li>An in-situ cut-off grade of 0.25% Co has been applied for potential material amendable to underground extraction.</li> <li>Refinery Deduction of 1% and Refining Charge of US\$ 0.50/ lb Co was assumed.</li> <li>Processing and G&amp;A charges were US\$13.50 and US\$ 8.00 per tonne processed.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>Narrow stope underground mining is presumed for Werner Lake with a minimum width of 1.5 m horizontal assumed. Effective mining dilution was set at 20% for the resource model.</li> <li>Underground mining operating costs of US\$ 40/ tonne were assumed.</li> </ul>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not</li> </ul>	<ul style="list-style-type: none"> <li>Work by Lakefield Research in 1997 formed the basis of the metallurgical assumptions in the resource model. Test sample received by Lakefield graded 7,21% Co, 3.19% Cu, 2.01% As, 27,5% Fe ad 38.6% S and was subjected to a program of leach testing to determine if upgrading of the concentrate could be achieved. Optimal results of greater than 99% Co and Cu extraction were achieved.</li> </ul>



	<p>always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</p>	<ul style="list-style-type: none"> <li>• Staged recovery of Co was calculated at 99.8% to a precipitate grading 34.8% Co and 0.01% Cu and 0.006% As. Both pressure leach and lime precipitation waste residues were tested and were determined to be non-hazardous.</li> <li>• Additional metallurgical work is recommended at the project to fully understand and develop appropriate flowsheet and optimization.</li> </ul>
Environmental factors or assumptions	<ul style="list-style-type: none"> <li>• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</li> </ul>	<ul style="list-style-type: none"> <li>• No assumptions have been made by AGP Mining Consultants regarding possible waste and process residue disposal options.</li> </ul>
Bulk density	<ul style="list-style-type: none"> <li>• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</li> <li>• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk density was derived from a suite of 56 core samples carried out by ALS Chemex using the pycnometer method on pulps. A calculated specific gravity was determined based on Co% ad Cu%. Block model specific gravity averaged 3.05g/cm<sup>3</sup> and ranged from 2.97g/cm<sup>3</sup> to 3.12 g/cm<sup>3</sup>.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>• The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>• Whether appropriate account has been taken of all relevant</li> </ul>	<ul style="list-style-type: none"> <li>• Mineral Resources were classified in accordance with the Canadian Institute of Mining (CIM) Standards and Definition for Mineral Resources and Mineral Reserves (2014) and have been reported under</li> </ul>

	<p>factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</p> <ul style="list-style-type: none"> <li>• Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<p>the National Instrument (NI) 43-101 reporting guidelines.</p>
Audits or reviews	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audits have been completed which verify the technical inputs, methodology, parameters and results of the estimate. Additionally, comparison with SNC historic resource modelling should positive correlations.</li> </ul>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <li>• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<ul style="list-style-type: none"> <li>• The Werner Lake Resource estimate have been reported with degree of confidence commensurate with Indicated and Inferred Mineral Resources.</li> <li>• The data quality is good and the drill holes have detailed logs produced by qualified geologists for all recent drilling. Recognised laboratories have been used for all analyses.</li> <li>• The Mineral Resource statement relates to global estimates of tonnes and grade.</li> </ul>

## APPENDIX A

**Table 1-2: Details of the Patented Mining Claims on the Werner Lake Property**

Claim No.	Rights	Comments
<b>Patented Claims</b>		
KRL 9381	Surface and mining rights	Werner Lake West
KRL 9382	Surface and mining rights	Werner Lake West
KRL 9383	Surface and mining rights	Werner Lake Old Minesite
KRL 9385	Surface and mining rights	Werner Lake Old Minesite
KRL 9386	Surface and mining rights	Werner Lake East Zone
KRL 9387	Surface and mining rights	Werner Lake East Zone
KRL 19096	Mining rights only	
KRL 19097	Mining rights only	
KRL 19107	Mining rights only	
KRL 19108	Mining rights only	
KRL 19109	Mining rights only	
KRL 19110	Mining rights only	
KRL 19111	Mining rights only	
KRL 19112	Mining rights only	
KRL 29054	Mining rights only	
KRL 29055	Mining rights only	
KRL 29058	Mining rights only	
KRL 29059	Mining rights only	
KRL 29060	Mining rights only	
KRL 29061	Mining rights only	
KRL 29062	Mining rights only	
KRL 29063	Mining rights only	
KRL 29064	Mining rights only	
KRL 29065	Mining rights only	
KRL 29066	Mining rights only	
KRL 29067	Mining rights only	
KRL 29068	Mining rights only	
KRL 29069	Mining rights only	
KRL 29070	Mining rights only	
KRL 29071	Mining rights only	
KRL 29072	Mining rights only	
KRL 29073	Mining rights only	
KRL 29074	Mining rights only	
KRL 29075	Mining rights only	
KRL 29076	Mining rights only	

