NICKEL ONE RESOURCES INC.

NI 43-101 Technical Report

LÄNTINEN KOILLISMAA PROJECT, FINLAND

By:

Marek Mroczek, P.Eng.
and
Sean Butler, P.Geo.

Effective Date: March 18, 2017

A TECHNICAL REPORT ON THE LÄNTINEN KOILLISMAA PROJECT, FINLAND FOR NICKEL ONE RESOURCES INC.

Located in Central Finland, south of the village of Posio

Center of the Property near
28° 10' 29" E 65° 56' 46" N

By
Marek Mroczek, P.Eng.
and
Sean Butler, P.Geo.

March 18, 2017
Vancouver, BC

MINING PLUS

Document Control Information

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<tr><td rowspan="3">NICKELONE™</td><td rowspan="2">Nickel One Resources Inc.
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Certificate of Author – Marek Mroczek, P.Eng.

I, Marek Mroczek, P.Eng., do hereby certify that:

1. I am a Mining/Geological Engineer residing at 4975 Somerville Street, Vancouver, BC, V5W 3H1, Canada.
2. I graduated from The Silesian Technical University in Gliwice, Poland with Mining Engineer (Inżynier) degree in Mining and Geological Engineering. I graduated from Senior Secondary Technical College of Geology in Krakow, Poland and I was awarded with Certificate in Geology. I completed Citation Program in Applied Geostatistics at University of Alberta in Edmonton, Canada. Additionally, I completed the prescribed course of studies in Computer Aided Design at British Columbia Institute of Technology in Burnaby, Canada and I was awarded an Associate Certificate with Honours.
3. I am registered with the Association of Professional Engineers and Geoscientists of British Columbia as a Professional Engineer (License No. 29,931).
4. I have practiced my profession for 26 years working in the areas of mineral project exploration and resource and reserve estimates and at different level of project study for precious, base metals and industrial minerals.
5. I have visited the property that is the subject of this report on June 2, 2013.
6. I am responsible for all of sections 12 and 14 and share responsibility with the other QP for section 26 of the report titled "A Technical Report on The Lantinen Koillismaa Project Finland for Nickel One Resources Inc." dated March 18, 2017.
7. I have no prior involvement with the property that is subject of technical report. I have no controlling or monetary interest involving the property.
8. I am independent of Nickel One, applying all of the tests in section 1.5 of NI 43-101.
9. I have read NI 43-101 and Form NI 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
10. As of the effective date of the Technical Report to the best of my knowledge information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
11. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.
12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

Dated this 18th day of March, 2017.

Signed and Sealed "Marek Mroczek"

Signature of Qualified Person
Marek Mroczek, P.Eng.

Certificate of Author – Sean Butler P.Geo.

I Sean P. Butler, P.Geo., do hereby certify that:

1. I am currently employed as Senior Geology Consultant by Mining Plus Canada Consulting Ltd., Suite 440 - 580 Hornby St., Vancouver, BC, V6C 3B6
2. I am a graduate with a Bachelor of Science, in Geology from the University of British Columbia in 1982
3. My professional affiliation is member of the Association of Professional Engineers and Geoscientists of British Columbia, Canada, Member # 19,233, Professional Geoscientist
4. I have not visited the Läntinen Koillismaa property
5. I have no prior involvement with the property that is the subject of this technical report. I have no controlling or monetary interest involving Nickel One Resources Inc. or the Läntinen Koillismaa property
6. I have been professionally active in the mining industry for approximately 25 years since graduation from university. I have worked extensively exploring for both base and precious metals from early stage programs up to advanced underground exploration and mining
7. I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101
8. I am responsible for Sections 1 to 11, 13, 15 to 25 and 27 and share responsibility for section 26 of the report titled "A Technical Report on the Läntinen Koillismaa Project, Finland for Nickel One Resources Inc." dated March 18, 2017 (the "Technical Report")
9. That as of the effective date of the Technical Report , to the best of the my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading
10. I am independent of Nickel One Resources Inc., applying all of the tests in section 1.5 of NI 43-101
11. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form
12. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report

Dated this 18th day of March, 2017.

"Signed and Sealed"

Signature of Qualified Person
Sean Butler

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1 SUMMARY

Nickel One Resources Inc. (Nickel One) contracted with Mining Plus to revise a report originally issued for Finore Mining Inc. of an NI 43-101 compliant report including a Mineral Resource Estimate on the Läntinen Koillismaa (LK) property.

The LK Project is located in north central Finland approximately 60 km north of the company's exploration office in the village of Taivalkoski. The property is 130 km ESE of the town of Rovaniemi and 160 km NE of the port town of Oulu. The central point of the LK Project is located at longitude 28°10'29.13"E; latitude 65°56'46.36"N. The project is accessed by major paved roads and local access on gravel or dirt roads to the individual drill site areas.

The project titles consist of two separate groups of contiguous claims. They are 1,748 hectares in area in 21 registered mineral claims and also seven pending exploration permits of undetermined surface area. These claims cover the structurally separated sections of the mineral deposits.

Climate in the property is a northern Scandinavian climate with cold winters down to about minus 30 °C and summers up to about plus 25 °C. The rivers, lakes and bogs are frozen for several months in the winter making drill access easier. There are roads, power and local residents in the property area. There is a history of mining in the region with a former Mustavaara open pit mine to the south of Haukiaho.

The elements platinum, palladium,, gold, copper, cobalt and nickel are known to be present and have been analysed in drilling and surface sampling in the property. The deposit type is a basal adcumulation including PGE metals in Koillismaa layered mafic intrusion. This is part of the 2.5-2.4 Ga Tornio-Näränkävaara Layered Intrusion Belt that is roughly east west across Finland and into Russia.

The Mineral Resource Estimate for these deposits is summarized below:

Table 1-1 Haukiaho resource estimate at 0.1 g/t Pd cut-off grade

Category	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
Inferred	23.2	0.31	0.12	0.21	0.14	0.10

*Total Nickel

Table 1-2 Kaukua resource estimate at 0.1 g/t Pd cut-off grade

Category	Zone	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
Indicated	Main	10.4	0.73	0.26	0.15	0.1	0.08
Inferred	Main	13.2	0.63	0.22	0.13	0.1	0.06

*Total Nickel

It is the opinion of Mining Plus that further exploration work continues on the Läntinen Koillismaa property to determine the extent of the mineralization and work to increase tonnage and classification of the mineral resources.

The recommendation is a program of increasing the size and definition of the Haukiaho and Kaukua zones. There is also a need for some review of other zones and further metallurgy. The budget for this project is estimated to be about C$3,000,000. There is a good chance to add the mineral resources of the zones. The definition and understanding can also be added to by infill drilling that will define the variation of the zones.

2 INTRODUCTION AND TERMS OF REFERENCE

2.1 Introduction

Nickel One contracted Mining Plus Canada (MP) to revise the report originally issued for Finore including a mineral resource estimate and National Instrument 43-101 (NI 43-101) technical report on the Läntinen Koillismaa Project, Finland. The elements platinum, palladium, gold, copper, cobalt and nickel are known to be present and have been analysed in drilling and surface sampling in the property.

Nickel One has made an agreement with Finore Mining Inc. who has an underlying option agreement with Nortec Minerals Inc. (Nortec) to explore the LK Project. The property consists of 38 located claims, 5 claims pending approval and two Prospecting Permits pending approval by the Finnish government.

The deposits are located in the Koillismaa Layered Igneous Complex ("KLIC"), which is a 2.4 to 2.5 Ga Fennoscandian (Early Palaeoproterozoic) layered complex. These layered intrusives have a high propensity to host deposits containing the metals found here.

2.2 Terms of Reference

Terms of Reference are the preparation of a report compliant with NI 43-101 to summarize the mineral resource estimate at the LK Project for release to the public. MP completed a site visit to the project as part of the Terms of Reference.

2.3 Source of Data

The drill sampling and location data that forms the basis of the study has been supplied by the management of Nortec and Finore Mining.

2.4 Site Visit

Marek Mroczek visited the Läntinen Koillismaa properties on June 2 and 3, 2013 accompanied by Mr. Jan Akkerman, property owner prior to Nortec. He also visited the company field office and core logging and core storage facility on this trip. No samples were collected on this trip for check analysis. A field handheld GPS review of several drill collar locations was also done.

No work has been done on the Läntinen Koillismaa properties since the property visit.

Further details of the site visit are outlined in section 12 of this report.

3 RELIANCE ON OTHER EXPERTS

MP has previously depended on Finore to supply claim title confirmation. MP has no experience in the Finnish mineral title system and it was not in the scope of this study.

MP reviewed the Finnish Geological Survey website on March 17, 2017 (http://gtkdata.gtk.fi/mdae/index.html) and compared the titles on this website with the previous title search by Finore in 2013 and by comparison to each other plus others titled to the ownership of Nortec Minerals Oy.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The LK Project is in north central Finland approximately 60 km north of the exploration office managed by Finore in 2012 in the village of Taivalkoski. The property is 130 km ESE of the town of Rovaniemi and 160 km NE of the port town of Oulu. The central point of the LK Project is located at longitude 28°10'29.13"E; latitude 65°56'46.36"N **Figure 4-1**.

Figure 4-1 Location Map (source Finore, 2012)

4.2 Property Description

Nickel One's LK property consists of two groups or areas of mining claims, Kaukua area, covering the Kaukua and Murtolampi targets and Haukiaho area on the Haukiaho and Haukiaho East targets. These are separated due to the broken up nature of the intrusives in this area that hosts the metal bearing horizons that are the focus of this review. See **Figure 4-2** below:

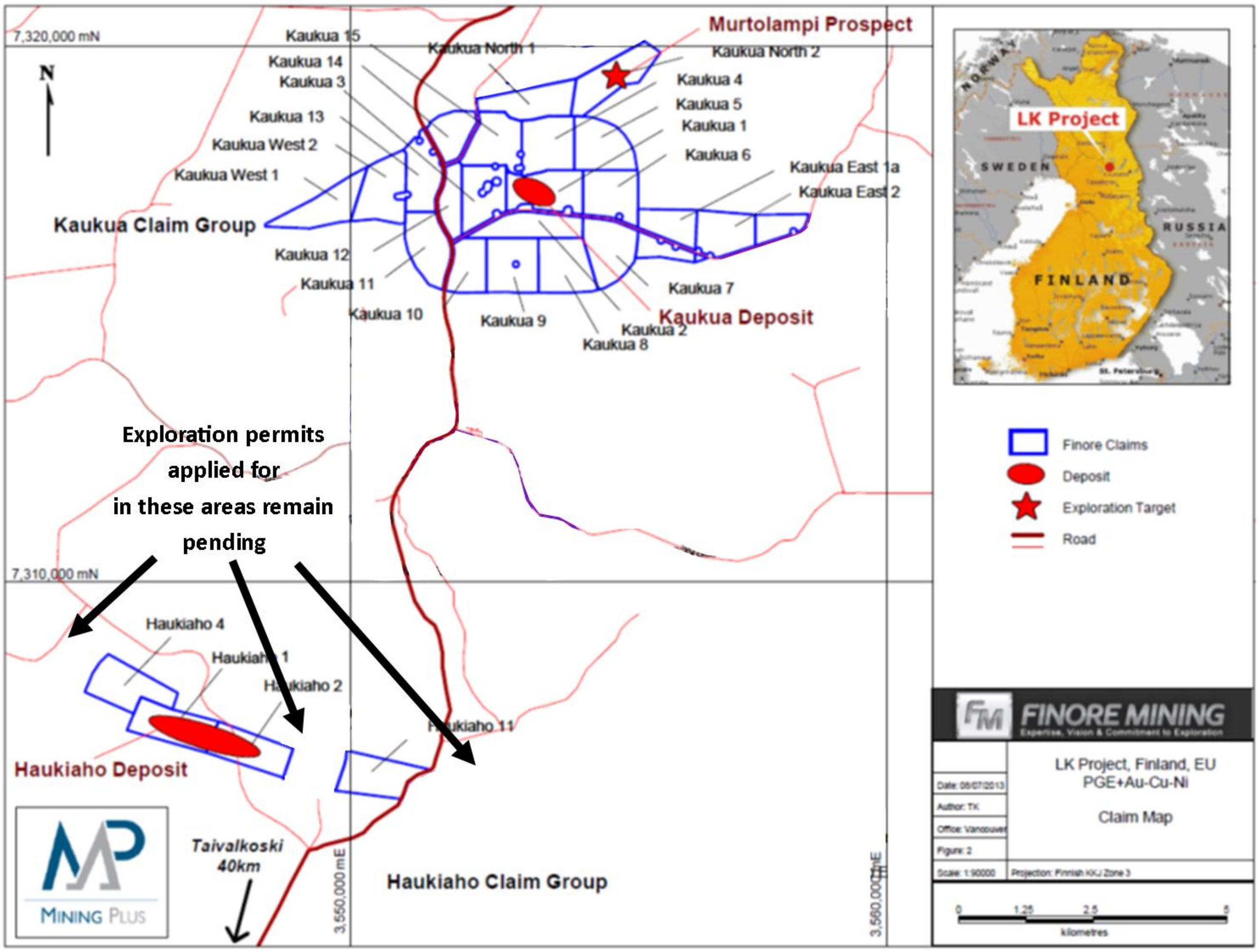

Figure 4-2 Claim Map (revised from Finore, 2012)

Akkerman Exploration bv ("AEbv") acquired the original claims by map-staking.

Various agreements now registered by Nortec and Finore presently number 21 claims, covering a total area of 1,748 Hectares See **Table 4-1**

Table 4-1 Mining Claims

Target / Zone	Claim Name	Title Number	Application File Date	Registration Date	Expiry Date	Area (Ha)
Kaukua	Kaukua 1-3	ML2012:0198	2-Nov-12	22-Apr-15	23-May-18	258.99
Kaukua	Kaukua 4	8713/1	26-Nov-08	14-May-12	14-May-17	98.93
Kaukua	Kaukua 6	8713/3	26-Nov-08	14-May-12	14-May-17	91.80
Kaukua	Kaukua 7	8713/4	26-Nov-08	14-May-12	14-May-17	97.93
Kaukua	Kaukua 8	8713/5	26-Nov-08	14-May-12	14-May-17	99.09
Kaukua	Kaukua 9	8713/6	26-Nov-08	14-May-12	14-May-17	97.12
Kaukua	Kaukua 10	8713/7	26-Nov-08	14-May-12	14-May-17	66.58
Kaukua	Kaukua 11	8713/8	26-Nov-08	14-May-12	14-May-17	88.98
Kaukua	Kaukua 12	8713/9	26-Nov-08	14-May-12	14-May-17	48.50
Kaukua	Kaukua 13	8713/10	26-Nov-08	14-May-12	14-May-17	79.24
Kaukua	Kaukua 14	8713/11	26-Nov-08	14-May-12	14-May-17	57.93
Kaukua	Kaukua 15	8713/12	26-Nov-08	14-May-12	14-May-17	92.41
Murtolampi	Kaukua North 1	9167/1	25-Jul-08	14-May-12	14-May-17	90.51
Murtolampi	Kaukua North 2	9167/2	25-Jul-08	14-May-12	14-May-17	99.54
Kaukua	Kaukua West 1	9168/1	25-Jul-08	14-May-12	14-May-17	87.21
Kaukua	Kaukua West 2	9168/2	25-Jul-08	14-May-12	14-May-17	97.54
Kaukua	Kaukua East 1a	8664/1	25-Jul-08	14-May-12	14-May-17	59.53
Kaukua	Kaukua East 1b	8664/2	25-Jul-08	14-May-12	14-May-17	34.54
Kaukua	Kaukua East 2	8664/3	25-Jul-08	14-May-12	14-May-17	81.61
Haukiaho	Haukiaho 1-2	ML2012:0199	2-Nov-12	22-Apr-15	23-May-18	185.00
Haukiaho East	Haukiaho 11	8704/1	30-Oct-08	13-Apr-12	13-Apr-17	94.10
Total Claim Area						**1,748.09**

None of Nickel One's properties are located on or near any nature conservation areas, with the closest being Kaukua North 3, which is 1.8 km from a Natura 2000 program area. Natura 2000 is a nature conservation program established according to Finnish national legislation and in accordance to directives given by the European Union.

The claims above marked with prefix ML2012 in **Table 4-1** are new Exploration Permits under the new 2011 Mining Act and all others are under the previous act. The difference is described in section 4.4 of this report.

There is no requirement to legally survey the boundaries of claims or claim applications in Finland; instead they are assigned Finnish map coordinates by the Registry authority.

The Lipeävaara group of concessions formerly held by Finore and various concessions on the east side of the major trends are no longer valid and not part of this report.

Application was by Nortec for various Exploration Permits in 2014 and 2017. See **Table 4-2** (the pending permits within the trend and to the west of Haukiaho are not on the map in **Figure 4-2**)

Table 4-2 Pending Exploration Permits

Registration Number	Claim Name	Registration Date
ML2014:0012	Haukiaho 3-4	05-Feb-14
	Salmivaara 1-11	14-Dec-16
8704/1	Haukiaho 11	12-Feb-17
03/01/8664	Kaukua East 1-2	10-Mar-17
8713/1, 8713/3-12	Kaukua 4 and 6-15	10-Mar-17
02/01/9167	Kaukua North 1-2	10-Mar-17
02/01/9168	Kaukua West 1-2	10-Mar-17

The surface area of the pending Exploration Permits is unknown. These pending permits are not shown on **Figure 4-2**. These will all be registered under the 2011 revised mining law.

A test mine pit exists at Haukiaho that was operated by Outokumpu Oy ("Outokumpu") in the 1960s. The minerals mined here were brought to a concentrator located seven kilometers to the south. Several trenches made by Outokumpu (c.1960-1990) exist on Nickel One's property. Many of these have been reclaimed.

