

Power Nickel

30,000m drill programme continues to deliver with hole 79 intersecting 6.26% CuEq over 10.25m

Power Nickel Inc. ("PNPN") has released its second batch of assay results from its autumn campaign at the Lion Discovery Zone. Drilling released in Dec'24 returned 29.4m of 0.53g/t Au, 11.95g/t Ag, 1.15% Cu, 1.08g/t Pd, 0.36g/t Pt and 0.06% Ni from hole 78. The latest holes, released 21st Jan'25, were testing the depth and western extensions of the Lion Zone. Hole 79 targeted the interpreted plunge below hole 78 and intersected the primary high-grade zone, with 20.05m @ 5.21% CuEq[†]. Hole 80, positioned ~75m west of hole 79, intersected the mineralised horizon above the interpreted plunge but produced inconsistent metal values across individual assays. Lastly, hole 81 drilled ~100m below hole 80, intercepting the upper edge of the main Lion Zone, and 4.85m @ 2.24% CuEq[†]. As detailed in our note on [17th Dec](#), visual interpretations of hole 93 and hole 95A suggest the presence of relatively broad mineralised widths at the Lion zone. The mineralised structure at Lion remains open at depth, having now been shown to extend to at least 600m. We await assay results from a further 14 holes of the autumn drill programme which will inform the current winter programme. Our target valuation remains C\$1.70/sh.

Completion of 15,000m of drilling expected by end of April

Completion of the remaining 15,000m of drilling from the fully funded 30,000m exploration programme is expected by the end of Apr'25. The winter 2025 campaign is underway and focused on defining the limits of the Lion Zone, drilling to the west of the current strike length, the eastern extension, and testing continuity at depth. Exploring near-surface extensions aims to either expand the top portion of the Lion Zone or discover a new near-surface zone. The autumn and winter programmes include 150m+ step outs, compared to the 50m fan drilling approach in the summer programme. Combined with downhole EM in all new holes, this will allow for a faster delineation of mineralisation to reveal the potential scale of Lion. Regionally, a scout drilling programme will target the area between Nisk and the Lion Zone, with relatively short holes and downhole EM surveys to guide deeper exploration.

Spin-out of assets to take effect on or around 31st Jan'25

On Dec 5th, PNPB announced shareholder approval for a spin-out of its interest in the Golden Ivan property and certain Chilean exploration assets and liabilities to Chilean Metals Inc. ("Spinco"), a wholly owned subsidiary of the Company, with shareholders receiving shares in both companies. Approved by 96.81% of votes and with court approval secured, the transaction is expected to take effect on or around 31st Jan'25, pending final TSX Venture Exchange approval. Post-spin-out, PNPB will focus on its Nisk project, while Spinco will develop the Golden Ivan property in British Columbia, alongside the Chilean assets (Zulema, Tierra de Oro, Palo Negro, Hornitos, and Tabaco). PNPB shares will continue trading on the TSXV, OTC Market and Frankfurt Stock Exchange, while Spinco shares will not be listed but will comply with Canadian securities regulations. We currently assign nil value to the assets being placed into Spinco within our sum-of-the-parts for PNPB. As such, we view the spin-out as a positive strategic move, allowing PNPB management to focus on value-creation at Nisk while shareholders could also benefit from potential upside within SpinCo.

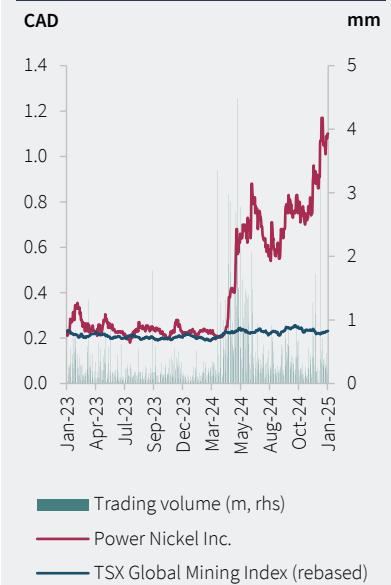
Valuation: C\$1.70/sh offers 55% upside; more to come if drilling hits continue