KRL 30055	Mining rights only	Central Occurrence
KRL 30056	Mining rights only	Rexora #3 Occurrence
KRL 30057	Mining rights only	Rexora #4 Occurrence
KRL 30058	Mining rights only	
KRL 31229	Mining rights only	
KRL 31373	Mining rights only	
KRL 31374	Mining rights only	
KRL 31823	Mining rights only	
KRL 31824	Mining rights only	
KRL 31825	Mining rights only	
KRL 31826	Mining rights only	
KRL 31827	Mining rights only	
KRL 31828	Mining rights only	Werner Lake West Arm Occurrence
KRL 33170	Mining rights only	
KRL 33171	Mining rights only	
KRL 33172	Mining rights only	
KRL 33175	Mining rights only	
KRL 33176	Mining rights only	
KRL 33177	Mining rights only	
KRL 33178	Mining rights only	
KRL 33179	Mining rights only	
KRL 33180	Mining rights only	
KRL 33181	Mining rights only	Werner Lake Old Minesite
KRL 33182	Mining rights only	
KRL 33183	Mining rights only	
KRL 33184	Mining rights only	
KRL 33185	Mining rights only	
KRL 33186	Mining rights only	
KRL 33187	Mining rights only	
KRL 33188	Mining rights only	
KRL 33189	Mining rights only	
KRL 33190	Mining rights only	
KRL 33191	Mining rights only	
KRL 33192	Mining rights only	
KRL 33193	Mining rights only	
KRL 33194	Mining rights only	
KRL 33195	Mining rights only	
KRL 33196	Mining rights only	
KRL 33198	Mining rights only	
KRL 33199	Mining rights only	
KRL 33200	Mining rights only	
KRL 33201	Mining rights only	

KRL 33202	Mining rights only	
KRL 33203	Mining rights only	
KRL 33204	Mining rights only	
KRL 33205	Mining rights only	
KRL 33206	Mining rights only	
KRL 33207	Mining rights only	
KRL 33208	Mining rights only	
KRL 33209	Mining rights only	
KRL 33210	Mining rights only	
KRL 33211	Mining rights only	
KRL 33212	Mining rights only	
KRL 33240	Mining rights only	
KRL 33270	Mining rights only	
KRL 33271	Mining rights only	
KRL 33280	Mining rights only	
KRL 33281	Mining rights only	
KRL 33282	Mining rights only	
KRL 33283	Mining rights only	
KRL 33284	Mining rights only	
KRL 33328	Mining rights only	
KRL 33329	Mining rights only	
KRL 33330	Mining rights only	
KRL 33331	Mining rights only	
KRL 33332	Mining rights only	
KRL 33333	Mining rights only	
KRL 33416	Mining rights only	
KRL 33419	Mining rights only	
KRL 33421	Mining rights only	
KRL 33422	Mining rights only	
KRL 33423	Mining rights only	
KRL 36272	Mining rights only	



## APPENDIX A continued

**Table 1-3: Details of the Leaseholds on the Werner Lake Property**

Leaseholds	Rights	Comments	Size (ha)	Expiry Date
KRL 33173	Mining rights only	21-year lease	17.203	March 30, 2030
KRL 33174	Mining rights only	21-year lease	15.297	March 30, 2030
		<b>Total</b>	<b>32.5</b>	<b>32.5</b>