The now closed, fresh water canal, for the Mustavaara Fe-Ti-V mine runs through Nickel One's property. Financing in 2013 was being pursued to complete a feasibility study to re-open the Mustavaara mine by Mustavaaran kaivos Oy. The latest news found from this company indicates that project is still under consideration but little development has moved forward. In the Environmental Impact Assessment (ympäristövaikutusten arviointimenettely, YVA) the process water intake for the Mustavaara mine is from the River Sirniönjoki, which runs through Nickel One's Haukiaho East property. The water intake is upstream from Haukiaho East. MP is not aware of any environmental liabilities associated with the project.

Three types of licenses are necessary to bring a mine from exploration to production in Finland.

- a mining permit
- An environmental permits (for rights to water supply and waste management)
- Building permits (for project infrastructure)

In addition to these a number of other permits are necessary before the start of mining operations.

4.3 Option and Joint Venture Agreements

4.3.1 Nickel One and Finore Agreements

Nickel One announced on February 1, 2017 (new release dated February 1, 2017) that it had completed an agreement with Finore to acquire a 100% interest in the LK project. The terms of this agreement include:

- Nickel One will issue 5 million common shares to Finore
- Nickel One will issue 2.5 million common share purchase warrants exercisable at $0.12 for 24 months from the date of closing to Finore

Nickel One will abide by all the underlying agreements with respect to ownership of the LK Project. These are outlined below.

4.3.2 Finore and Nortec Agreements

The following Option and Joint Venture agreements, in chronological order, are documented by Finore for their properties:

- Earn-in agreements between Nortec Ventures Corp. and Akkerman Exploration bv (Kaukua property) dated on July 26, 2007, and July 29, 2008.
- Sale and purchase agreement between Nortec Ventures Corp. and Kylylahti Copper oy (Vulcan Resources Ltd) dated on October 7, 2009.
- Option and Joint Venture Agreement between Nortec Minerals Corp. and Otterburn Ventures Inc. dated August 24th, 2011 and amended twice after.

Since these agreements were signed, Nortec Ventures Corp. has changed its name to Nortec Minerals Corp. and Otterburn Ventures Inc. changed its name to Finore Mining Inc. Since the second agreement, Vulcan Resources Ltd. has merged with Universal Resources Ltd.

While MP has no reason to doubt the validity of information on the Option and Joint Venture agreements provided by Finore, MP has not and is not qualified to conduct a legal search of these agreements.

4.3.3 Agreement between Nortec and Akkerman

A Memorandum of Understanding ("MOU") dated July 26, 2007 between Akkerman Exploration bv ("AEbv") and Nortec Ventures Corp. (later Nortec Minerals Corp.) as amended October 26, 2007, January 29, 2008, March 26, 2008 and May 28, 2008, AEbv granted Nortec the exclusive right to enter into an Option Agreement ("Kaukua OA") dated July 29, 2008 pursuant to which Nortec had the option to earn a seventy percent (70%) participation interest in the Kaukua Property. As part of the MOU, Nortec had to incur Initial Exploration Expenditures (the "Minimum Expenditure") of €150,000 on or before July 29, 2008 and to earn its 70% interest in the Kaukua property it must have incurred a further €450,000 in exploration expenditures, for a total of €600,000, before July 29, 2011. MP understands that all these expenditures have been made.

In addition to incurring the Exploration Expenditures above, Nortec paid AEbv each of the following option premium amounts during the Earn in Period:

1. within 15 days from the date the Licences were issued: €30,000 in cash;
2. within 15 days from the first anniversary of the MOU Date: €60,000; and,
3. On or before the second anniversary of the MOU Date: €100,000.

Nortec completed the required minimum expenditures before the second anniversary of the MOU date, and therefore was not required to make the second Annual Payment.

In the event that Nortec completed a Bankable Feasibility Study or incurred additional Exploration Expenditures in the amount of €2,500,000, within the following three year period, Nortec was deemed to hold a 80% Participation Interest and AEbv will be deemed to hold the remaining 20% Participation Interest.

By the end of August 2009, Nortec had incurred over C$3 million in exploration expenses on the Kaukua Property. This equated to an earn-in interest for Nortec of 74.2% and a holding interest for AEbv of 25.8%.

In September 2009, Nortec signed an addendum to the current Kaukua OA with AEbv. The addendum stipulated that AEbv will transfer all of its remaining equity interest to Nortec. In exchange for the additional 20% ownership AEbv was granted a 2% Net Smelter Royalty ("NSR") on any future production from the property and retains the pending value added tax ("VAT") refunds applied by AEbv on VAT paid by Nortec on the expenditures incurred on the Property since 2007. Nortec has the option to purchase 1% of the NSR from AEbv for €1 million.

Based on the encouraging results from the Kaukua Main Zone, Nortec decided to proceed with the full 100% acquisition of the Kaukua Property. The 100% interest in the Kaukua Property has now been transferred to the Finland registered company, Nortec Minerals Oy, which is a 100%-owned subsidiary of Nortec Minerals Corp.

4.3.4 Agreement between Nortec and Vulcan

As part of its ongoing consolidation of PGE+Au+Cu+Ni projects in north central Finland, Nortec signed a sale and purchase agreement with Vulcan Resources Ltd ("Vulcan"). This agreement has allowed Nortec to acquire 100% of the Haukiaho Property in exchange for ten million (10,000,000) common shares in Nortec Ventures. Transfer of eight million have been executed for the transaction of Claims Haukiaho 1-4 from Vulcan to Nortec and the remaining two million will be transferred, when the application for Claim Haukiaho 11 is granted by the Ministry and transferred to Nortec. This has not yet occurred.

4.3.5 Agreements between Nortec and Finore

The Option and Joint Venture Agreement ("OA") between Nortec Minerals Corp. and Finore Mining (formerly Otterburn Ventures Inc. at time of the first agreement) amended on September 10, 2012 and again on February 19, 2013 gave Finore the option to earn up to 100% interest (non-joint-venture) in Nortec's LK Project. Due diligence review of the transaction by Finore continues and the final payment of 917,707 shares of Finore have not been transferred to Nortec yet.

Table 4-3 Schedule of Payments by Finore

Dates	Cash	Shares (C$ value or share number)	Result
Within 5 days of the effective date	$900,000	$500,000	Paid
On or before 6th month anniversary	$1,000,000	$500,000	Paid
Within 3 days of the 1st revised agreement (Sep 10 2012)		27M Shares	Received
Within 5 days of the second revised agreement (Feb 19 2013)		41M Shares	Received

Nortec will retain a 2% Net Smelter Royalty (NSR) on the Haukiaho and Haukiaho East claims. Nickel One (through Finore) has the right to purchase 1% of the NSR for €1,000,000. All currency above is stated in Canadian dollars unless noted.

4.4 Finnish Mining Act

On the 1st of July 2011 a new Mining act, defining a 'Prospecting Permit' (malmietsintälupa) and 'Mining Permit' (kaivoslupa) was passed. Prior to acquiring a Prospecting Permit a company can do a 'Reservation notification' (varausilmoitus) and can be granted the Reservation Decision (varauspäätös). The Reservation Decision gives a priority right to the company to apply for a Prospecting Permit. Reservation Decisions also allow the company to conduct diamond drilling and light exploration field work with the landowner's prior consent.

The fees of the Prospecting Permit include €20 /hectare/year (for the first four years) for landowner compensation and payments to the State. The full cost of the Prospecting Permit is decided by the Registry authority. The Prospecting Permit gives to the company the full rights to do heavier exploration work including test mining and construction of temporary roads and buildings if so permitted in the Prospecting Permit granted by the Registry authority.

The new Mining Act does not apply to existing claims. The Act does affect new Prospecting Permits, under application, but not granted before July 1st 2011.

5 ACCESS, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Access

The Kaukua, Haukiaho, Haukiaho East and Murtolampi claim areas are located in the municipality of Posio, Finland between the town centers of Posio and Taivalkoski. All targets are accessible by main public road and gravel roads. Many access roads reach most corners of the property. Public roads are kept open all year round and the forest roads are maintained only during periodic logging activities. The main road between Posio and Taivalkoski is paved.

5.2 Climate

Weather conditions are characteristic of the northern Fennoscandian climate with temperate summers and cold winters. During the summer months (June-August), temperatures range from 10°C to 25°C, and during the winter months (November-April) between -5°C to -30°C. The terrain is often snow covered (0.6 to 1.2 m) in winter. The bogs, lakes and rivers freeze every year for 4 to 5 months. The annual precipitation is 550 mm, distributed evenly throughout the year. Weather conditions do not interfere with open pit or underground mining anywhere in Finland. Water is plentiful around the properties, but permission must be obtained to use it.

5.3 Local Resources and Infrastructure

The nearest major city is Oulu (some 190,000 inhabitants), which is about 200 km away, and the towns of Rovaniemi and Kuusamo are located about 150 and 100 km from the claim areas, respectively. These three centers are served by airports with daily scheduled flights to Helsinki, the capital of Finland. The nearest major railway station is located in Rovaniemi. High voltage power line (110 kV) crosses the Haukiaho group of claims and runs for 4.5 km on the western side of the Kaukua mineralized body.

The region has a mining heritage since the nearby Mustavaara Fe-Ti-V mine was in operation from 1974 to 1985. This operation generated mining related industry, including Telatek oy's factory. Telatek oy is a producer of installation, maintenance, quality control and workshop services.

5.4 Physiography

The Haukiaho and Haukiaho East claim areas are mainly flat, boggy land, approximately 240 m asl, best accessed using crawler vehicles and forest tractors. The Taivalkoski to Posio mainroad crosses the property along the border between the Haukiaho 11 and Haukiaho East 1 claims. The rivers Suojoki, Haukijoki and Löytöjoki cross the claim area and are wide and difficult to cross using vehicles even during the winters. The majority of the claim areas are easily accessible by trails and nearby forest roads.

The Kaukua claim area is hilly about 200 to 260 m (asl) and partially crossed by an approximately 700 m long, glaciofluvial erosional channel with steep walls 35 m high and a pond in the depression. The terrain on either side of the channel is easily accessed by tracked vehicles or forest tractors. Eastern Kaukua and the Murtolampi claims areas are flat forests while large portions of western Kaukua claim area is covered by lakes.

Vegetation is typical of the pine-tree dominated Fennoscandian coniferous forest belt. Spruce and birch are present in smaller amounts. The forest ground is covered by thin moss while the bogs are covered by a layer of peat.

5.5 Land Use on the Properties

The great majority the property areas are uninhabited forest subjected to logging from time to time. The Haukiaho and Haukiaho East targets are wholly devoid of habitation. Some agriculture is taking place in the other target areas.

6 HISTORY

This Section describes the exploration activities undertaken prior to Nickel One's acquisition of the properties by Finore's project partner Nortec Minerals Corp. in 2007.

Copper and nickel showings hosted by the marginal series of the Western Intrusion of the KLIC were first documented by the Geological Survey and Outokumpu in the early 1960s. The latter also carried out extensive drilling, consisting of 75 holes and about 12 km of core. Thirty three of these holes were drilled on Nortec's Haukiaho and Haukiaho East properties where a small scale test mining operation was also undertaken. The original exploration carried out by Outokumpu located sulphide minerals in the Haukiaho and Haukiaho East areas.

PGE-focused exploration started in the early 1980s, when highly anomalous PGE-enriched boulder samples (PGE+Au >10 ppm) were reported from the Haukiaho area. This was followed by detailed mapping, surface sampling, geophysical surveys, but no further drilling.

Outokumpu completed an historical mineral resource in 1983, based on resampling of old drill core (Lahtinen, 1985). The estimate for Haukiaho to the depth of 100 m was 7.0 million tonnes @ 0.24% Ni, 0.38% Cu, 0.6 g Pd/t, 0.2 g Pt/t and 0.2 gAu/t using a cutoff grade of 0.7 wt% (Cu+2*Ni). This resource was made up of nine separate mineralized bodies ranging from 0.2 to 2.3 million tonnes in size. These resources are historical in nature, not compliant with NI 43-101 and have not been reviewed by MP and should not be relied upon.

In 1996, GTK (Finland Geological Survey) started an extensive research and exploration program of the entire Koillismaa Complex. In the course of this program, drilling was done on all of the current Nickel One properties.

In 2000, the Swedish junior exploration company North Atlantic Natural Resources AB ("NAN") signed a contract with GTK and the Ministry of Trade and Industry (predecessor of TEM) of Finland ("KTM") optioning the claims. NAN conducted geophysical ground surveys on Nortec's present Haukiaho, Murtolampi, and Kaukua claim areas, but only drilled the Haukiaho area. Fugro Ltd flew a low-altitude aerial geophysical survey covering the area of Haukiaho, Haukiaho East and Kaukua. NAN also sent a 50 kg sample of Haukiaho mineralization (surface boulders) for metallurgical tests to Lakefield Research Ltd in Canada before withdrawing from the Koillismaa project in late 2002.

Detailed magnetic surveys have outlined the principal segments or blocks of this portion of the basal KLIC, and helped determine probable continuity and offsets. Induced Polarization (IP) surveys have outlined a consistent chargeable unit which correlates with the mineralization encountered by the drilling.

The Kaukua, gradient IP and ground magnetic surveys have outlined the mineralized marginal units well as a persistent, linear feature of moderately high magnetic susceptibility and moderate chargeability. This is consistent with the descriptions of typical disseminated Cu-Ni-Fe sulphide mineralization seen in drill core. There is some variability displayed along strike, which may indicate thinner and/or disseminated mineralization, or minor disruptions related to post emplacement cross faults.

The research and exploration program, by GTK and NAN (1996-2002), resulted in the delineation of two highly mineralized areas in the marginal series. These two areas, Haukiaho and Kaukua, were subjected to further exploration activity in 2004 including 2,628 metres of diamond drilling.

Historical mineralogical and metallurgical studies show a strong correlation between the sulphide content and the Ni, Cu and PGE tenor.

There have been several drill campaigns initially by Nortec, then most recently Finore. This is summarized in Section 10.

6.1 Historic Mineral Resource Estimates

Watts Griffis and McOuat (WGM) completed two mineral resource estimates on the LK project area for Nortec in 2011 and an updated study for Finore in January 2012. This WGM resource was based on data before the 2011 and 2012 drilling program by Finore. These are now historical mineral resource estimates and management or the public should not rely on them. The most recent resource estimate from January 2012 is listed below for reference **Table 6-1**.

Table 6-1 Watts Griffith McOuat Historic Mineral Resource Estimate of January 2012

Mineral Resources Estimate Kaukua Deposit

Classification	Lower Cutoff	Density T/m	Tonnes T x 1000	Ni (ppm)	Cu (ppm)	Co (ppm)	Au (ppm)	Pd (ppm)	Pt (ppm)
Indicated	> $50	2.93	2,605	1,164	1,734	65	0.07	0.67	0.22
Inferred	> $50	2.93	8,486	1,057	1,582	55	0.08	0.76	0.27

Mineral Resources Estimate Haukiaho Deposit

Lower Cutoff C$ per Tonne	Volume (m3 x 1,000)	Density T/m3	Tonnes T x 1000	Ni (ppm)	Cu (ppm)	Co (ppm)	Au (ppm)	Pd (ppm)	Pt (ppm)
> $50	5,863	2.86	16,768	1,518	2,418	59	0.11	0.28	0.1

Mineral Resources Estimate Haukiaho 11 Claim Deposit

Lower Cutoff C$ per Tonne	Volume (m3 x 1,000)	Density T/m3	Tonnes T x 1000	Ni (ppm)	Cu (ppm)	Co (ppm)	Au (ppm)	Pd (ppm)	Pt (ppm)
> $50	979	2.87	2,811	1,630	2,180	73	0.05	0.14	0.05

The most recent mineral resource estimate, based on the historic drilling as well as drilling in 2011 and 2012 is reported in section 14 of this report.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Geology of Finland

Finland lies within the predominantly Neoarchaean and Palaeoproterozoic Fennoscandian Shield. The Fennoscandian Shield bedrock is subdivided into three broad domains, which consist of three crustal units:

- a Neoarchaean cratonic nucleus
- the Karelian Craton
- Palaeoproterozoic mobile belts flanked, on either side

To the NE of the Karelian Craton, several distinct crustal units of both Proterozoic and Archean age (Kola-Lapland domain) record the amalgamation of the Lapland granulite belt and greenstone belts to the Karelian Craton at around 1.9 Ga as a collisional tectonic regime. In contrast, the Svecofennian domain, to the southwest of the Karelian Craton, is entirely Palaeoproterozoic in age, and indicates relatively rapid formation and accretion of new crust between about 1.97-1.80 Ga.

The Karelian Craton is characterized by extensive granitoids and higher grade gneiss domains surrounding narrow northerly trending greenstone belts. The major magmatic and metamorphic events had taken place around 2.84 Ga, although rocks up to 3.5 Ga are present in the craton. Greenstone sequences of lower metamorphic grade were formed after this event. These greenstone sequences were subsequently deformed and intruded by tonalitic to granitic magmas between 2.75-2.69 Ga. The Kuhmo and Suomussalmi greenstone belts are the most extensive and well preserved supracrustal units in the Archean of Finland, outcropping over a strike length of nearly 200 km, though seldom exceeding 10 km in width. Both greenstone belts contain abundant tholeiitic and komatiitic volcanic rocks, together with related intrusive and subvolcanic cumulates, and lesser felsic volcanic and volcanoclastic units.