We value Nisk on a DCF basis with base (8-year LoM) and upside (21-year) cases giving a total NPV8% of US\$211m, to which we apply a 0.4x multiple. We add US\$5m for the Copaque royalty. Results to date from Lion give confidence that high CuEq grades are repeatable, with further depth potential in the same structure and possible parallel structures as part of a bigger system. Assigning US\$165m to Lion, our target valuation is C\$1.70/sh, 55% above the current share price, with significant upside potential upon further drill bit success.

| GICS Sector | Materials |
|-----------------------------|-----------|
| Ticker | TSXV:PNPN |
| Market cap 20-Jan-25 (C\$m) | 216 |
| Share price 20-Jan-25 (C\$) | 1.10 |
| Target valuation (C\$/sh) | 1.70 |

+55%

Upside from current share price to our C\$1.70/sh target valuation



Source: S&P Capital IQ

Roger Bell

Managing Director, Research
T +44-207-907-8534
E rb@hannam.partners

Jonathan Guy

Director, Mining Research
T +44-207-907-8500
E jonathan.guy@hannam.partners

Oscar Norris

Research Analyst
T +44-207-907-8536
E on@hannam.partners

India Fitzpatrick

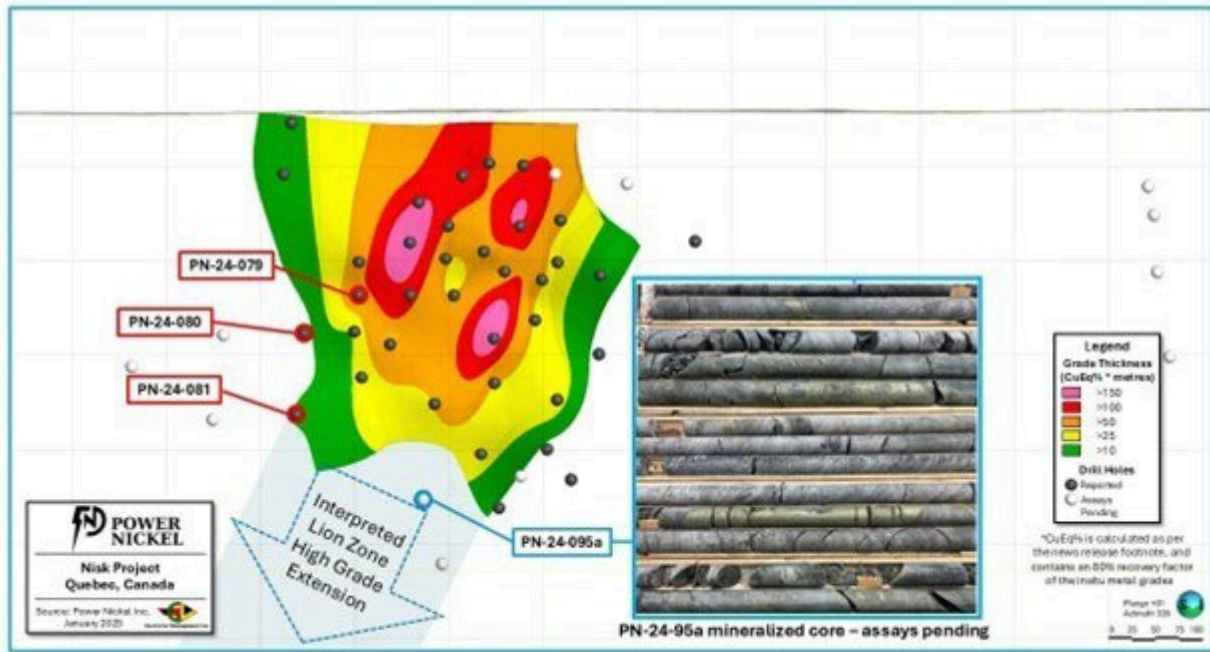
Research Analyst

Jay Ashfield

Director, Mining Sales
T +44-207-907-2022
E ja@hannam.partners

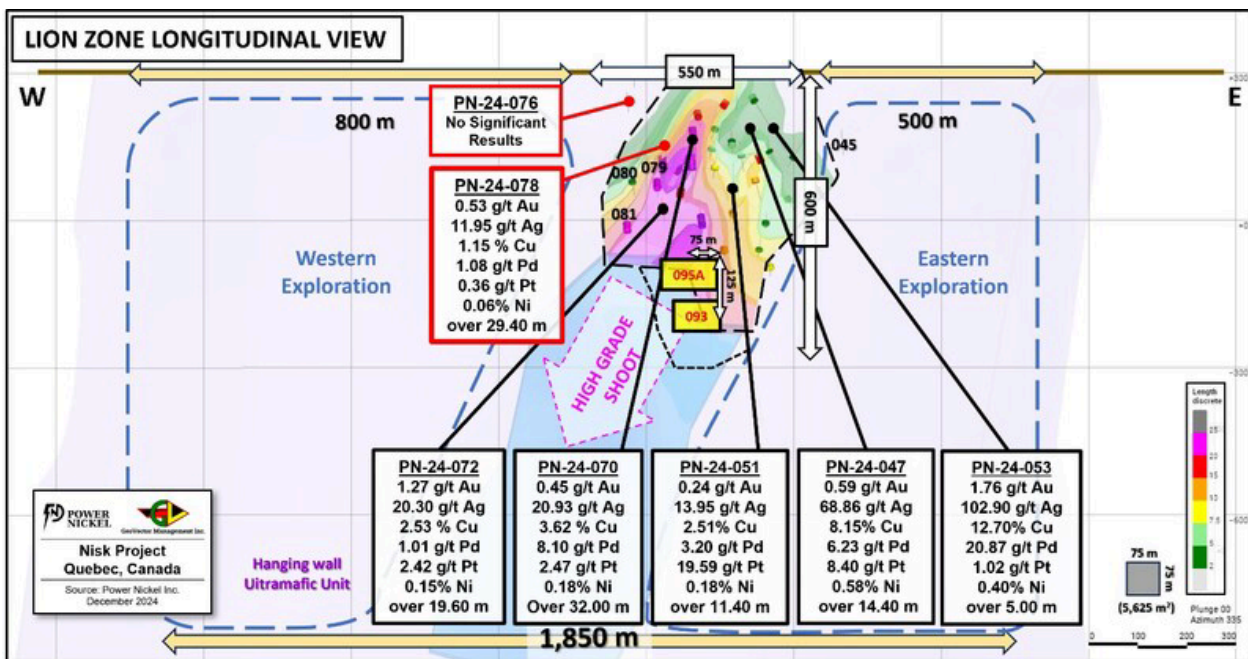
H&P Advisory Ltd
7-10 Chandos Street
London W1G 9DQ

Longitudinal view across the Lion Zone Area, with interpreted plunge direction extension