**Table 1-4: Details of the Licences of Occupation on the Werner Lake Property**

License No.	Comments	Size (ha)	Comments: Includes KRL's
<b>Licenses of Occupation</b>			
10661	Mining rights only	7.365	KRL9387
12128	Mining rights only	63.054	Part Mining Claims: KRL19096, KRL29055, KRL19107, KRL19108, KRL19109, KRL19110, KRL19111
12246	Mining rights only	56.292	Part Mining Claims: KRL29059, KRL29060, KRL29061, KRL29062, KRL29063, KRL29064, KRL29065, KRL29066, KRL29067 Werner Lake Old Minesite
12247	Mining rights only	68.076	Part Mining Claims: KRL29068, KRL29069, KRL29070, KRL29071, KRL29071, KRL29073, KRL29074, KRL29075, KRL29076
12501	Mining rights only	52.103	Part Mining Claims: KRL31823, KRL31825, KRL31828, KRL31829
13150	Mining rights only	60.974	Part Mining Claims: KRL33178, KRL33196, KRL33197, KRL33198, KRL33199, KRL33200, KRL33208, KRL33210, KRL33212
13151	Mining rights only	7.891	Part Mining Claims: KRL33174, KRL33175, KRL33176
13283	Mining rights only	25.617	Part Mining Claims: KRL36272, KRL36273, KRL33416, KRL33420, KRL33421
13284	Mining rights only	1.998	Part Mining Claims: KRL33328, KRL33333
13292	Mining rights only	13.197	Part Mining Claims: KRL33270, KRL33271, KRL33281, KRL33282, KRL33283, KRL33284
	<b>Total</b>	<b>356.567</b>	

## APPENDIX A continued

**Table 1-5: Table of selected drill intercepts from the 2009-2010 Puget Ventures diamond drill program.**

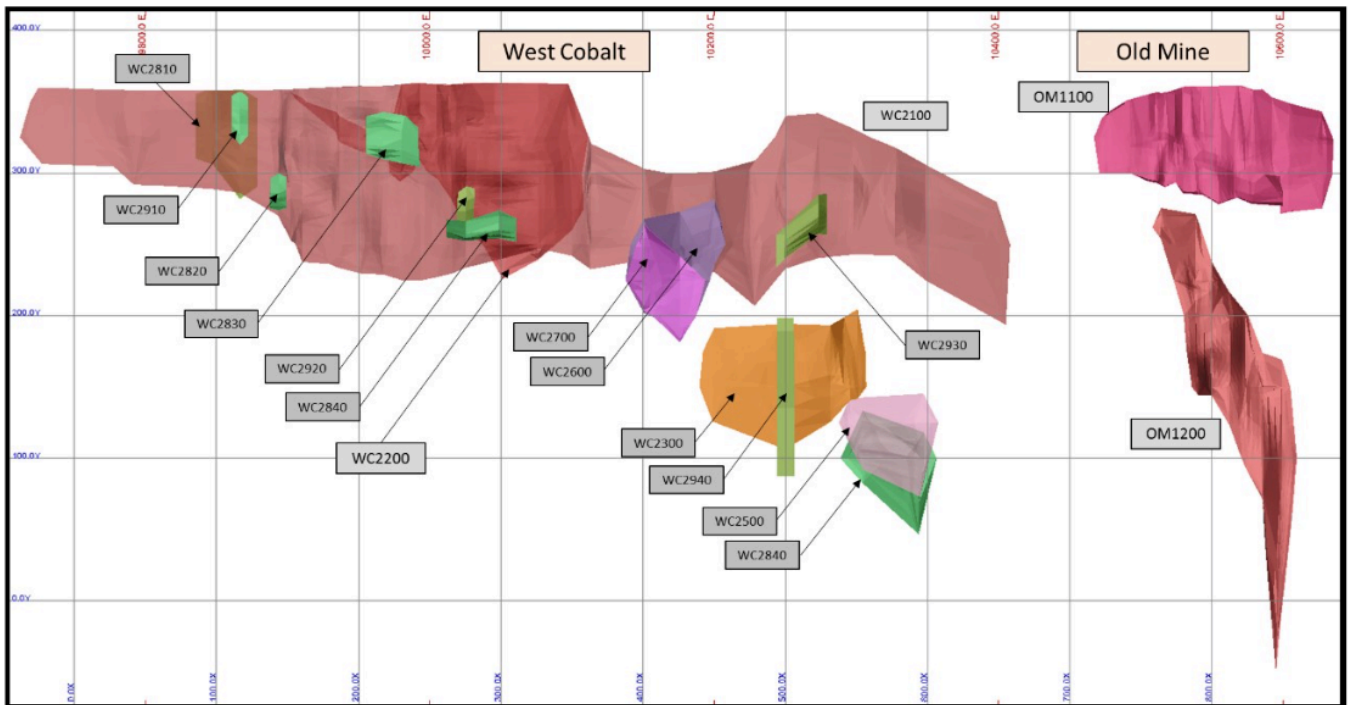