The northern part of the Karelian Craton, records a prolonged and episodic history of sedimentation, rifting and magmatism throughout the Early Palaeoproterozoic. The Central Lapland greenstone belt is the largest mafic-dominated province preserved in the entire shield. A sequence of bimodal mafic and felsic volcanics dated at around 2.5 Ga unconformably overlie the Archean basement and represent the onset of rifting. Continued rifting of the Archean crust resulted in the widespread emplacement of mafic and ultramafic layered intrusions between 2.5-2.4 Ga clustered to form Tornio-Näränkävaara Layered Intrusion Belt ("TNB") in Finland. These TNB intrusions host the important Kemi chromite mine, and also contain widespread PGE-Ni-Cu enrichment including the Nickel One claim groups. Clastic sediments discordantly overlie these layered intrusions, with further episodes of mafic magmatism recorded as sporadic lavas and sills dated at around 2.2 Ga, 2.10 Ga, and 2.05 Ga. The latest stage includes the Kevitsa Ni-Cu-PGE deposit and coincided with rifting and subsidence of the Karelian Craton margin.

7.2 Regional Geology of the Koillismaa Layered Igneous Complex

The KLIC of north central Finland (**Figure 7-1**) is part of the 2.5-2.4 Ga Fennoscandian Early Palaeoproterozoic layered complexes that were emplaced as part of a globally recognized episode of igneous activity that introduced layered intrusions and mafic dyke swarms worldwide. These igneous formations have been found to have potential for Cr, Cu-Ni-PGE sulphide, PGE and Fe-Ti-V oxide mineralization. Examples of well-known economic deposits of these types are the ones hosted by the South- African Bushveld, Russian Monchegorsk and Finnish Tornio-Näränkävaara belt of intrusions (Iljina and Hanski 2005).

The KLIC makes up the eastern most portion of the TNB and consists of two main sectors, the Näränkävaara Intrusion (**Figure 7-1** insert map A) in the east and the Western Intrusion. These two intrusions are likely connected by an unexposed connecting dyke, which is indicated by a strong magnetic and gravity anomaly (Alapieti, 1982).

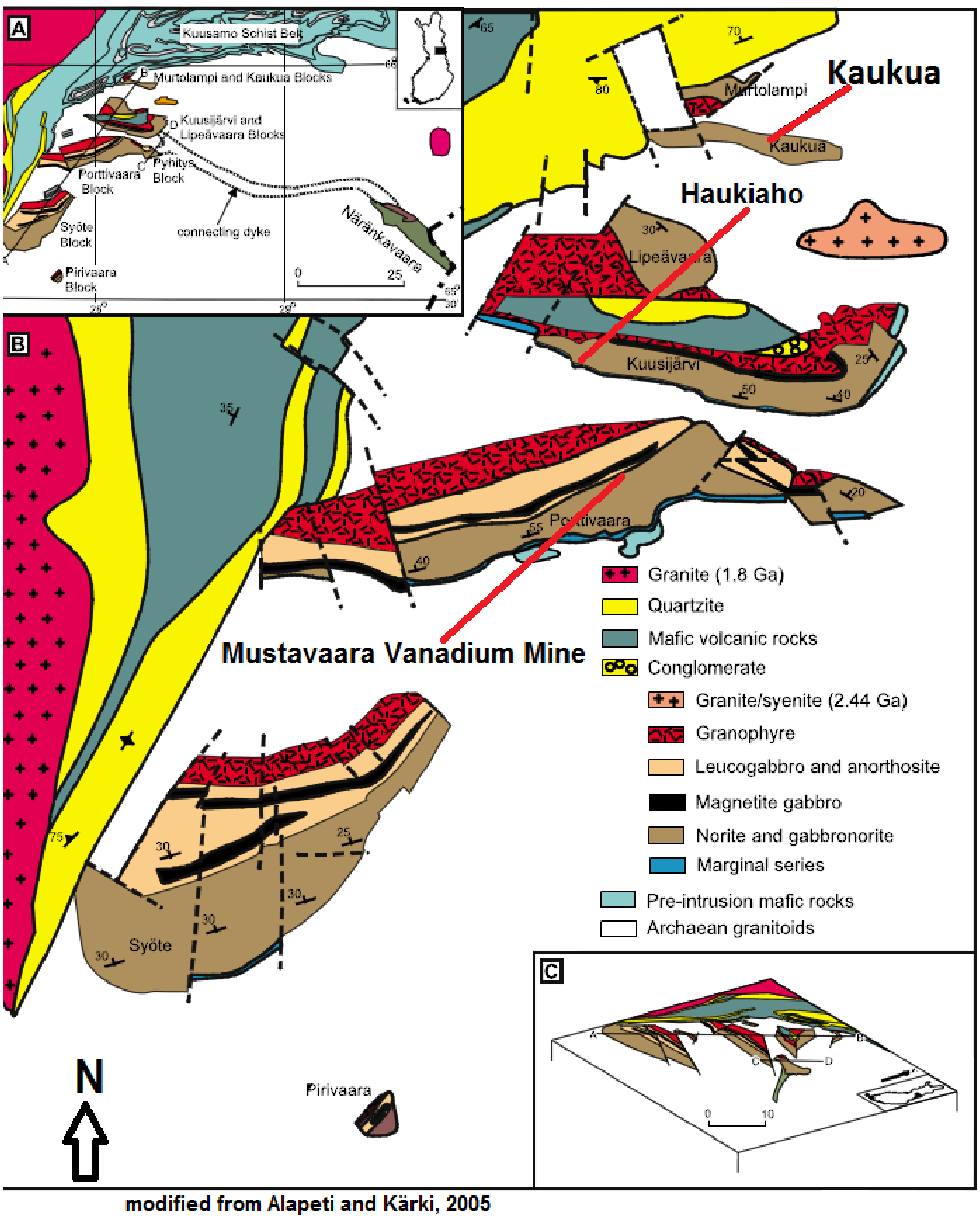

Figure 7-1 Regional Geology (modified after Alapeti and Kärki, 2005)

The Western Intrusion is thin despite its greater surface area with an average vertical thickness for the three major blocks of only 1-3 km, but the exposed igneous stratigraphy is as much as 3 km. The Western Intrusion is overlain with felsic volcanic rocks that have recrystallized to form a granophyre unit up to 1 km in thickness. In contrast, the footwall granite gneisses at the base of the intrusion have been partially melted and pervasively metasomatically altered to albite-quartz rock. Gabbroic igneous rocks, chemically different than the layered sequence, form the footwall locally such as underneath the Porttivaara, Tilsa, and Kaukua Blocks.

The Western Intrusion has been uplifted and broken into a number of blocks (**Figure 7-1**) due to multiphase tectonic events. The Western Intrusion has been folded slightly and possibly even collapsed during the earliest, extensional, tectonic regime to form a synclinal structure between the Kuusijärvi and Lipeävaara Blocks (Karinen, 2010). The supracrustal sequence deposited along this structure is known as the Kuusijärvi synform. The igneous layering of the intrusive blocks to the south of the synform, dips to the north, (Tilsa to the NW) while the northern blocks dip to the south (Kaukua and Murtolampi).

The Cumulus stratigraphy of the Western Intrusion is divided into the Marginal Series and the overlying Layered Series. The Marginal Series can be up to a couple of hundred metres in thickness and be made up of differentiated cumulates ranging from gabbros and pyroxenites to peridotites. The Marginal Series can be repeated on surface due to tectonic movements at Porttivaara and Tilsa Blocks, in particular. The Layered Series is composed entirely of mafic cumulates.

7.2.1 Economic Geology of the Koillismaa Complex

All mineralization types characteristic of layered mafic intrusions can be found in the TNB. These include layered accumulations of chromite and PGE-enriched base metal sulphides in the lowest parts of the intrusions (contact-type PGE deposits), stratiform PGE, chromite and magnetite enrichments higher in the cumulate sequences, and offset PGE-base metal deposits below the intrusions (Iljina and Hanski 2005).

A world-class chrome deposit is located at the base of the Kemi intrusion. A magnetite gabbro layer of the KLIC has been exploited for vanadium as well. Potentially world-class reef-type PGE deposits are distributed among the intrusions named Penikat and Narkaus (Portimo Complex). Contact type PGE deposits show exceptionally high PGE concentrations locally, relative to what is typically found in basal sulphide mineralization. The location of the reefs and better grade contact-type deposits appear to be controlled by the megacyclic structure of the intrusions and/or periodic addition of magma of slightly variable compositions.

There are three principal mineralization types in the Western Intrusion.

- The Rometölväs Reef in the layered series, forms erratic and low-grade base metal and PGE zones, of approximately 20 m in thickness. These also contain fine-grained xenoliths (microgabbronorites), gabbropegmatites and anorthositic segregates, all in a gabbronoritic adcumulate.
- A thick (200 m) magnetite gabbro layer is found higher up in the sequence, and this layer has been exploited for its vanadium content at the Mustavaara Mine.
- The contact-type sulphide-PGE deposits, at the bottom and margins of every intrusive block of the Western Koillismaa Intrusion have the largest areal extent (**Figure 7-1**). Due to tectonic sinking of the central part of the original Western Intrusion, the bottom parts of the intrusion and related base metal - PGE enrichment zones are exposed on the southern margins of the intrusive blocks of

Pirivaara, Syöte, Porttivaara, and Kuusijärvi and on the northern to northeastern margins of the Kaukua and Murtolampi blocks. Total strike length of the marginal zone is on the order of 100 km (Iljina 2004).

7.3 Property Geology

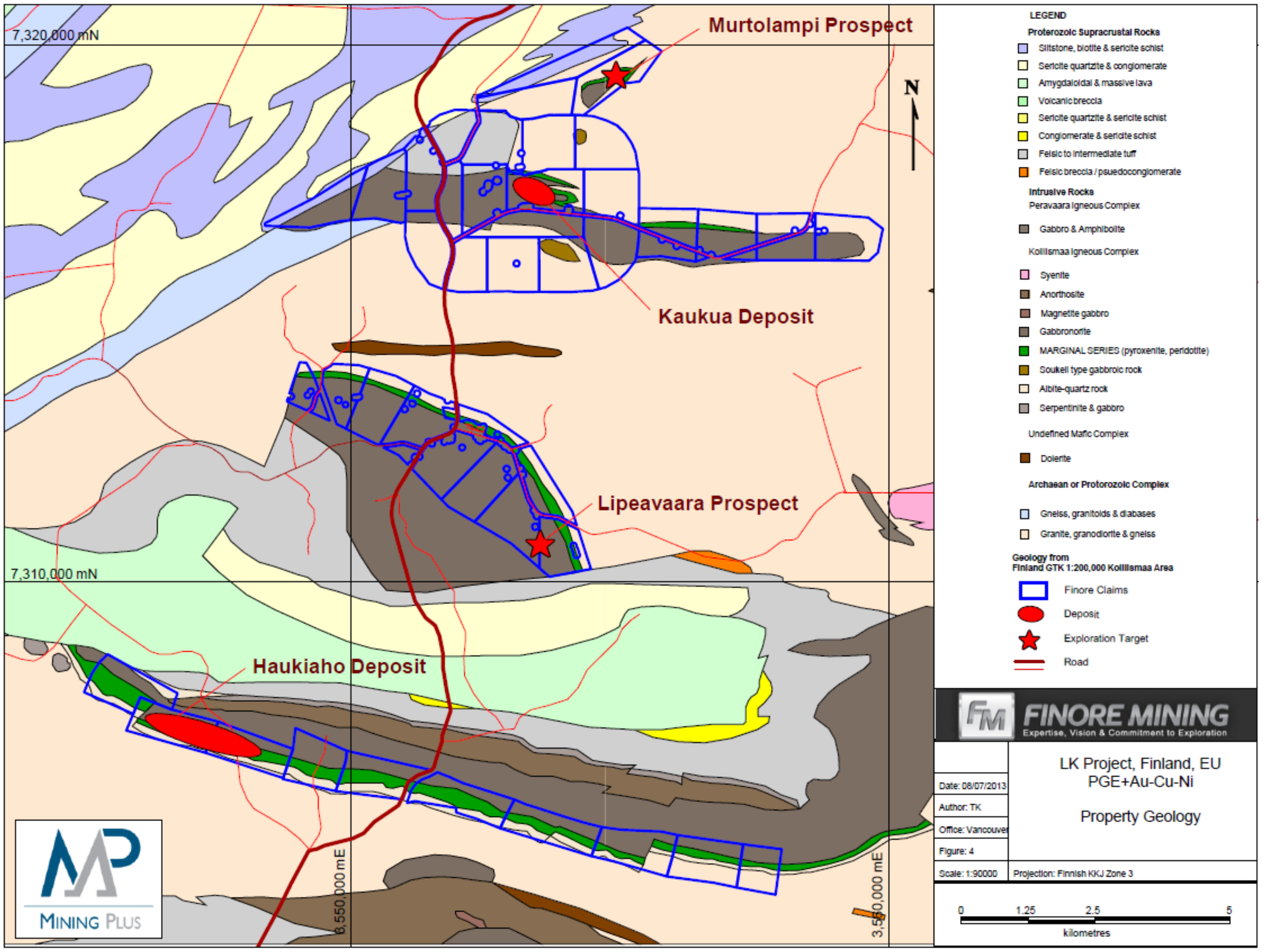

Figure 7-2 Local Regional / Property Geology (source Finore, 2012 showing permit boundaries in 2012)

7.3.1 Quaternary Geology

Glacial till covers most of the claim areas and only a small proportion of the bedrock outcrops to surface. The till ranges from 2-7 m thickness, although the overburden in the NE corner of the Kaukua deposit was approximately 30 m thick.

The bedrock underneath the till is generally fresh; only the westernmost Haukiaho drillhole (3543/04/R393) encountered deeply weathered rock, due to local fracture zones which cut the Kuusijärvi intrusive block in the west.

The glacial transport is from west and WNW and the transportation distances are short, being only a few hundred of metres in the Haukiaho area as indicated by the numerous mineralized boulders. On the other hand, sorted glaciofluvial sands are also found in the Kaukua area in addition to the till.

7.3.2 Haukiaho and Haukiaho East

The Haukiaho property **Figure 7-2** is situated 12 km SSW from Kaukua and is hosted by the Kuusijärvi intrusive block, which itself is part of the Koillismaa Western Intrusion. The igneous stratigraphy of the Haukiaho is similar to that of the Kaukua although the repetition of pyroxenite and peridotite is less common in Haukiaho. The stratigraphic units are the same as is the metamorphic alteration of primary igneous minerals. Originally gabbroic plagioclase-pyroxene cumulates are now composed of (metamorphic) plagioclase and pale amphibole (tremolite-actinolite). Pyroxene cumulates are presently chlorite- amphibole rocks, often schistose, while the decomposition of the igneous olivine has given rise to serpentine, talc and magnetite. Minor metamorphic minerals include epidote, hornblende and biotite.

The granodioritic Archaean gneiss below the layered intrusion has been pervasively metasomatized and is mineralogically albite-quartz rock, which often retains primary textures and structures (banding). This albite-quartz rock contains irregular patches, sometimes several metres thick, of mafic enclaves or dykes. Due to this the lower contact of the layered intrusion is sometimes impossible to map accurately. In the claim area, the albite-quartz rock is hundreds of metres thick (true thickness) and the unaltered footwall rock has not been pierced by any historic drillhole.

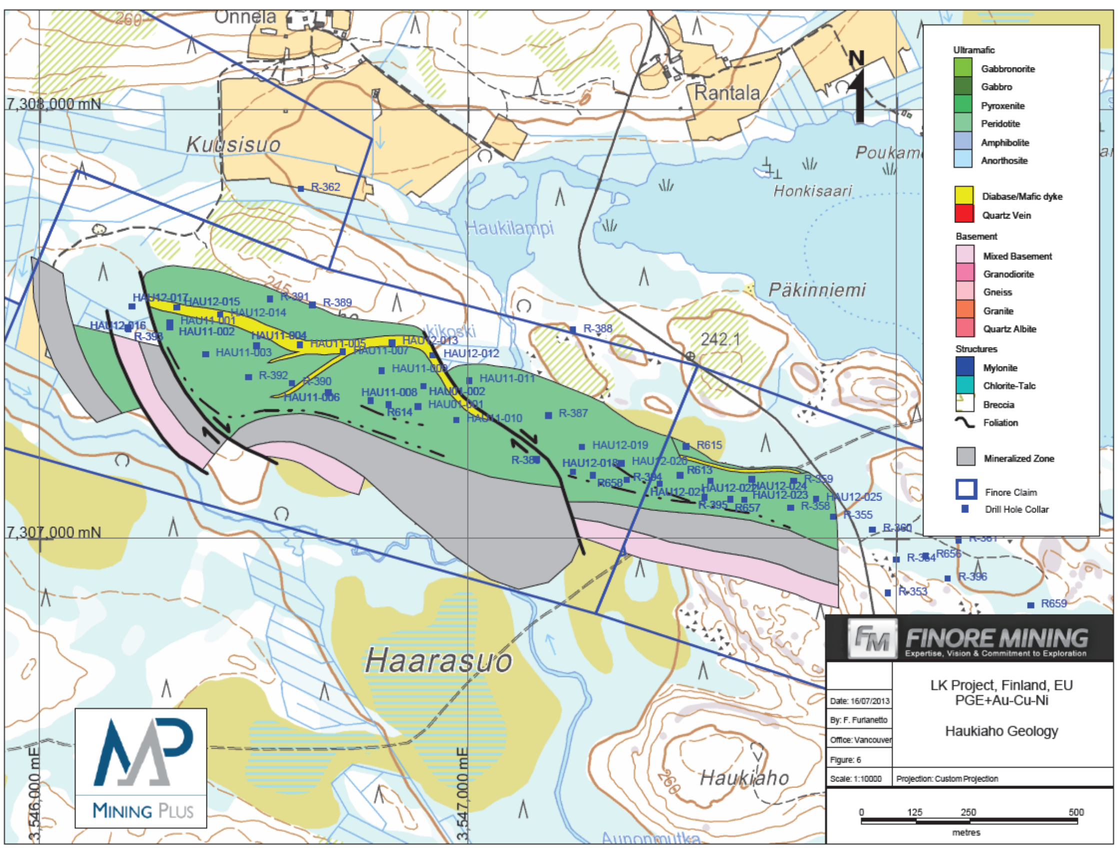

Figure 7-3 Haukiaho Geology (source Finore, 2012)

The footwall contact and the igneous layering are subvertical and dip NNE. The distance between the marginal series and the magnetite gabbro of the layered series, narrows towards the west in the Kuusijärvi block and the two units actually are in contact in the westernmost of the property.