Source: Company Report

Longitudinal view of Lion Discovery Zone



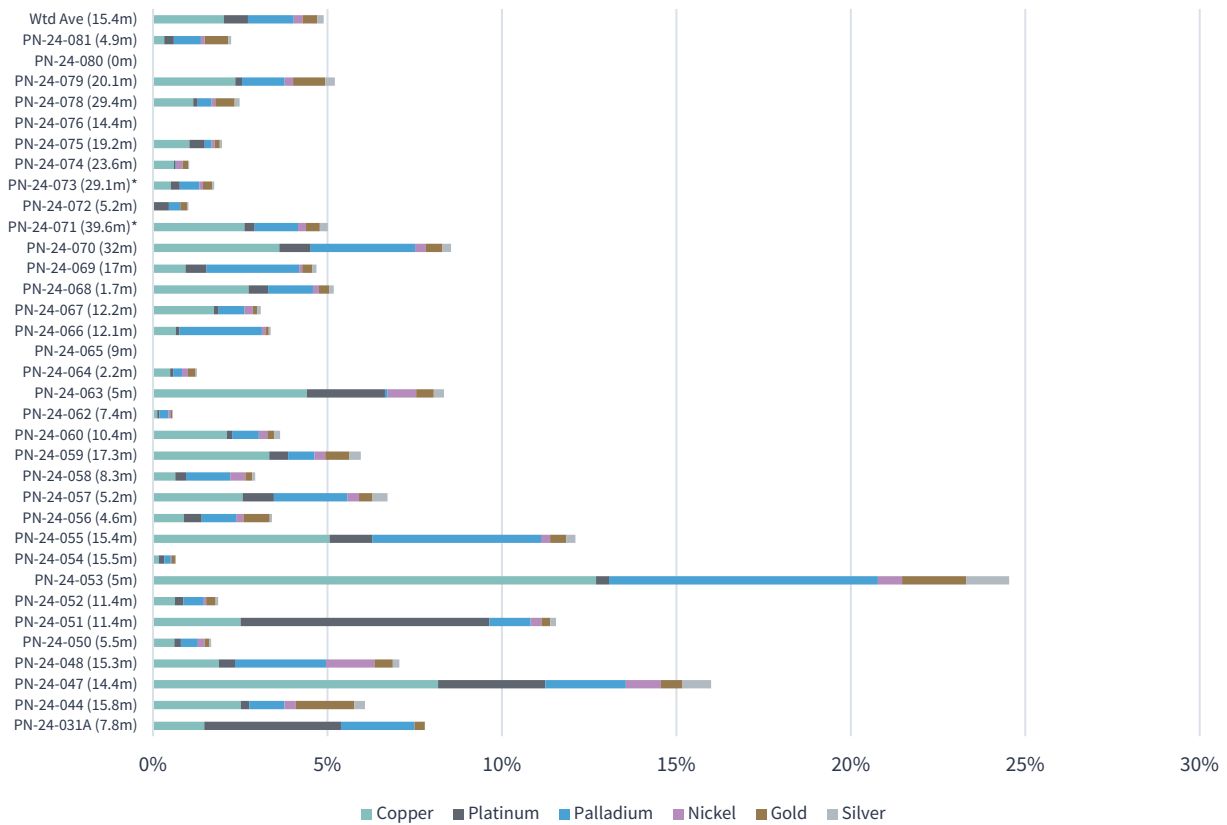
Source: Company Report

Lion Discovery Drill Results

| | From (m) | To (m) | Length (m) | Au (g/t) | Ag (g/t) | Cu (%) | Pd (g/t) | Pt (g/t) | Ni (%) | CuEq [†] (%) |
|------------|-------------|--------|------------|-------------|-------------|-----------|-------------|-------------|-----------|-----------------------------------|
| PN-24-031A | 60.50 | 68.25 | 7.75 | 0.28 | n/a | 1.47 | 5.71 | 10.76 | n/a | 8.38% |
| PN-24-044 | 160.25 | 176.00 | 15.75 | 1.60 | 25.34 | 2.52 | 2.73 | 0.65 | 0.19 | 6.24% |
| PN-24-047 | 143.98 | 158.40 | 14.42 | 0.59 | 69.14 | 8.17 | 6.25 | 8.44 | 0.58 | 16.59% |
| PN-24-048 | 147.00 | 162.27 | 15.27 | 0.50 | 16.13 | 1.89 | 7.07 | 1.26 | 0.80 | 7.56% |
| PN-24-050 | 178.40 | 183.85 | 5.45 | 0.13 | 4.20 | 0.61 | 1.32 | 0.52 | 0.11 | 1.76% |
| PN-24-051 | 232.40 | 243.80 | 11.40 | 0.24 | 13.95 | 2.51 | 3.20 | 19.59 | 0.18 | 12.09% |
| PN-24-052 | 183.50 | 194.85 | 11.35 | 0.26 | 6.12 | 0.63 | 1.57 | 0.67 | 0.04 | 1.99% |
| PN-24-053 | 128.30 | 133.30 | 5.00 | 1.76 | 102.90 | 12.70 | 20.87 | 1.02 | 0.40 | 26.10% |
| PN-24-054 | 60.00 | 75.50 | 15.50 | 0.10 | 2.25 | 0.17 | 0.50 | 0.42 | 0.01 | 0.70% |
| PN-24-055 | 75.50 | 90.90 | 15.40 | 0.44 | 22.04 | 5.06 | 13.12 | 3.35 | 0.15 | 13.13% |
| PN-24-056 | 202.40 | 7.00 | 4.60 | 0.72 | 5.38 | 0.88 | 2.67 | 1.42 | 0.12 | 3.61% |
| PN-24-057 | 173.20 | 178.40 | 5.20 | 0.37 | 36.23 | 2.57 | 5.72 | 2.45 | 0.19 | 7.19% |
| PN-24-058 | 197.18 | 205.45 | 8.27 | 0.19 | 7.12 | 0.64 | 3.43 | 0.84 | 0.25 | 3.18% |
| PN-24-059 | 185.05 | 202.30 | 17.25 | 0.66 | 27.20 | 3.33 | 2.04 | 1.49 | 0.18 | 6.11% |