Site	Hole#	From (m)	To (m)	Intercept Length (m)	Cu %	Ni %	Co %	Pt ppm	Pd ppm	Au ppm
Werner	WL09001	25.5	26.2	0.7	0.20	0.01	0.004	ND	ND	0.087
		67.0	70.3	3.3	0.51	0.02	0.028	ND	ND	0.063
		68.9	69.7	0.8	0.43	0.02	0.018	ND	ND	0.108
		69.7	70.3	0.6	2.02	0.04	0.044	ND	ND	0.170
		72.3	73.0	0.7	0.15	0.01	0.009	ND	ND	0.011
		76.7	77.7	1.0	0.13	0.01	0.012	ND	ND	0.016
		83.8	84.8	1.0	0.29	0.21	0.008	ND	ND	0.020
Werner	WL10002	54.0	55.5	1.5	0.20	0.02	0.060			0.020
		75.0	76.4	1.4	0.56	0.02	0.120			0.020
	WL10003	45.0	45.5	0.5	0.17	0.02	0.010			0.020
		65.7	66.5	0.8	0.46	0.01	0.050			0.090
	WL10004	25.4	37.7	12.3	0.22	0.02	1.21			0.300
		30.2	31.1	0.9	0.19	0.15	12.48			0.520
		41.4	45.5	4.1	0.59	0.02	0.030			0.120
		47.6	49.2	1.6	0.16	0.02	0.020			0.090
		62.3	65.4	3.1	0.38	0.01	0.140			0.290
		68.0	71.8	3.8	0.71	0.01	0.030			0.320
		70.3	71.8	1.5	1.80	0.01	0.010			0.380
		1.0	2.9	1.9	0.20	0.01	0.040			0.200
	WL10009	116.1	117.0	0.9	0.47	0.02	0.120			0.390
	WL10010	131.8	136.1	4.3	0.37	0.02	0.100			0.110
		133.5	135.1	1.6	0.65	0.02	0.077			
	WL10011	67.4	68.4	1.0	0.02	0.01	0.010			1.310
		71.8	72.2	0.4	0.02	0.00	0.000			0.68
	WL10014	59.0	60.6	1.6	0.14	0.04	0.377			
		62.0	63.5	1.5	0.08	0.02	0.232			
	WL10022	219.95	221	1.05	0.62	0.09	0.021			
	WL10023	185.9	186.6	0.7	0.24	0.06	0.826			
	WL10028	233.11	233.8	0.69	0.05	0.04	0.853			