The Haukiaho mineralization resembles Kaukua, both mineralogically and in probable origin. The Haukiaho mineralization is hosted mainly by pyroxenitic and gabbroic cumulate lithologies. It is steeply dipping to the NNE and is generally 15 to 40 metres thick.

Continuity along strike is very consistent. Like Kaukua, the mineralization is disseminated in character, but includes a few narrow massive sulphide veins. Pyrrhotite, pentlandite, chalcopyrite, and also pyrite in lesser amount, are the main sulphide minerals.

7.3.3 Kaukua

The Kaukua Block is about 8 km^2 and is situated in the northern part of the Western Intrusion. The stratigraphy consists of a thick layered series dominated by mottled gabbronorites with sub-horizontal layering overlying a sequence of gabbro, pyroxenite and peridotite of the marginal series that are preferentially mineralized **Figure 7-2**.

Syn-formational, east-west trending diabase dykes follow the sub-vertical cleavage plane, occasionally flexing and thickening along a shallow dipping contact between the upper mottled gabbronorites and lower pyroxenite and peridotite.

The Kaukua deposit has a strike length of approximately 1,000 m. The deposit dips south at 20° to 30°. The Kaukua Fault divides the Kaukua main block in the south from the smaller northern block. The Kaukua Fault is a normal fault, bringing the northern mineralized succession located at depth in the southern block back to the surface in the north. **Figure 7-4**

The stratigraphy of the Kaukua deposit is traditionally divided into layered series gabbronorites and marginal series pyroxenite and peridotite. In gabbronorites subhedral augite grains, up to several cm in diameter, are the main cumulus phase with plagioclase of unknown composition as an intercumulus phase. Quartz is also discovered as an intercumulus mineral, primarily due to assimilation of basement granitoids or syn-formational silicification. Gabbronorites of the layered series contain xenoliths of hybrid gabbro/anorthosite several centimetres in diameter. Mineralization of the layered series is usually weak with occasional, chalcopyrite and pyrrhotite dominating dissemination (reef-type). Cumulus phase augite has been partly altered into chlorite, muscovite, tremolite and epidote.

The contact between the layered series and the marginal series is generally sharp, occasionally sheared. The upper most rock type of the marginal series is usually intensely sheared pyroxenite which exhibits strong signs of hydrothermal alteration (retrograde metamorphism).

This particular sheared pyroxenite has altered into chlorite schist and/or clay minerals. The presence of sulphides in this rock type is sporadic. When present they occur as fracture fill. Sulphides consist of elongated intergrown chalcopyrite and pyrrhotite aggregates with pentlandite inclusions in pyrrhotite. Chalcopyrite also occurs as independent grains/aggregates.

Below the sheared pyroxenite the middle part of the marginal series has varying units of pyroxenite and peridotite. To date three different types of pyroxenite and two different types of peridotite have been identified by Nortec and Finore.

Pyroxenite can be divided into three different sub-types which all are perceived to contain sulphides. None of these three sub-types are identified as the most common:

- The first sub-type is a fine grained and massive pyroxenite with possible sulphides as fine dissemination of chalcopyrite and pyrrhotite. Chalcopyrite is the dominant sulphide. Aggregates of chalcopyrite and pyrrhotite with varying diameters have been discovered
- The second sub-type is a foliated pyroxenite, similar to one in the contact of the layered and marginal series
- The third sub-type is augite adcumulate, with sulphides as very fine dissemination and occasional aggregates of chalcopyrite and pyrrhotite, chalcopyrite is the dominant sulphide

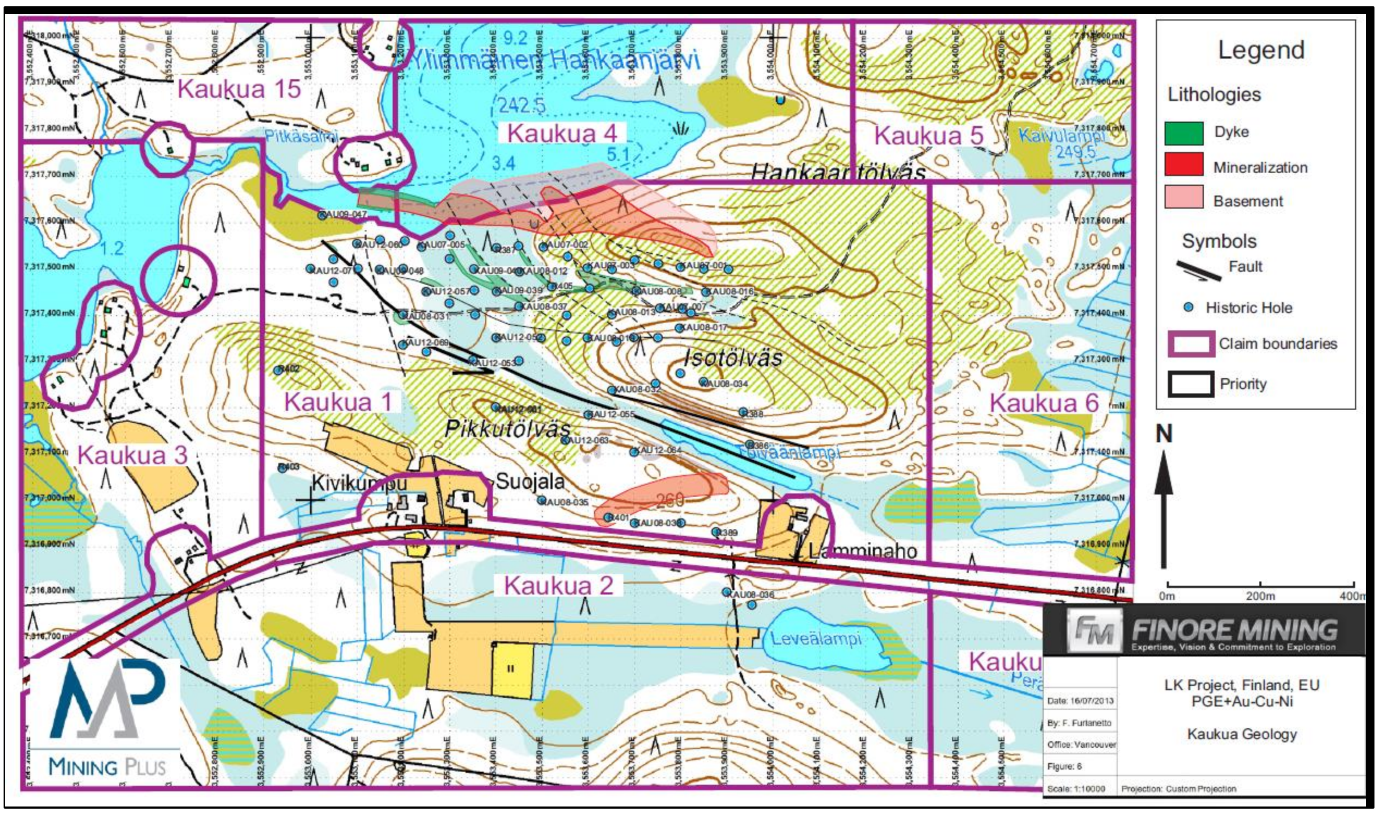

Figure 7-4 Kaukua Geology (source Finore, 2012)

Hydrothermal alteration can be identified in all of the three pyroxenite sub-types. Chlorite and talc alteration is the most apparent visual clue that primary augite has been replaced by secondary chlorite, talc, epidote or clay minerals of unknown composition. Pyroxenite locally contains basement fragments as xenoliths; contacts between the xenoliths and the pyroxenite are sharp or gradational depending on the degree of partial melting of the xenoliths. In some parts of the Kaukua deposit pyroxenite is influenced by peridotite veins which are, according to present assumption, interpreted to represent a possible secondary pulse of ultramafic magma into a slowly cooling primary intrusion.

Peridotite is divided into two sub-types. The first one is very fine grained, almost aphanitic, massive peridotite which is usually barren. The second one is foliated and fine grained and occasionally sulphide bearing. The main mineralization types vary from fine dissemination and fracture fill to aggregates up to several centimetres in diameter. Sulphides appear as pseudomorphs of olivine grains. The peridotite sections are not reported to contain any basement xenoliths. Both peridotite sub-types are intensely talc altered.

The mixed basement (basal gabbro) is located between the marginal series and basement granodiorite. The thickness of mixed basement/basal gabbro ranges from 5 m to over 30 m. This sequence consists of remnants of the marginal series and molten basement material, sometimes sections of augen pyroxenite. Sulphides are sporadically present as chalcopyrite and pyrrhotite disseminations and aggregates.

Basement rocks around the Kaukua deposit are in most cases granodiorite and granite in addition to mafic rock chemically different from the main Kaukua intrusion. Granitic basement is limited to the northern part of the Kaukua deposit whereas granodiorite is the most common basement rock in the remaining part of the intrusion. The granodiorite is granular with approximately even sized grains of plagioclase, quartz and potassium feldspar with minor amounts of biotite.

7.3.4 Murtolampi

The same applies also to mineralization in terms of style and grade. The above information is based on the published reports of GTK (Iljina, 2004).

7.4 Mineralization

7.4.1 General

Four principal types of base metal - PGE mineralization have been identified within the Kaukua block. The available data for Haukiaho and Murtolampi has identified all but the first type:

1. Hangingwall-type Mineralization (contact-type, see section 8. 'Deposit types').
2. Marginal Series-type Mineralization (contact-type).
3. Mixed Zone-type Mineralization (contact-type).
4. Reef-type Mineralization.

The Hangingwall-type mineralization is hosted in a strongly foliated gabbronorite of the layered series just above the marginal series. It is classified as Contact type because it does not have the characteristics of reef-type mineralization (high PGE, low base metals), but shares metal ratios and absolute metal grades similar to mineralization hosted by the marginal series proper.

Marginal Series-type mineralization makes up over 70% of the metal deposition at Kaukua. The Marginal Series is dominated by pyroxenite that hosts sulphide assemblages comprised of pyrrhotite-chalcopyrite-pentlandite. The sulphide assemblage also occurs as medium-grained, disseminated aggregations. Sulphide content increases towards the base of the Marginal Series, which often indicates an increase in grade for both PGE and base metals. There are occasional thin (<3 m wide) transition zones between the mineralized pyroxenite (Marginal Series) and the sulphide-bearing Mixed Zone that have low-grade or barren PGE mineralization.

Sulphide mineralization in the Mixed Zone at Kaukua varies in thickness between 30 and 40 metres. The Mixed Zone is dominated by xenoliths of granodiorite and quartzo-feldspathic gneisses partially assimilated into Marginal Series. Sulphides usually occur as fine-medium grained chalcopyrite and pyrrhotite disseminations in the basement unit and in cross-cutting gabbroic-pyroxenitic intrusives. Pyrite is also present. PGE are associated with the sulphides, and the highest values occur in chalcopyrite-rich domains. Upon moving deeper into the basement, pyrite becomes a dominant sulphide and PGE values decrease below detection limits.

The Kaukua PGE - base metals sulphide reef shares many similar features with the Rometölväs Reef described in the Syöte and Porttivaara blocks of the Koillismaa Intrusion. This Rometölväs Reef at Kaukua appears as low-grade, erratic enrichment within a 20 m thick gabbronorite adcumulate zone containing fine-grained xenoliths (known as microgabbronorites), gabbropegmatites and anorthositic segregates (Iljina, 2004; Karinen, 2010). The characteristic feature of the reef in Kaukua is frequent basement xenoliths. In the northern Kaukua this reef appears to come into contact to the marginal series due to angular discordance between the marginal series and layered series. When occurring right above the marginal series the reef is actually determined as Hangingwall-type mineralization described above.

The metal ratios and chondrite normalized patterns identified by GTK show a steady, moderately positive slope for PGE; at Haukiaho with higher normalized Au content.

The typical sulphide assemblage is pyrrhotite-chalcopyrite-pentlandite and accessory sulphides include pyrite, sphalerite, galena and molybdenite. The main oxides are magnetite and ilmenite, with chromite present in trace amounts. The grades of PGE mineralization roughly correlate with the abundance of sulphides, particularly chalcopyrite.

The four principal types of mineralization have different fundamental mineral forming processes including syn- to post-genetic hydrothermal activity. Therefore, a polygenetic model is needed to explain the presence of PGE and base metal mineralization rather than a simple magmatic sulphide model. High grade zones are concentrated largely within the lower (marginal) gabbro and lower transitional (assimilation) zones. The granodioritic basement rocks immediately below the mafic-ultramafic intrusion are typified by a prominent hydrothermally altered low-grade mineralized section. Below this zone, the granodiorite is only sporadically altered and is largely barren, except where discrete chalcopyrite-rich quartz veins and sulphidized amphibolitic zones occur.

7.5 Petrography

There have been three petrological and microanalytical studies carried out by GTK on selected samples from the Kaukua drill core.

- The first study was an in-house GTK study done in 2002 on core samples taken from the GTK holes drilled in 1999
- In 2008, Nortec contracted GTK to perform a petrological and microanalytical study on samples from holes KAU07-002 and KAU07-007 drilled during Nortec's Phase I drill campaign. This study involved both a polarized light microscope and a Scanning Electron Microscope with Energy Dispersive Spectroscopy analysis ("SEM-EDS")

- An internal petrographic study conducted by Nortec began in October 2008 and was completed in the second quarter of 2009

SEM-EDS studies reveal that most of the platinum-group minerals (PGM) at Kaukua are arsenides, bismutotellurides, and arsenoantimonides (Johanson and Pakkanen 2008). Native forms and alloys are absent. PGM are included in base metal sulphides, magnetite, and silicates and also occur along gangue mineral grain boundaries. Palladium-bearing minerals include isomertieite ($Pd_{11}Sb_2As_2$), members of the kotulskite-sobolevskite solid-solution (PdBi-PdSb), palladoarsenide (Pd_2As), majakite (PdNiAs), and paolovite (Pd_2Sn). The principal platinum carrying mineral is sperrylite ($PtAs_2$) while Bi-bearing moncheite ($PtTe_2$) is also present. Platinum-group sulphides are rare and those that have been identified belong to the vysotskite (PdS) - braggite ([Pd,Pt]S) series.

PGM mineralogy of Kaukua is practically identical to that observed from Haukiaho, where the following has been stated (Kojonen and Iljina 2001):

"Most of the grains found occur within silicates as discrete grains. To lesser extent, the PGM are intergrown on the grain borders of sulphides. The grain size is less than 40 μm, and most of the grains were 5-10 μm in diameter. The major part of the PGM found belongs to the system (Pd+Ni)-Bi-Te including minerals merenskyite (62%), michenerite (1.3%), kotulskite (5%) and Pd-rich melonite (25.3%). Other PGM found were sperrylite (6%) and PGE-rich cobaltite which was observed within sulphides."

The common feature for all the rock types examined by Nortec was the varying degree of hydrothermal overprinting. Hydrothermal alteration was seen in all samples. The main alteration types were chlorite alteration of pyroxenes and olivine, talc alteration and serpentinization of peridotites, epidotization of pyroxenites, albitization and K-metasomatic alteration of mafic units (gabbronorite and diabase). Nortec interpreted these as evidence to suggest that the whole intrusion had undergone retrograde metamorphism of greenschist/low amphibolite facies. K-metasomatism was found to be epigenetic and associated with late presence of Na-K-Ca enriched fluids/phase (epidotization, K-metasomatism and albitization).

Sulphide mineralization was found to consist mainly of chalcopyrite, pyrrhotite, pyrite, and pentlandite of which the chalcopyrite was predominant. Sulphides were discovered as dissemination, aggregates and stringers. Disseminations were usually in the intercumulus phase in pyroxenites, and peridotites, sometimes as pseudomorphs of cumulus minerals. Pentlandite was found as inclusions in pyrrhotite or as rims around pyrrhotite grains.

Based on the above findings Nortec concluded that the parental magma of the Kaukua deposit reached the point of sulphur saturation for sulphides to precipitate. However, it is improbable that parental magma itself contained enough sulphur to reach sulphur saturation through fractional crystallization. The source of additional sulphur still remains unknown.

8 DEPOSIT TYPES

Platinum-Group Elements ("PGE") are a general reference to six main metals: platinum (Pt), palladium (Pd), rhodium (Rh), iridium (Ir), ruthenium (Ru), and osmium (Os). Economic PGE deposits are primarily hosted by mafic and ultramafic igneous rocks.

On the basis of relative amounts (in economic value) of PGE and other metals, PGE deposits can be classified to 'PGE only' type of deposits, and deposits, in which PGE's are enriched along with the base metal sulphides. PGE deposits of intracontinental layered intrusions are classified on their structural position in the intrusion.