| PN-24-060 | 221.96 | 232.35 | 10.39 | 0.19 | 14.17 | 2.12 | 2.08 | 0.40 | 0.14 | 3.80% |
| PN-24-062 | 338.10 | 345.46 | 7.36 | 0.04 | 0.95 | 0.12 | 0.71 | 0.17 | 0.04 | 0.62% |
| PN-24-063 | 428.00 | 433.00 | 5.00 | 0.48 | 24.82 | 4.41 | 0.21 | 6.15 | 0.47 | 8.43% |
| PN-24-064 | 452.00 | 454.15 | 2.15 | 0.21 | 2.98 | 0.49 | 0.68 | 0.24 | 0.10 | 1.30% |
| PN-24-065 | 466.00 | 475.00 | 9.00 | | | | | | | No Significant value |
| PN-24-066 | 401.95 | 414.00 | 12.06 | 0.09 | 4.53 | 0.65 | 6.39 | 0.30 | 0.06 | 3.85% |
| PN-24-067 | 430.75 | 442.90 | 12.15 | 0.12 | 8.54 | 1.75 | 1.99 | 0.36 | 0.14 | 3.23% |
| PN-24-068 | 474.60 | 476.30 | 1.70 | 0.28 | 10.96 | 2.74 | 3.47 | 1.54 | 0.10 | 5.45% |
| PN-24-069 | 100.00 | 117.00 | 17.00 | 0.28 | 9.52 | 0.93 | 7.19 | 1.66 | 0.05 | 5.24% |
| PN-24-070 | 118.00 | 150.00 | 32.00 | 0.45 | 20.93 | 3.62 | 8.10 | 2.47 | 0.18 | 9.17% |
| PN-24-071 | 157.00 | 196.00 | 39.60 | 0.38 | 19.57 | 2.62 | 3.37 | 0.80 | 0.13 | 5.27% |
| PN-24-072 | 294.00 | 299.20 | 5.20 | 0.18 | 3.67 | 0.02 | 0.89 | 1.19 | 0.00 | 1.10% |
| PN-24-073 | 354.65 | 383.75 | 29.10 | 0.25 | 4.97 | 0.51 | 1.52 | 0.70 | 0.06 | 1.87% |
| PN-24-074 | 290.00 | 313.55 | 23.55 | 0.15 | 3.06 | 0.60 | 0.02 | 0.13 | 0.11 | 1.03% |
| PN-24-075 | 321.50 | 340.70 | 19.20 | 0.14 | 5.45 | 1.04 | 0.53 | 1.22 | 0.05 | 2.03% |
| PN-24-076 | 57.70 | 72.10 | 14.40 | | | | | | | No Significant value |
| PN-24-078 | 157.60 | 187.00 | 29.40 | 0.53 | 11.95 | 1.15 | 1.08 | 0.36 | 0.06 | 2.48% |
| PN-24-079 | 176.95 | 197.00 | 20.05 | 0.88 | 23.20 | 2.36 | 3.30 | 0.53 | 0.14 | 5.21% |
| PN-24-080 | | | | | | | | | | Isolated individual assays |
| PN-24-081 | 348.15 | 353.00 | 4.85 | 0.65 | 6.70 | 0.32 | 2.10 | 0.76 | 0.06 | 2.24% |