ND = analysed for but result below detection limit for that element.

Blank space indicates element not analysed for.

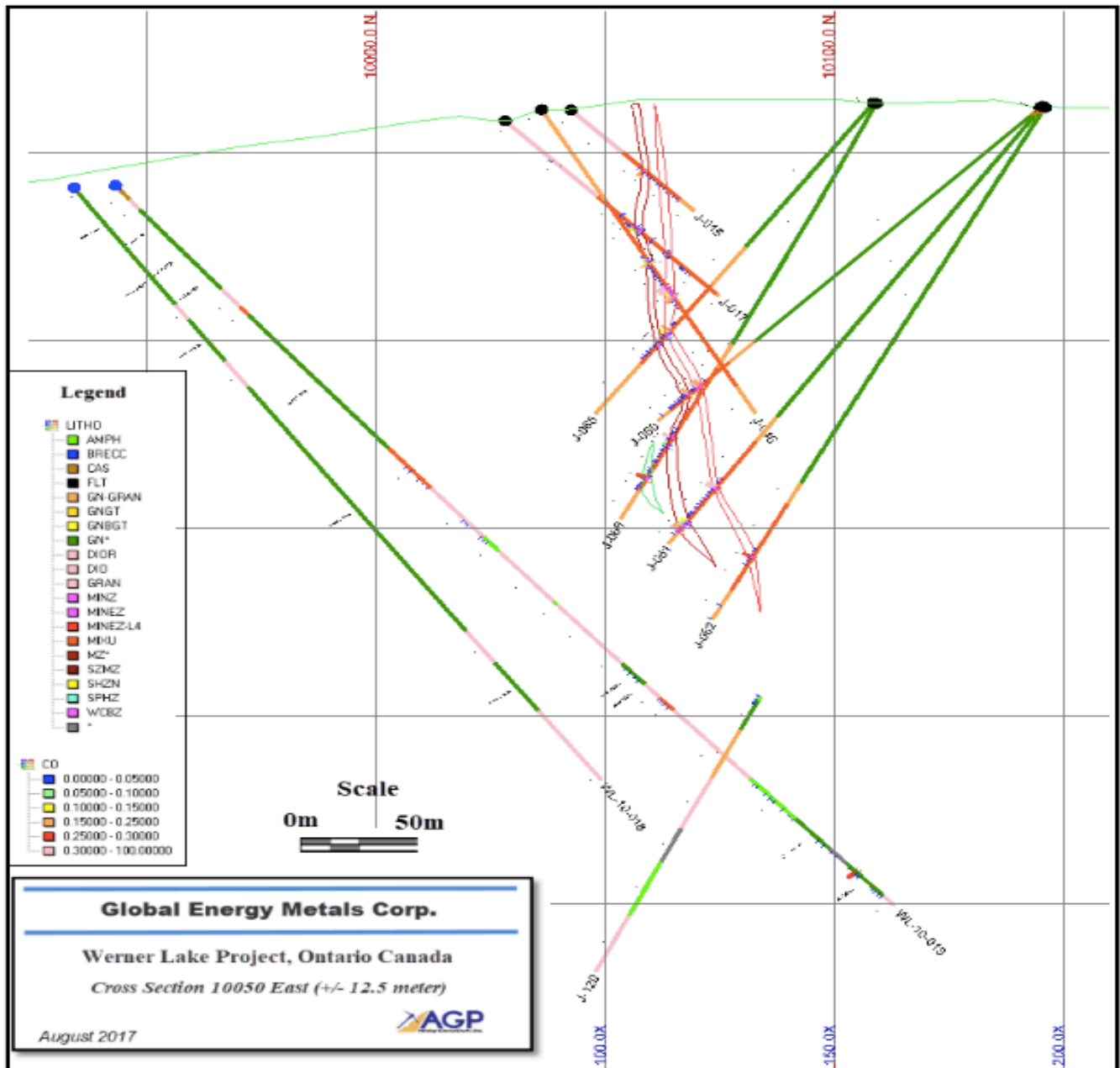
## APPENDIX A continued

**Table 1-6: Screen Grab from AGP 2017 Resource Report showing mineralised wireframes.**



## APPENDIX A continued

Table 1-7: Screen Grab from AGP 2017 Resource Report showing typical cross-section of the deposit.



## APPENDIX B

**Table 2-1: Werner Lake East/West Schedule of Project Claims**

Claim Number	Claim ID Number	Number of 16 Ha Units in Claim	Claim Township	Claim Area	Expiry
1	4281107	14	Kenora Mining Division	Werner Lake Area	11-Apr-19
2	4281108	8	Kenora Mining Division	Werner Lake Area	11-Apr-19
3	4281109	15	Kenora Mining Division	Werner Lake Area	11-Apr-19
4	4281484	15	Kenora Mining Division	Werner Lake Area	11-Apr-19
5	4281332	7	Kenora Mining Division	Werner Lake Area	11-Apr-19
6	4281331	8	Kenora Mining Division	Werner Lake Area	11-Apr-19
7	4281483	6	Kenora Mining Division	Werner Lake Area	11-Apr-19
8	4281333	8	Kenora Mining Division	Reynar Lake Area	11-Apr-19
9	4281110	8	Kenora Mining Division	Reynar Lake Area	11-Apr-19
10	4280791	8	Kenora Mining Division	Reynar Lake Area	11-Apr-19



## APPENDIX C

**Table 3-2: Skeleton Lake Schedule of Project Claims**

Claim Number	Claim ID Number	Number of 16 Ha Units in Claim	Claim Township	Date Staked
1	4284407	6	Mulligan Twp.	15-Apr-17
2	4284408	2	Bayly Twp.	23-Apr-17
3	4284409	3	Mulligan Twp.	23-Apr-17
4	4284410	2	Bayly Twp.	14-Apr-17
5	4284411	6	Bayly Twp.	14-Apr-17
6	4284412	8	Bayly Twp.	14-Apr-17
8	4284414	2	Mulligan Twp.	15-Apr-17
9	4284415	8	Mulligan Twp.	22-Apr-17
10	4284416	8	Mulligan Twp.	27-Apr-17
11	4284417	9	Mulligan Twp.	25-Apr-17
12	4284418	8	Pense Twp.	26-Apr-17
13	4284419	8	Pense Twp.	26-Apr-17
14	4284420	12	Pense Twp.	27-Apr-17
15	4284460	10	Mulligan Twp.	03-May-17
16	4284424	8	Ingram Twp.	04-May-17
17	4284421	6	Mulligan Twp.	04-May-17
18	4284446	2	Mulligan Twp.	22-Jun-17
19	4284422	4	Pense Twp.	04-May-17
20	4284423	4	Bayly Twp.	04-May-17