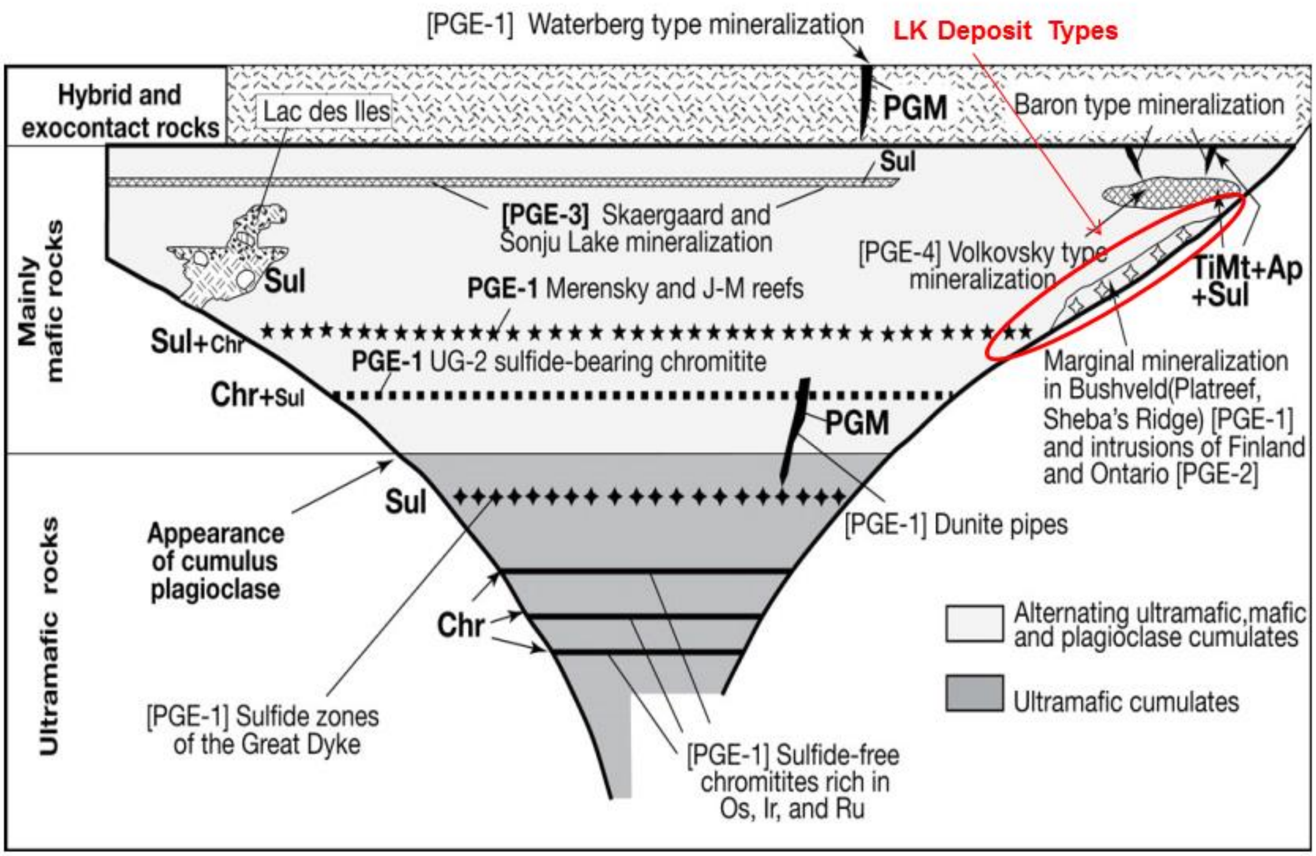

Figure 8-1 Schematic Section of magmatic CU, Ni, PGE Deposits Types (MP modified from Finore supplied image)

'Contact type' deposits are generally zones within the Marginal Series, which are tens to over a hundred metres wide and have developed at the base or sides of mafic layered intrusions. The PGE concentration is lower than in 'reef-type' deposits and the economic exploitability is based on large tonnage bulk mining methods. Contact type mineralization is erratic in nature and in individual drillholes the highest PGE values can be found tens of metres above or below the contact of the intrusion; they are also variable along strike. High-grade PGE enrichments, contact type and others seem to be related to larger igneous events, but the size of the hosting intrusion is not necessarily a controlling factor. (Iljina and Lee, 2005).

9 EXPLORATION

Nickel One has completed no work on the LK project. Finore has completed no work on the LK since 2012. MP summarizes the work completed by Finore in this section. Finore has completed a diamond drill program in 2011 and 2012 to extend the known resource by increasing the mineralized zones defined in this report.

Nortec undertook the previous recent exploration. Nortec's exploration program consisted mainly of geophysical ground measurements in addition to re-logging and sampling of historic drill core that is still available. To date no outcrop mapping, geochemical surveys or surface sampling programs has been done by Nortec or Finore.

Nortec reports the following sequence of exploration activities completed since entering into an agreement with AEbv in early 2007.

9.1 Relogging and Sampling of Historic Drillholes

Ten GTK drillholes located within the Kaukua group of claims were re-logged in 2008, followed by the 2009-2010 re-logging and sampling of 58 holes derived from Haukiaho and Murtolampi groups of claims. Logging was done in accord with Nortec's coding formats for geological and geotechnical logging used in the company's own drilling program. The core was also photographed.

As a result of the re-logging Nortec confirmed the quality of GTK and NAN historic drillholes sampling and assay data and integrated this information into the drillhole MS Access database.

9.2 Ground Geophysical Survey

The 'contact-type' PGE mineralization which is typically base metal sulphide bearing and commonly enriched in copper and nickel. This feature leads to a broad geophysical Induced Polarization (IP) signature characterized by elevated conductivity and especially chargeability. Nortec contracted SJ Geophysics, a geophysical contracting and consultancy firm from Vancouver, BC, Canada, in June 2008 to conduct a three-dimensional Induced Polarization (3DIP) test survey over the Kaukua property. The purpose of this ground geophysical test survey was to determine if IP could locate and trace potential sulphide mineralization and differentiate between possible similar responses from fine grained magnetite known to be present in the area. Data collection was carried out on a grid with lines spaces at 100 m, amounting to 20-line kilometres of survey.

The computed inverted chargeability sections calculated from the 3DIP survey outline several anomalous sources which were generally observed to correlate with known and projected Cu- Ni mineralization as determined from drilling, and as seen in compiled cross-sections.

Following is quotation from the report by SJ Geophysics:

"Comparison of the resistivity and the chargeability shows that the chargeability is associated with a relatively low resistivity zone but right at a very high resistivity contact making it appear as though the high chargeability is sitting in a type of basin. With the exception of the area around the power line near the south of the grid the data collected in the survey grid was of very good quality and could differentiate between the very low background

chargeabilities and only slightly elevated anomalous chargeabilities. The spherics which was bad during the survey period did hamper the quality somewhat but not sufficient to delay the survey and only a few parts of the survey were resurveyed to check quality. The data indicated that there was an elevated chargeability zone striking northwest to southeast across the central part of the survey area. Inside this elevated chargeability zone there were two distinct higher chargeability trends separated by a very high resistivity zone. The bottom and lateral extents of the anomalous chargeability also seemed to be marked by higher resistivity making it appear like a type of basin which contained the higher chargeabilities. The historic drilling which had anomalous results in sulphur, copper etc. all seemed to correlate well with the higher chargeability anomaly in the northeast part of the anomalous zone. The high chargeability to the south appeared to have been barely missed by previous drilling therefore it is recommended to drill more into the central part of this anomaly. It is recommended that drilling be confined to the higher chargeability values and that the grid is extended to the south-east and possibly to the north-west on the northern side of the lake."

10 DRILLING

Nickel One has done no work on the LK project. Finore has completed no further work since the 2012 work that is summarized below.

A partial history of drilling on the project is summarized in Chapter 6. The drilling on the property is summarized in **Table 10-1**.

Table 10-1 Drilling History Summary

Company / Year	Number of Holes Drilled	Zone Drilled	Meters Drilled
GTK (Finnish Geological Survey)	58	Haukiaho	8,563.9
GTK	10	Kaukua	1,649.9
GTK	6	Murtolampi	301.9
North American Nickel / 2001	7	Haukiaho	893.6
Nortec / 2007	50	Kaukua	10,292.8
Finore / 2011-2012	25	Haukiaho	4,668.8
Finore / 2012	23	Kaukua	6,116.2
		Total Meters	32,487.1

Finore undertook a diamond drilling program from October, 2011 to April 2012. There was a total of 10,785.0 meters of drilling in 48 drillholes in this program, testing the Kaukua Target and the Haukiaho Target at both the Meläräme and the Torkoaho zones. The core size was NQ2.

Finore's core logging, sample processing and custody program follows the principles used by Nortec in their previous drilling. These included a standard, spreadsheet-based logging format with validated fields, core cutting by company staff and submitting samples to the ALS Chemex facility in the town of Outokumpu. Holes are surveyed by Reflex Maxibor II ® gyro instrument by the drilling company, Nivalan Timanttikairaus oy. Only the logging and sample preparation facility are different, they now use facilities shared with Mustavaaran kaivos oy. Core is stored in the same location as the Nortec core.

Finore's QAQC program comprises inserting sample blanks, and standard reference samples similar to Nortec's program. Inter-laboratory check assays were made at the Finnish accredited geochemical laboratory Labtium. Standards inserted in the sample flow include AMIS (African Mineral Standards) standards AMIS 0056 and AMIS 0064 for PGE and base metals, and an in-house created olivine diabase for precious metal blank. These same standards were also used by Nortec in previous drilling phases. The interval of inserting is about 1/25 samples.

Nortec has conducted four phases of exploration drilling over the Kaukua property since October 2007, for a total of 10,308 meters of drilling **Table 10-1**. The drill programs explored for shallow dipping PGE+Au-Cu-Ni mineralization, which trends east-west, dips to the south and plunges to the WSW.

The Phase I exploration drill program by Nortec was carried out by the GTK Technical Services Group using a GM-100 based rig and BQTK equipment for 40.7 mm diameter core. From Phase II forward swivel drive drill rigs were used to produce NQ2 size core (50.7 mm). Downhole surveys were done by Nivalan Timanttikairaus oy using the Reflex Maxibor II ® gyro instrument for the hole KAU08-017 and later.

Sections and plans in the Appendix for each zone are indicative of the thickness and areal extent of the mineralized horizons. The thickness of the Kaukua deposit is up to 70 m from the top of one zone to base of the lower zone. The thickness of the Haukiaho deposit approximates 65 m depending on the section. These described thicknesses include some internal zones of waste.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Chain of Custody, Sample Preparation and Security

Nickel One has completed no work on the LK project. This section summarizes the work relevant to sampling related to the resource estimate that is the subject of this report.

Finore staff were responsible for transportation of the drill core from the drill site to the core storage and logging facility in Taivalkoski, about 70 km from the drill site. During the logging stage, the core was measured and sample intervals selected by Finore staff. These intervals were marked on the core and on the core boxes. Finore staff members cut the core samples in half with a diamond saw. The half core samples from the drillholes were sent to ALS Chemex Laboratory (ALS Chemex) in the town of Outokumpu. Standards were inserted into the sample flow by Finore staff.

Coarse rejects and pulps not used for assay were sent, back to the issuer, which stores them in its core farm at Taivalkoski.

11.2 Sample and Core Security

Finore's Taivalkoski core storage facilities consist of heated 'warm' and unheated 'cold' storages in two separate buildings about 500 m apart. The 'warm' storage sample logging and prep area was shared by Finore like the 'cold' one which is also shared with another tenant. Both storage areas are locked.

All project data is stored on Finore's office server in Vancouver, with data backup. Nickel One also has a copy of the data.

11.3 Sample Analysis

Based on mineralogical studies the base metals, except Ni, are practically exclusively carried by sulphides like pyrrhotite, chalcopyrite, pentlandite, and pyrite. The Ni is distributed between Ni-sulphides and Ni-bearing mafic silicates. The Ni in silicates is not practical to recover in the anticipated mining methods.

11.4 Sample Analysis Description

The standard preparation for drill samples by ALS Labs at Outokumpu, Finland, starts with the log in of the sample into the tracking system, adding a barcode, weighing, drying, fine crushing the entire sample to >70% less than 2 mm. It is then riffle split off up to 1 kg and the split is pulverized to >85% passing 75 um. It is then labelled, packed and a 100g lab split is shipped by courier to the ALS Chemex Lab in Vancouver, BC, Canada for analysis.

Analysis of Pt (0.005-10 ppm), Pd (0.001-10 ppm), Au (0.001-10 ppm) is by the PGMICP23 analysis package using lead fire assay (30g nominal charge weight) with ICP-AES detection finish.

"Ore grade" Pt (0.03-100 ppm), Pd (0.03-100 ppm), Au (0.03-100 ppm) package by lead fire assay (30g nominal sample weight) with ICPAES finish was used for over limit Pt, Pd and Au values reported by method PGM-ICP23.

Trace element analysis for 35 elements is conducted by the ME-ICP41 package, using Aqua Regia acid digestion and ICP-AES detection. Quantitatively dissolves base metals for the majority of geological materials; however, major rock forming elements and more resistive metals are only partially dissolved.

Copper assay was determined by the Cu-OG46 "ore grade" package (0.001ppm-40%) of Aqua Regia digestion and ICP or AAS detection for over limit copper values.

Over limit analysis by the ME-OG46 package - Ag (1-1,500 ppm), Cu (0.01-40%), Mo (0.00110%), Pb (0.001-20%), Zn (0.001-30%) uses aqua-regia digestion and ICP-AES detection. Above detection limit values from ME-ICP41 are also automatically re-analysed using this package.

11.5 Check Analysis

The Labtium laboratory in Rovaniemi, Finland was used for check samples. Labtium is an independent, fully State owned laboratory outsourced from GTK in 2007

The samples were dried and sent for detection. Detection of base metals used the 720P package, which is sodium peroxide fusion and 27 element detection by ICP-AES. The Au, Pt and Pd detection are by the 704P package which is a 25 g lead fire assay charge with ICP-AES detection.

Select samples were analysed for nickel in sulphide by selective digestion.

A limited number of samples were checked by sending the rejects from the core facility to the Labtium Laboratory for analysis as a check of the values. These interlab tests are meant to determine the consistency of the laboratory with another laboratory and uncover biases. If the two laboratories values agreed fully they would plot on the line indicated in **Figure 11-1**, **Figure 11-2**, **Figure 11-3** and **Figure 11-4**.