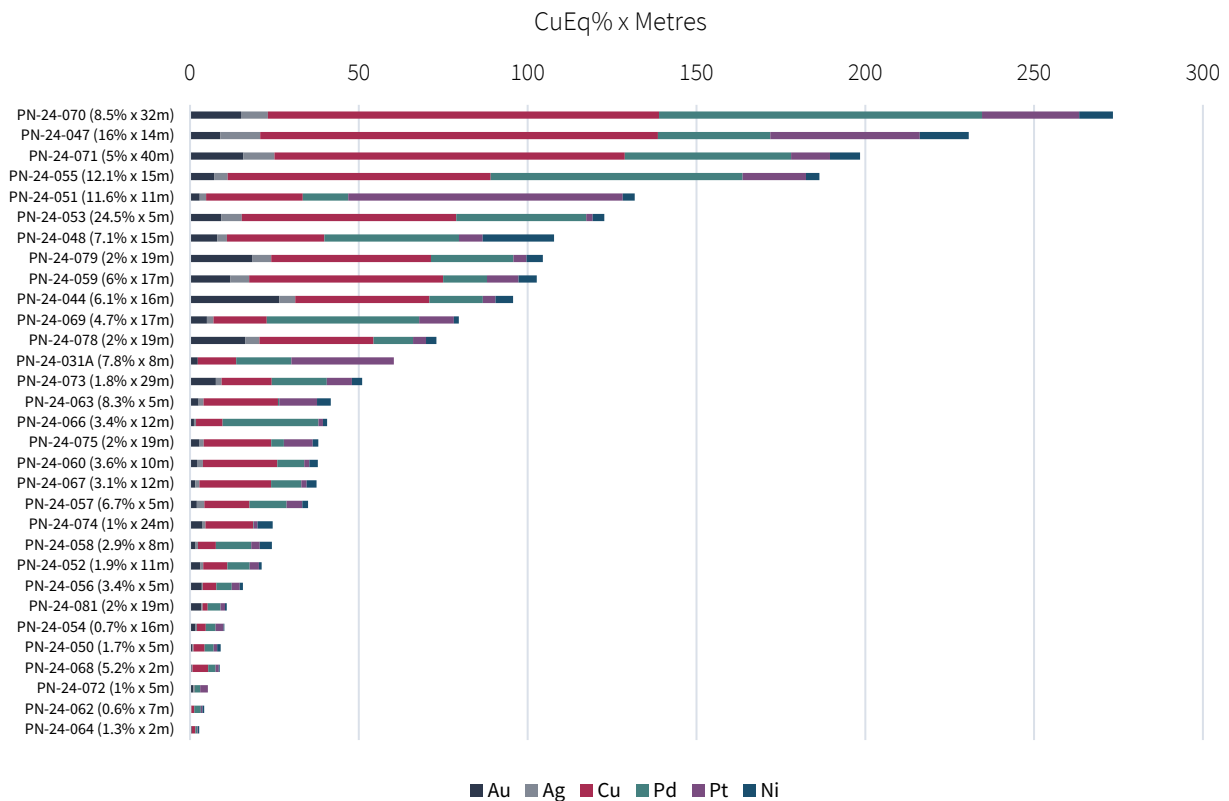
Source: Company Reports, H&Pe. [†]Copper-equivalent grade based on contained metals with spot prices as of 21/01/25

CuEq grades reported from assayed holes at Lion Zone



Source: Company Report, H&P estimates. †Copper equivalent grades calculated based on current spot commodity prices and before accounting for recovery losses.

CuEq grades x metres from reported Lion zone holes



Source: Company Report, H&P estimates. †Copper equivalent grades calculated based on current spot commodity prices and before accounting for recovery losses.

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