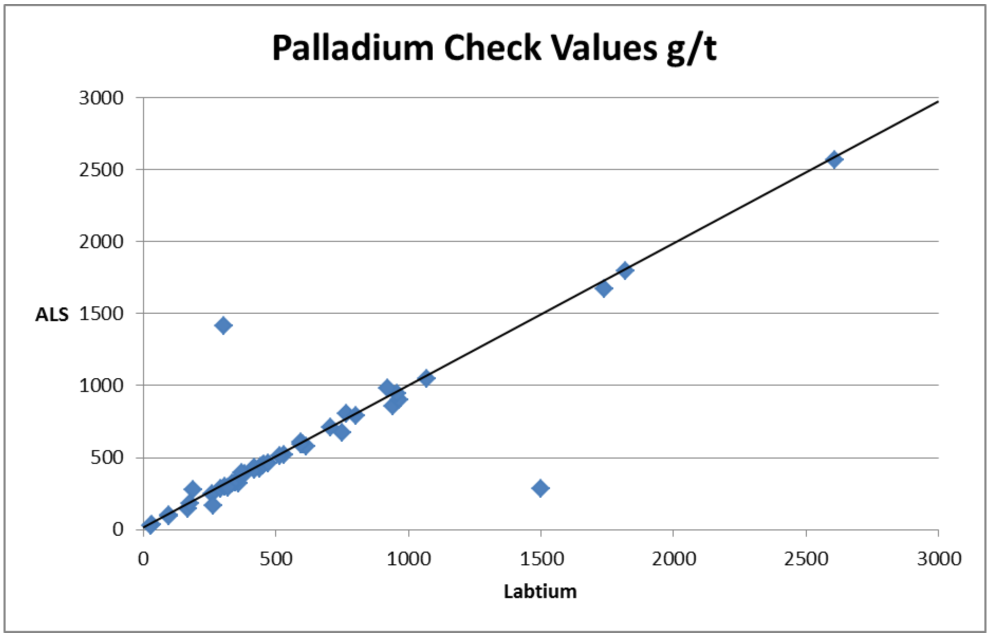

Figure 11-1 Palladium Interlab values

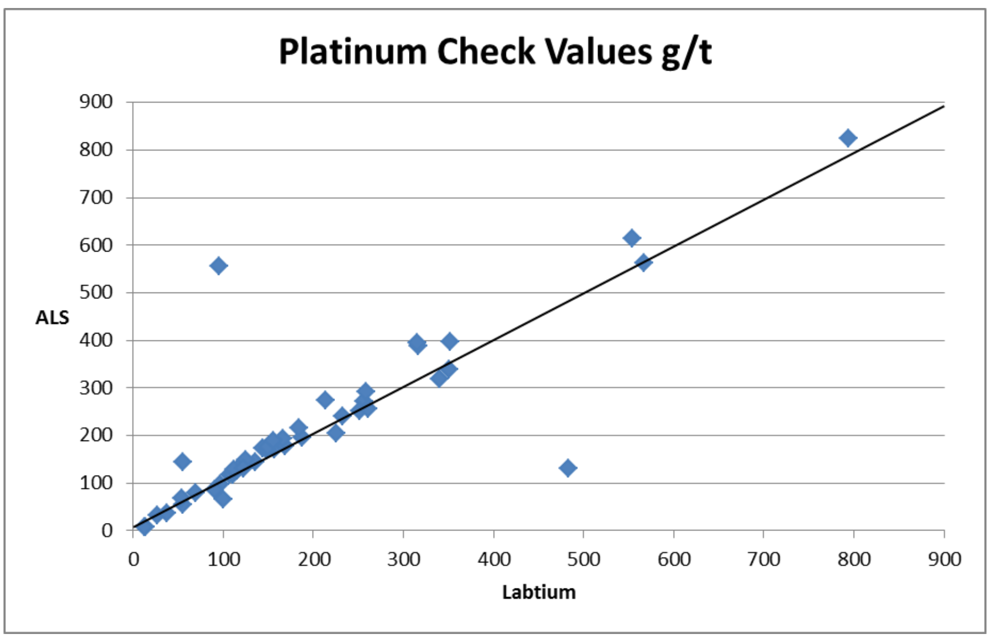

Figure 11-2 Platinum Interlab values

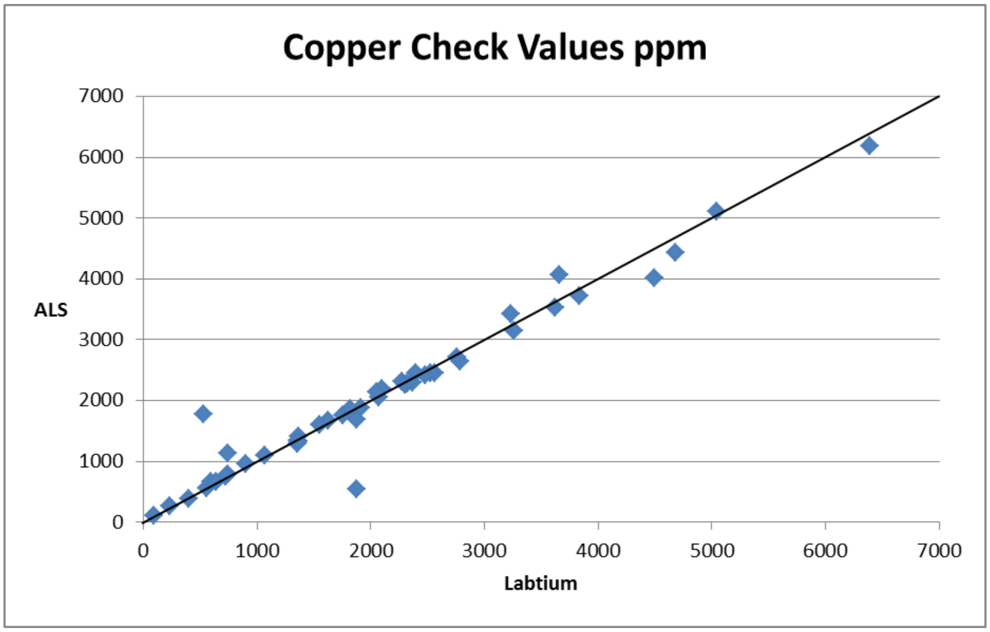

Figure 11-3 Copper Interlab values

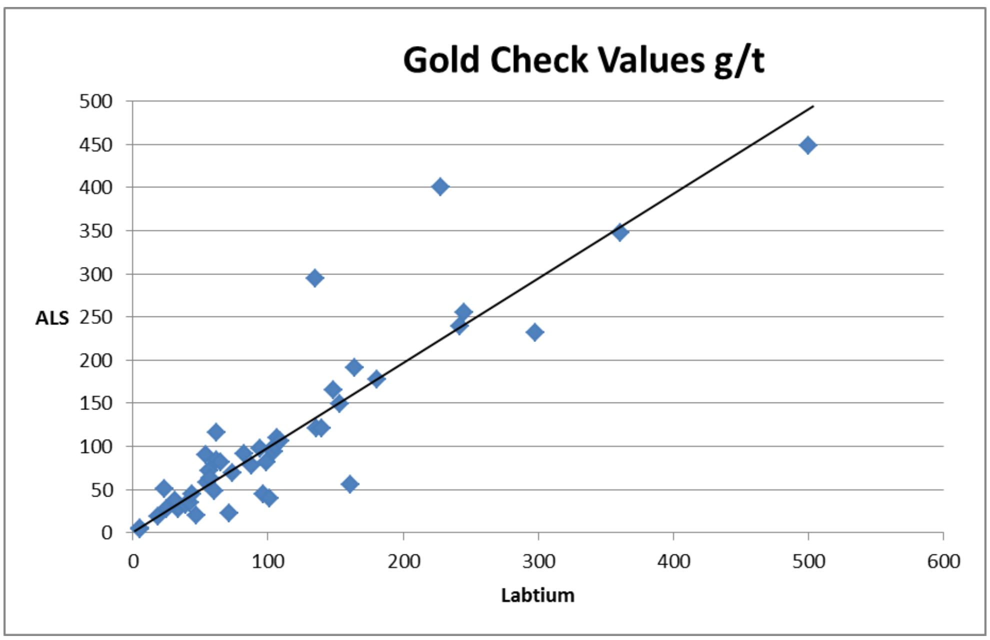

Figure 11-4 Gold Interlab values

The values returned from the separate various labs are generally consistent with a few outlier values. Although not ideal, these results are consistent with results from other deposits with this lower grade tenor. This is referred to as the "nugget effect" and it caused by small differences or "nuggets" between the samples.

For the purposes of this study the results are acceptable.

11.6 Sample Blanks

A very limited number of the total sample blanks and reference samples analyzed for the Finore 2011 and 2012 drill program were identifiable in the data provided by Finore and possible to compare and evaluate.

Finore inserted sample blanks into the sample stream reviewed at the frequency of about 1/65 of the total samples. Finore used an olivine diabase prepared by Nortec for blank material. This has not been sent for round robin analysis so the standard values of this diabase are unknown. These types of samples are a good check of the sample preparation system of the laboratory. The results returned were highly consistent values between the samples and indicated that the diabase is well suited for use as a field blank. The consistency of values indicates little or no cross contamination was detected in the limited number of samples reviewed.

11.7 Reference Samples

Reference samples were inserted in the sample stream to check the accuracy of the assay laboratories. Reference material was purchased from African Mineral Standards (AMIS) and comprised of four different certified standards prepared from Platreef (AMIS 0056) and Merensky Reef (AMIS 0064) PGE and base metal deposits of the Bushveld Layered Complex, South Africa.

The standards used in this project were AMIS 0056 and AMIS 0064. The ranges of samples two standard deviations from the norm are:

Table 11-1 Standards used and two Standard Deviation Range

	Au (ppm)	Pt (ppm)	Pd (ppm)	Cu (ppm)
AMIS 0056 Platreef	0.11-0.19	0.71-0.91	0.82-0.94	1218-1584
AMIS 0064 Merensky Reef	0.072-0.128	1.12-1.36	0.52-0.64	570-702

Detection limits of the laboratories were:

Table 11-2 Laboratory lower detection limit

	Au (ppb)	Pt (ppb)	Pd (ppb)	Cu (ppm)
ALS Chemex	1	5	5	1
Labtium	1	10	10	

The number of standard samples submitted by Finore in the 2011 and 2012 drilling is limited, due to the small total sample size in the program. The average sample density is about one sample standard or olivine blank in every 25 samples. All standards and blanks that were analyzed by ALS Chemex were returned with values within two standard deviations of the expected average value. A visual confirmation of the values was made, but no graphing completed due to the limited numbers. There appears to be very positive consistency in the values returned, with limited bias.

Table 11-3 ALS Chemex Variance from AMIS Standard Averages

Standard Used and Element	Average and 2 SD Range (ppm)	ALS Chemex Average (ppm)	Difference (ppm)
AMIS 0056 Copper	1377±107	1417	+40
AMIS 0064 Copper	664±49	652	-12
AMIS 0056 Gold	0.16±0.02	0.147	-0.013
AMIS 0064 Gold	0.11±0.02	0.104	-0.006
AMIS 0056 Platinum	0.81±0.10	0.826	+0.016
AMIS 0064 Platinum	1.24±0.14	1.254	+0.014

The copper and platinum values used are certified concentrations while gold is indicated by AMIS to be a provisional concentration value.

Watts Griffis and McOuat (2012) (WGM), completed sample analysis and variance comparisons for the Nortec drilling and found the standards used in the previous drilling campaign to be within industry acceptable ranges.

MP has reviewed the sample analysis of the 2011 and 2012 Finore drilling and concludes that the methods used for verification, sample collection, security and data control are within industry standards and adequate for this study. MP accepts that the review of data by WGM is up to industry standards and used this data. MP takes responsibility for the contents for the data used for the resource estimate.

12 DATA VERIFICATION

Mr. Marek Mroczek P.Eng. conducted a site visit to Nickel One's LK Project area, now optioned to Nickel One, on June 2nd and 3rd, 2013. During this time he:

- discussed the exploration work conducted on the property
- saw the drill core in the storage facilities
- observed the geology and mineralization on the property
- verified the exploration work and the available data.

During the site visit he was accompanied by Mr. Jan Ackerman, former owner of Nickel One's properties. In the field, the coordinates for drillhole collars were checked using a hand held GPS. During the verification process it turned out that Finore had not conducted an accurate drillhole collar survey from the recent drilling campaign. The Finore Haukiaho database contains coordinates taken by handheld GPS with the elevations averaged to one level elevation 240m above sea level for 25 drillholes. The historical drillholes drilled by Nortec and GTK were surveyed by Rovamitta Oy, surveyors from Rovaniemi. A copy of the report was provided by Finore. The surface area of the Haukiaho deposit data is defined as flat. However, the topography map indicates possible differences in elevations up to 8m along the strike of the deposit. Due to the limited drilling and relatively flat surface area across the majority of the property the core data is regarded as suitable for the resource estimate at this stage of exploration.

The same shortage of accurate drillhole collar survey was found at the Kaukua deposit. Twenty drillhole collars have elevations averaged to the elevation 250m. Significant differences were found in drillhole collar elevations. Finore staff was informed by MP about the findings. For the purpose of this resource estimate for the Kaukua deposit a three dimensional computer surface was generated from topographic map data. The drillhole collar elevations were adjusted using the generated map.

In the office, the assay database was checked with the original assay certificates for the Haukiaho and Kaukua projects. The original certificates were provided in PDF format. The verification comprised at least 10% of the total assay samples. No error was found. The core log data was checked with the core during the site visit.

It is concluded by Mining Plus that at this stage of exploration the data can be used for the resource estimate.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

Mineral processing and metallurgical tests were done by Nickel One's project partner Nortec Minerals Corp in 2009 and 2010 on drill core from the Kaukua deposit. The PGE enriched Cu-Ni sulphide deposits at Haukiaho and Kaukua are believed to host mineralization with a similar metallurgy. Preliminary metallurgical work was carried out on the Haukiaho deposit by North Atlantic Natural Resources in 2005 using surface bolder material as samples. Similar results between the 2005 and 2010 work programs were received.

Preliminary metallurgical tests were carried out by Lakefield Research for North Atlantic Research on the Haukiaho deposit in 2005 on surface sample material to assess bulk sulphide flotation. A summary of these results were documented by GTK in 2005 in a report entitled "The Haukiaho and Kaukua PGE-Cu-Ni-Au prospects in Koillismaa Layered Igneous Complex, Finland".

SGS Metallurgical Lab in Vancouver received two shipments totalling 161 samples from drill core on the project (SGS Lab, 2010) from Nortec Minerals in Finland. The first shipment was various different lithological units. It was used to prepare a Master Composite for flotation tests, as well as separately to test comminution and variability. The second shipment was used to create another Master Composite for Platsol™ metallurgical testing.

Physical testing used to predict the grindability of the various rock units and the power used developed a SAG Power Index (SPI) and Bond BWI for the gabbronorite, peridotite, pyroxenite, and mixed basement composites. These tests showed some variability and more grinding tests are recommended before final design of a mill.

Batch rougher flotation testwork focused on improving copper and nickel performance and investigated the primary grind size and the effect of various reagents. Testing indicates a primary grind size of 80% passing 80 microns and the recommended reagents, SIPX and Danafloat 245 (Dithiophosphate), are adequate for optimum rougher flotation recovery. Further optimizations test were undertaken. Regrind was found to not be beneficial in improving the grades. Guar gum addition was shown to improve the concentrate grade by suppressing non-sulphide gangue flotation.

Results showed that the Master Composite could generate a final concentrate grading 16-17% Cu+Ni and 4% MgO, recovering 86-89% of the Cu, 35-37% of the Ni, 44-50% of the Pt, 68-69% of the Pd and 70-76% of the Au.

The type of concentrate produced could result in limited smelter capability opportunities to enable a high return on concentrate sales. In addition to the copper and nickel grades the MgO content can have a negative impact on potential smelters and the return. Test work on the Kaukua deposit demonstrated that the MgO in the bulk concentrate can be maintained in the acceptable 4% range with the use of depressants. Separation of the concentrates into a copper concentrate and nickel concentrate may result in a nickel concentrate with a grade too low to market due the low head in the deposit that occurs as a recoverable nickel sulphide. Indications from the test work are that a saleable concentrate can be produced by bulk sulphide flotation.

Platsol™ testing on the bulk concentrate was tested to extract the metals. Platsol™ is a single step, pressure leaching process to recover platinum group metals (PGMs), gold and base metals such as Cu, Ni and Co from a variety of high and low grade ores. Initial Platsol™ testing on a bulk concentrate assaying 7.8% Cu, 3.9% Ni, 0.15% Co, 3.3g/t Au, 6.1g/t Pt and 22.8g/t Pd produced extraction efficiencies of 99.8%, 98.8%, 95.8%, 98.6%, 90%, and 98% respectively for Cu, Ni, Co, Au, Pt and Pd under typical Platsol™ conditions: 225°C, 120 minutes retention time, 10 g/l NaCl, and 100 psi oxygen overpressure. Platsol™ is an option if selling the concentrate proves difficult.

14 MINERAL RESOURCE ESTIMATES

14.1 Haukiaho Deposit

14.1.1 Introduction

A mineral resource estimate was conducted for platinum (Pt), palladium (Pd), copper (Cu), nickel (Ni) and gold (Au) for the Haukiaho deposit. The resources estimate was completed using Gemcom Surpac software version 6.4.

Finore provided the data as compiled digital files for all drillholes in an Excel spreadsheet. The drillhole data consisted of drillhole collar coordinates, drillhole downhole survey, compiled assays for estimated elements and lithology.

The geological interpretation was conducted by Finore using Pt and Pd assays for geometry of the Haukiaho deposit on paper cross sections. The cross sections were at a 100 m spacing perpendicular to the strike of the deposits. Plan views with interpreted geology were also used for the resource estimate. All drillholes from different exploration campaigns were plotted on cross sections. The interpreted geology and geometry of the Haukiaho and Kaukua deposits were reviewed before conducting the resource estimate. MP is of the opinion that the interpretation is reasonable and the cross sections and plan views can be used for mineral resource estimating.

14.1.2 The Drillhole Database

The drillhole database for the Haukiaho deposit comprises 90 drillholes. . The coordinate system used for the drillhole collars is the official government Finnish coordinate system. The set of drillhole data consists of historical drillholes drilled by GTK and recently drilled by Nortec and the recent drilling by Finore. The database consists of the tables: drillhole collar coordinates, downhole survey, lithology and assay. The lithology table contains rock names for intersected intervals. The assay table contains assays for: Pd ICP ppm, Pt ICP ppm, Au ICP ppm, Cu ICP ppm, Ni ICP ppm Co ICP ppm Cr ICP ppm , S ICP percent, Fe ICP percent AU FAAA ppm and PGE AU ppm. A total of 3,441 assay samples were loaded into Surpac software and stored as an Access database.

14.1.3 Computer Modeling

The interpreted geology and geometry of the Haukiaho deposit was 3D modeled using Gemcom Surpac software version 6.4. Interpreted Haukiaho deposit boundaries were digitized on the computer screen for each cross section. The digitized boundaries of the deposits were snapped on cross section to the sample assays greater than 0.1 g/t Pd. Solid models representing the geometry of the deposits were generated. Additionally, interpreted faults, diabase dykes and major lithological rock units (granite, ultramafic rocks and overburden) were also modeled. The topographic surface was generated using drillhole collars.

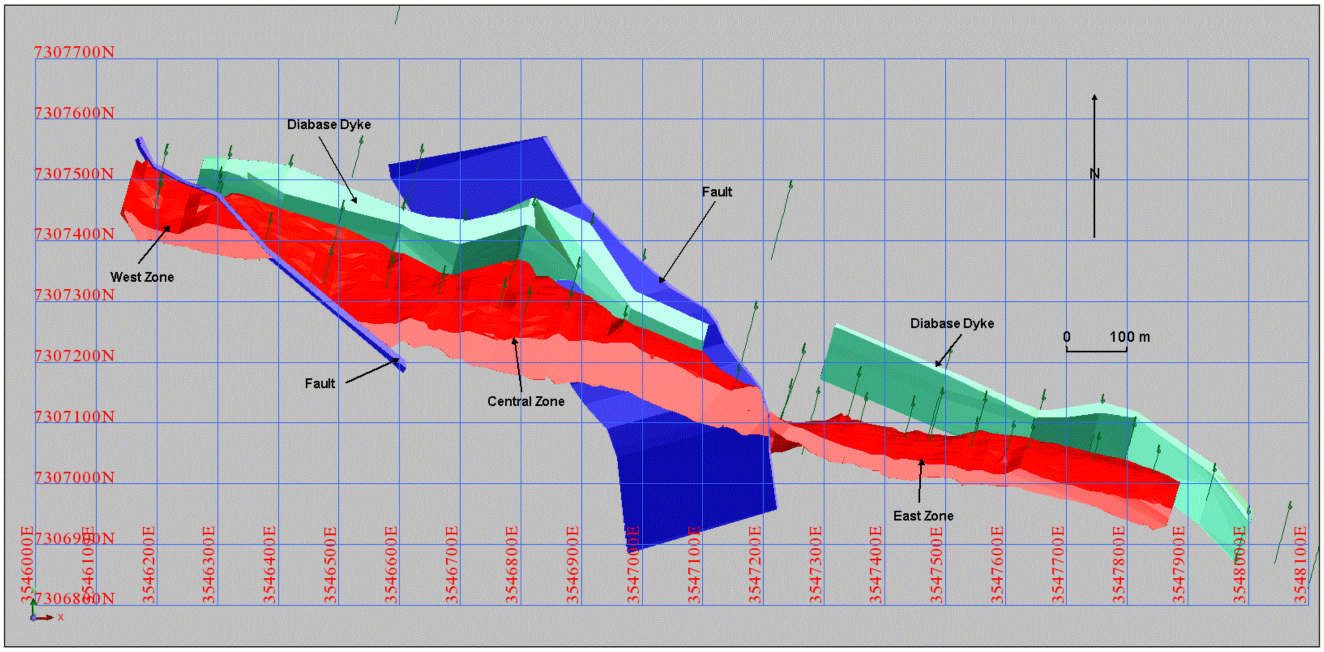

Figure 14-1 Three dimensional model of the Haukiaho deposit polymetallic mineralization

Three solid models were generated for the Haukiaho deposit representing three separate zones with polymetallic mineralization: West Zone (West Torkoaho), Central Zone (Torkoaho) and East Zone (Melarame). These separate zones represent one continuous polymetallic mineralization divided and shifted by two post mineral faults. The polymetallic mineralization is cut off at the bottom by diabase dykes dipping to the SW

14.1.4 Sample Compositing

Basic statistical analyses were conducted to get information on sample lengths. All samples being within the solids representing geometry of the deposits were plotted on the histogram for sample length **Figure 14-2**.

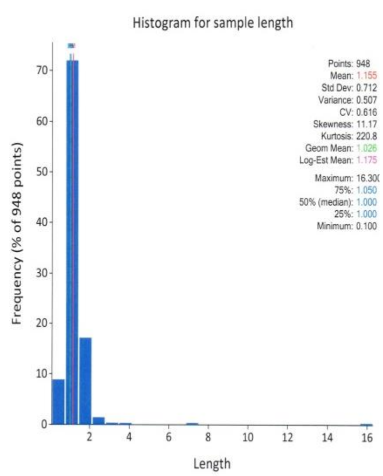

Figure 14-2 Histogram for sample length

The sample length varies from 0.1 m to 16.3 m for the Haukiaho deposit. The predominant sample length is 1m. There were also a certain amount of samples (18%) with lengths of 2m. It was decided to composite all samples to the length 2m. All samples were composited within the solid models representing geometry of the deposit.

14.1.5 Basic Statistics Data Analysis

Sample correlation between metals

Correlation analysis was conducted to measure similarities between the metals for Pd, Pt, Cu, Ni and Au on composited drillhole samples. The coefficient of correlation was calculated using the Excel function CORREL for each pair of metals. The coefficient of correlation for each pair is presented in **Table 14-1**.

Table 14-1 Coefficient of Correlation between different pairs of metals

	Pt/Pd	Pt/Cu	Pt/Ni	Pt/Au	Pd/Cu	Pd/Ni	Pd/Au	Cu/Ni	Cu/Au	Ni/Au
Coefficient of Correlation	0.98	0.78	0.87	0.80	0.80	0.90	0.80	0.87	0.81	0.74

The coefficient of correlation indicates high correlation in each pair of metals.

The composited drillhole samples were analyzed using histograms and probability plots for their distribution and statistical parameters. The statistical analyses were conducted for Pt, Pd, Cu, Ni and Au. Snowden Supervisor software was used for basic statistical analysis. A total of 530 composites were used in the statistical analysis.

The drillholes R-613, R-658 and R614 were removed from the statistical analyses due to lack of assays for Pd, Pt, and Au. Those drillholes are historical drillholes and were not used for grade estimate, either.

Palladium

Basic statistical analysis on a histogram for Pd demonstrates three sample subpopulations in the sample dataset.

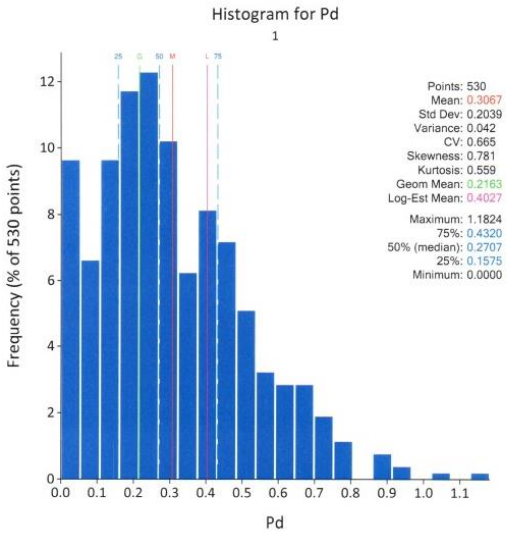

Figure 14-3 Histogram for Pd

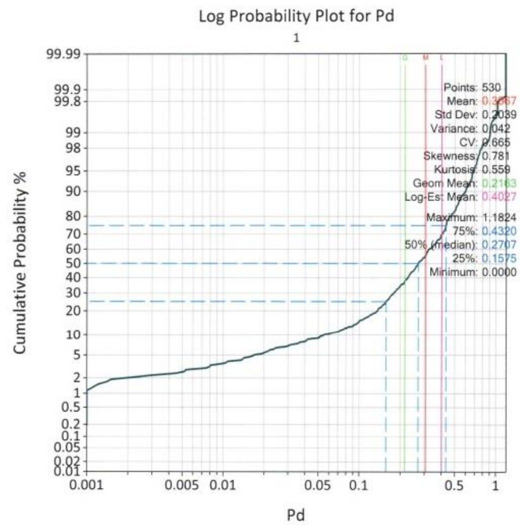

Figure 14-4 Log probability plot for Pd

The probability plot **Figure 14-4** shows that the subpopulation below 0.1 ppm represents waste and consists of approximately 15% of the samples. The third subpopulation is high grade consisting of 2% of total sample data set. The low coefficient of variation 0.665 indicates that capping of outliers is not necessary.

Platinum

Basic histogram statistical analyses for Pt indicate four sample subpopulations occurring within the Haukiaho deposits.

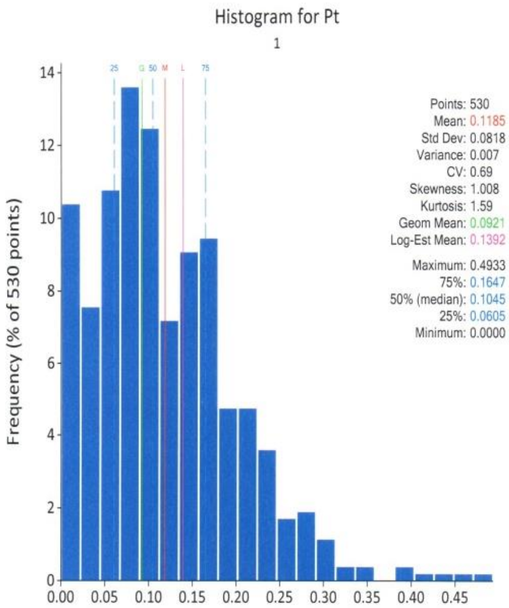

Figure 14-5 Histogram for Pt

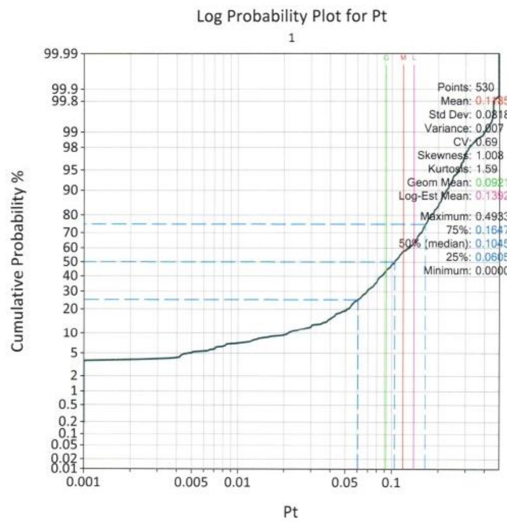

Figure 14-6 Log probability plot for Pt

The log probability plot **Figure 14-6** shows that significant subpopulation occurs below a cut-off of 0.1 ppm Pt. This subpopulation represents waste. The remaining two sample subpopulations represent mineralized zones running parallel along the strike of the deposit with variable length and width. The subpopulation with high grade represents only 1 % of all sample composites. The low coefficient of variation 0.69 indicates that capping of outliers (excessive assay values) is not necessary.

Copper

The histogram shows that the sample data set has four subpopulations.

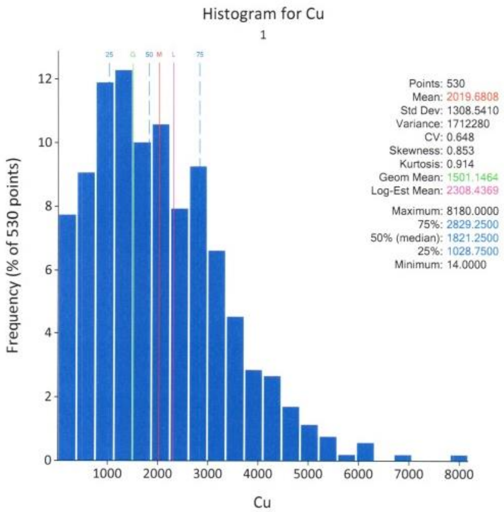

Figure 14-7 Histogram for Cu.

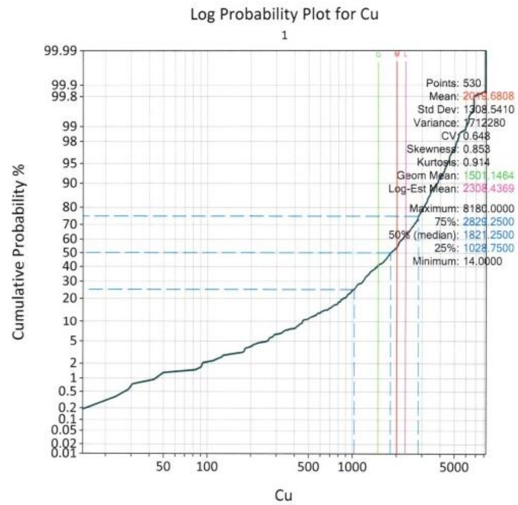

Figure 14-8 Log probability plot for Cu.

The log probability plot **Figure 14-8** indicates that the subpopulation below 1000 ppm copper is waste. The subpopulation with relatively high values represents only 1.5 % of the total sample data. The low coefficient of variation 0.646 shows that capping of outliers is not necessary.

Nickel

The histogram shows four Ni subpopulations. **Figure 14-9**

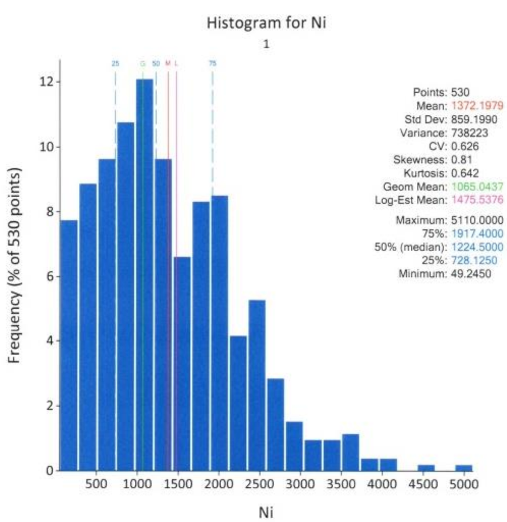

Figure 14-9 Histogram for Ni

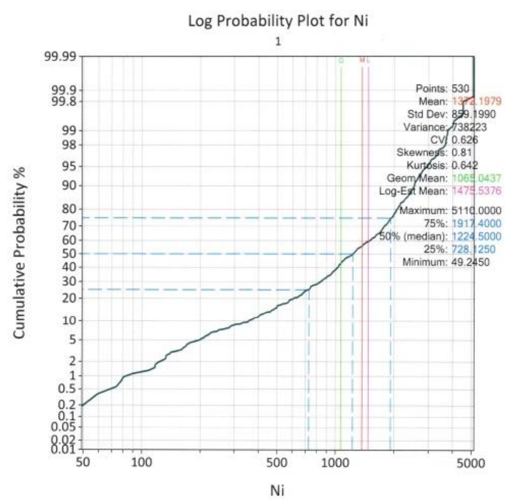

Figure 14-10 Log probability plot for Ni.

The log probability plot **Figure 14-10** indicates that the largest subpopulation is below 1000 ppm Ni or approximately 40% of the samples which represents Ni waste. The subpopulation above 3000 ppm represents possible Ni occurring in the sulphides. The low coefficient of variation 0.626 indicates that capping of outliers is not necessary.

Gold

The histogram plot for Au indicates two sample subpopulations. **Figure 14-11**

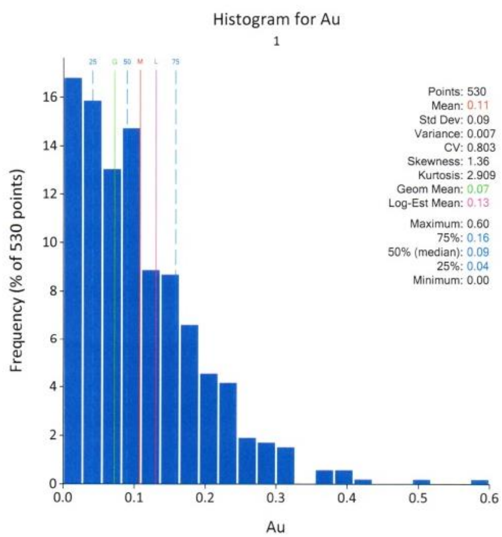

Figure 14-11 Histogram for Au

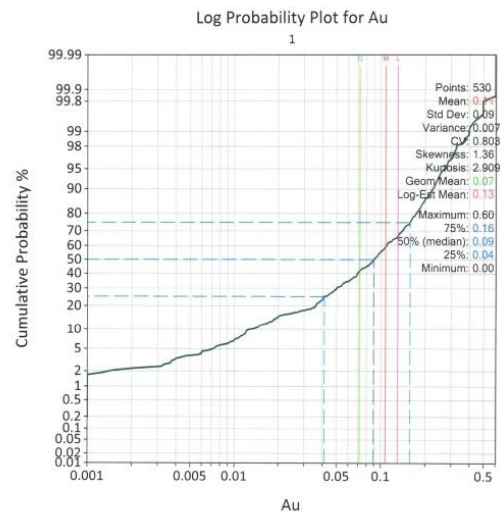

Figure 14-12 Log probability plot for Au.

The log probability plot **Figure 14-12** shows that subpopulation below 0.05 ppm represents Au waste. The subpopulation above 0.05 ppm represents gold mineralization. The low coefficient of variation of 0.808 indicates that capping outliers is not necessary.

14.1.6 Density

There are density measurements recorded for the historical drillholes by GTK and completed in the laboratory. Density measurements were not conducted for the recent drillholes. An average of 2.89 t/m^3 was used in the resource estimate for the Haukiaho deposit, based on the average GTK laboratory results.

14.1.7 Geostatistical Analysis

Spatial relationships of the samples within the solid models were conducted using spherical variogram models. Sixteen variograms were generated with increasing azimuth 22.5 degrees for each element. In modelling the respective variograms the direction of maximum continuity of the mineralization recorded using the variograms with longest range and lowest variance. The variogram analyses were conducted for Pd, Pt, Cu, Ni and Au.

The variography analyses were conducted on Gemcom Surpac software version 6.4.

Table 14-2 Variogram parameters for Haukiaho deposit

Element	Pd	Pt	Cu	Ni	Au
Bearing	140.16	139.44	148.52	140.33	138.35
Plunge	38.80	38.12	45.53	38.96	37.02
Dip	50.09	56.75	44.46	49.98	48.02
Sill	0.99	1.01	1.20	1.21	0.79
Nugget	0	0	0.016	0	0
Range	124.29	99.65	110.28	111.11	145.46
Ellipsoid Parameters					
Major/Semimajor	1.00	1.28	1.00	1.14	2.48
Major/ Minor	2.43	1.45	2.18	1.45	1.00

The Haukiaho deposit is anisotropic and the grade for all metals has good continuity along the strike. There is variation in grade within the width of the deposit. The maximum continuity occurs in the south east direction and is almost concurrent with the strike of the deposit.

The variography analyses indicate no significant nugget effect. A small nugget effect occurred only for copper.

The basic statistics and geostatistical analyses show that the composite data used was suitable for the grade estimate.

14.1.8 Resource Block Model and Grade Estimate

Block Model

A block model was generated in Surpac software with using 10m x20m x10m block cell size. The longest block cell size was used to reflect the proportion and direction of the Haukiaho deposit. The block model parameters for Haukiaho deposit are in the **Table 14-3** below.

Table 14-3 Block Model Parameters

Description	Y	X	Z
Minimum Coordinates	7,306,380	3,545,700	0
Maximum Coordinates	7,308,060	3,548,740	300
Block Cell Size	10	20	10
Block Model Rotation	0	0	0

Within the block model the attributes were set up for Pd, Pt, Cu, Ni, and Au rock type, partial percentage for the east, central and west zones, combined partial percentage for the deposit, density and topographic percent.

The partial percentage attributes represent the percentage of the block model cell volume that is inside any solid model representing the geometry of the Pd/Pt mineralization. The combined partial volume percentage represents a partial percentage for all three zones east, central and west. In cases where a partial volume percentage occurred for two zones due to a split by a fault in the block the partial volume percentages were added.

Grade Estimation

The grade estimate was conducted using ordinary krigging in Surpac software. The data parameters resulting from the variography study were used to estimate grade for Pd, Pt, Cu, Ni and Au.

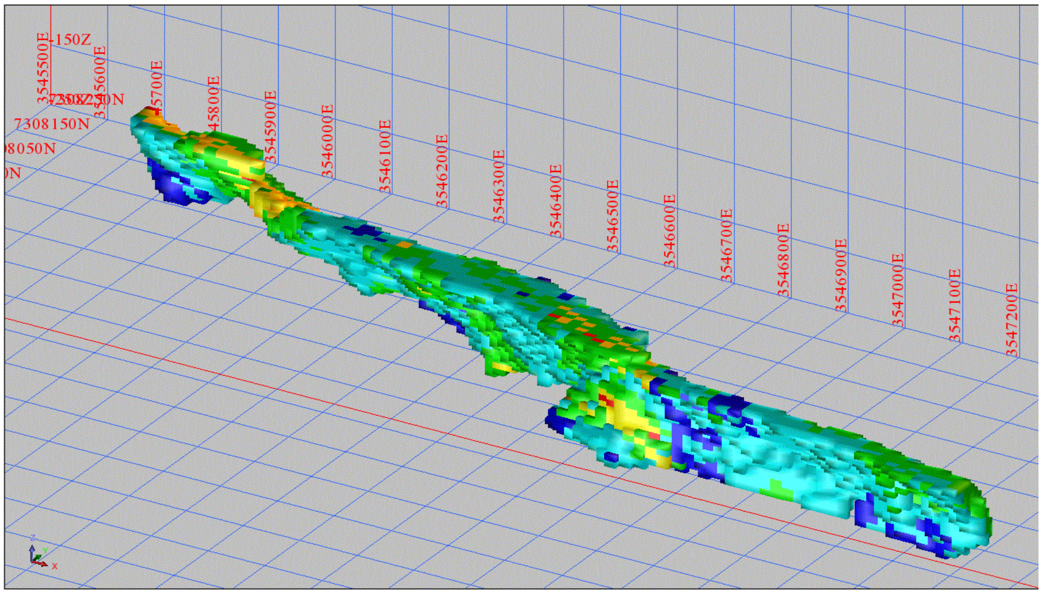

Figure 14-13 Haukiaho block model with estimated Cu grade.

Two ellipsoid search passes were used. The first pass search ellipsoid was used for maximum variogram ranges representing maximum element continuity and the second pass was set up with the maximum range search ellipsoid 300m to populate the remaining block model cells with grades.

Table 14-4 Interpolation parameters

Search	Search Parameters	Pd	Pt	Cu	Ni	Au
First Pass	Maximum Range	124	99	110	111	145
First Pass	Number of samples Min / Max	4 / 15	4 / 15	4 / 15	4 / 15	4 / 15
Second Pass	Range	300	300	300	300	300
Second Pass	Number of samples Min / Max	4 / 15	4 / 15	4 / 15	4 / 15	4 / 15

The grade estimate was conducted on samples within the interpreted geometry solids in Surpac of the deposit boundaries and using the original element lab units.

Mineral Resource Classification

The estimated mineral resources are classified **Table 14-5** as inferred resources are tabulated in the table below.

Table 14-5 Estimated Mineral Resources

Category	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
Inferred	23.2	0.31	0.12	0.21	0.14	0.10

*Total nickel

Resource classification is based on various available data sources considered robust by MP including:

- Quality and reliability of drilling and sampling data
- Distance between sample points (drilling density)
- Confidence in the geological interpretation
- Continuity of the geologic structures and the continuity of the grade within these structures
- Variogram models
- Statistics of the data population
- Density

Indicated and measured resources were not identified because there is not enough confidence in the data to classify at this level.

The estimated mineral resources are reported in the units commonly used in the industry. The lab units ppm for Pt, Pd and Au were converted into grams per tonne. The lab units ppm for Ni and Cu were converted into percent. The mineral resources for each zone east, central and west are presented in **Table 14-6**.

Table 14-6 Inferred resources of Haukiaho deposit divided into zones

Zone	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
East	7.1	0.26	0.10	0.18	0.12	0.10
Central	13.3	0.32	0.12	0.22	0.15	0.10
West	2.8	0.37	0.15	0.22	0.15	0.13

*Total Nickel

Some internal waste with low Pd grade, which was not possible to separate during the interpretation and modeling, is included in the resources estimate.

Grade Tonnage Information

The changes in the Pd grade at different cut-offs and the grade tonnage characteristics of the Haukiaho deposit is show in **Table 14-7**.

Table 14-7 Grade tonnage information at different Pd cut-off grades

Pd cut-off	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni * %	Au g/t
0.1	23.2	0.31	0.12	0.21	0.14	0.10
0.2	17.7	0.35	0.13	0.23	0.16	0.11
0.4	5.4	0.48	0.16	0.3	0.2	0.14
0.6	0.3	0.66	0.22	0.36	0.22	0.13

*Total Nickel

The tabulated grade tonnage for the Haukiaho deposit summarizes quantities of tonnes in relation to grade in the deposit and provides information for changes in the cut-off grade.

Mineral Resource Validation

MP validated the Haukiaho block model by visual interrogation of block model cells with drillhole assays in the cross section, **Figure 14-14**

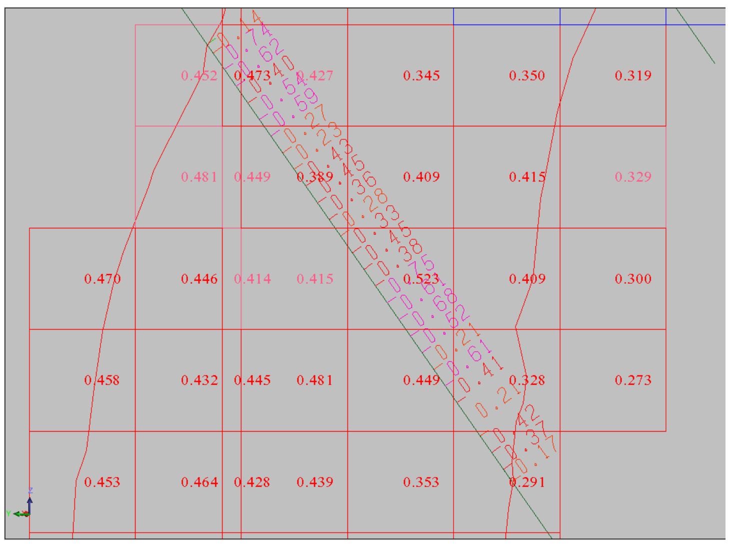

Figure 14-14 Fragment of a cross section with Pd grades in drillholes R-392 and HAU11-004

The final grade output from the resource estimate in the block model was also compared with the mean grade output from basic statistics analysis. see **Table 14-8**

Table 14-8 Comparison block model grades vs. mean grades from composite samples

Reported Grade	Method	Pd g/t	Pt g/t	Cu %	Ni %	Au g/t
Block Model	Ordinary Kriging	0.31	0.12	0.21	0.14	0.10
Mean grade from composite samples	Basic statistics	0.31	0.12	0.20	0.14	0.11
Note: All grades converted from lab units into industry units						

The estimated grade in the block model almost matches assay mean grades obtained from basic statistics analyses.

Conclusions

The following conclusions have been drawn:

- The Haukiaho deposit is anisotropic with the major direction of grade continuity along the deposit strike
- The deposit boundary at the contact with the overburden is not intersected by drilling
- The Pd and Pt mineralization does not have significant variability in grade for long distances
- The Haukiaho deposit is closed off at depth by a barren diabase dyke running almost parallel to the strike of the deposit and cutting off the deposit at depth, the tonnage from the barren dyke was subtracted in the resource estimate
- The last drilling campaign does not have accurately surveyed drillhole collars
- No twinned drillholes were drilled to date to assess the accuracy of data from the historical drilling
- No sulphide nickel assays were conducted to determine the recoverable nickel grade

14.2 Kaukua Deposit

14.2.1 Introduction

A mineral resource estimate was conducted for Pd, Pt, Cu, Ni and Au for the Kaukua deposit. The resource estimate was done using Gemcom Surpac software version 6.4.

Finore provided the data as compiled digital files for all drillholes in an Excel spreadsheet. The drillhole data consisted of drillhole collar coordinates, drillhole downhole surveys, compiled assays for estimated elements and lithology.

The geological interpretation was conducted by Finore using palladium assay at a cut-off of 0.1 g/t Pd for determining the geometry of the Kaukua deposit on paper cross sections. The cross sections were at a 50 m spacing perpendicular to the strike of the deposits. A plan view with interpreted geology was also used for the resource estimate. All drillholes from different exploration campaigns were plotted on cross sections.

MP reviewed the interpreted geology and geometry of the Kaukua deposit before conducting resource estimate. MP is of the opinion that the interpretation is reasonable and cross sections and plan views can be used for mineral resource estimate.

14.2.2 The Drillhole Database

The drillhole database for the Kaukua deposit comprises 83 drillholes with collar coordinates, downhole surveys, lithology and assays. The coordinate system for drillhole collars is the official government Finnish coordinate system. The set of drillholes used consists of historical drillholes drilled by GTK (Finland geological Survey) and recently drilled by Nortec. The database consists of the tables: drillhole collar coordinates downhole survey, lithology and assay. The lithology table contains rock names for intersected intervals. The assay table contains assays for: Pd ICP ppm, Pt ICP ppm, Au ICP ppm, Cu ICP ppm, Ni ICP ppm, Cr ICP ppm , S ICP percent, Fe ICP percent. A total of 6,449 samples were loaded into Surpac software and stored as an Access database

14.2.3 Computer Modeling

The interpreted geology and geometry of the Kaukua deposit was 3D modeled using Gemcom Surpac software version 6.4. Interpreted Kaukua deposit boundaries were digitized on the computer screen for each cross section. Digitized boundaries of the deposits were snapped to the sample assays in drillholes where a sharp boundary Pd assay at a cut-off of 0.1 g/t was interpreted as the waste contact. The solid model representing the geometry of the deposit was generated. Additionally, interpreted faults, major diabase dykes and overburden were also modeled. The topographic surface was generated using the drillhole collar coordinate data.

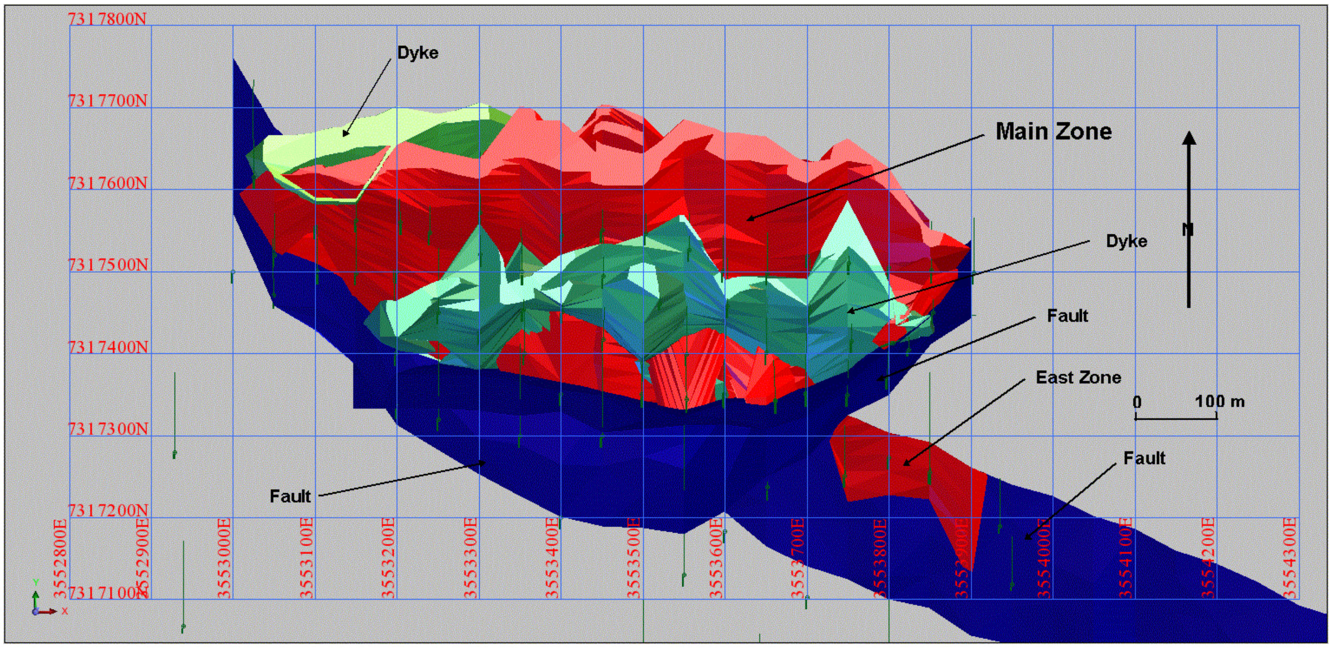

Figure 14-15 Three dimensional model of the Kaukua deposit with faults and dykes in plan view.

The modeled Kaukua deposit consists of two zones Main Zone and East Zone. The zones are defined by faults. The faults outline the south, west and east boundary of the Main Zone. The contact between overburden and bedrock represents the northern boundary of the Main Zone. The Main Zone is exposed underneath the overburden at the north. The main strike of the Pd-Pt mineralization is east-west with a dip 35-45°. The diabase dykes cut polymetallic mineralization mainly parallel to the strike.

The East Zone at this stage of exploration is not regarded as a mineral resource.

14.2.4 Sample Compositing.

Basic statistical analyses were conducted to find the distribution of sample lengths. All samples occurring within the solids representing the geometry of the Kaukua deposit were plotted on a histogram for sample length **Figure 14-16**

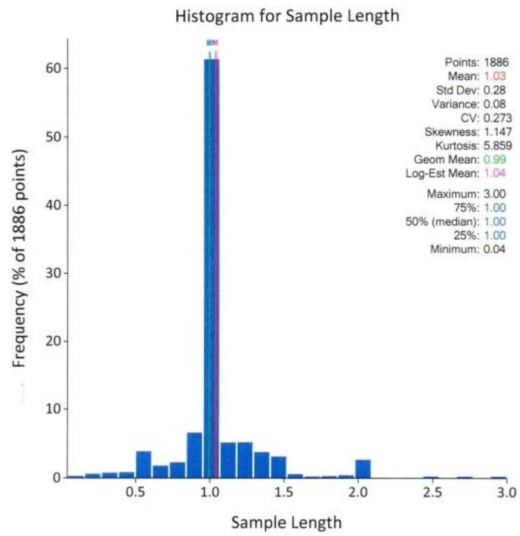

Figure 14-16 Kaukua drilling - histogram of sample lengths

The sample length varies for Kaukua deposit from 0.04 m to 3 m. The dominant sample length is 1m. There was also a certain amount of samples (25%) with length greater than 1m. It was decided to composite all samples to the length 2m. All samples were composited within a solid wire frame model representing the geometry of the Kaukua deposit.

14.2.5 Basic Statistical Data Analysis.

Simple correlation between metals

Correlation analysis was conducted to measure similarity between the metals for Pt, Pd, Au, Cu and Ni on composited drillhole samples. The coefficient of correlation was calculated using Excel function CORREL. The coefficient of correlations for each pair of metals is presented in **Table 14-9**.

Table 14-9 Coefficient of correlation for different pairs of metals

	Pd/Pt	Pd/Cu	Pd/Ni	Pd/Au	Pt/Cu	Pt/Ni	Pt/Au	Cu/Ni	Cu/Au
Coefficient of correlation	0.97	0.62	0.57	0.53	0.62	0.58	0.52	0.52	0.56

The Pd and Pt have a very high coefficient of correlation indicating a similar occurrence in the samples. The high correlation for platinum and palladium means that both metals can be used for defining the geometry of mineralization for the Kaukua deposit. The remaining pairs of metals have a low coefficient of correlation and these metals are not similarly distributed in the sample data, hence neither are similarly distributed in the deposit.

Palladium

The composited sample data set tends for Pd to have normal distribution on the log histogram **Figure 14-17**. The right side of the log histogram shows deviation of the normal distribution with a sample subpopulation.

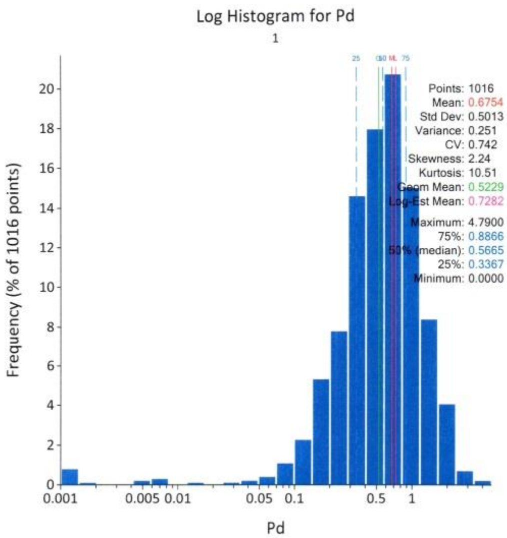

Figure 14-17 Log histogram for Pd

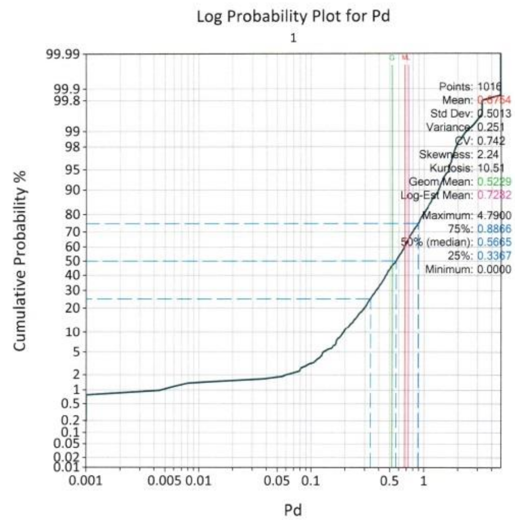

Figure 14-18 Log probability plot for Pd

The log probability plot **Figure 14-18** for Pd demonstrates two sample subpopulations. The sample subpopulation below 0.1 g/t Pd is waste. The waste represents approximately 5% of the sample populations. The low coefficient of variation at 0.742 indicates that capping of outliers is not necessary.

Platinum

The composited sample data set shows for Pt similar behavior on the log histogram and the log probability plot as for Pd. The sample data set tends to have a normal distribution. The right side of the histogram indicates a second sample subpopulation as waste. The left side of the log histogram shows a third sample subpopulation of high grade in relation to the sample data set. **Figure 14-19**

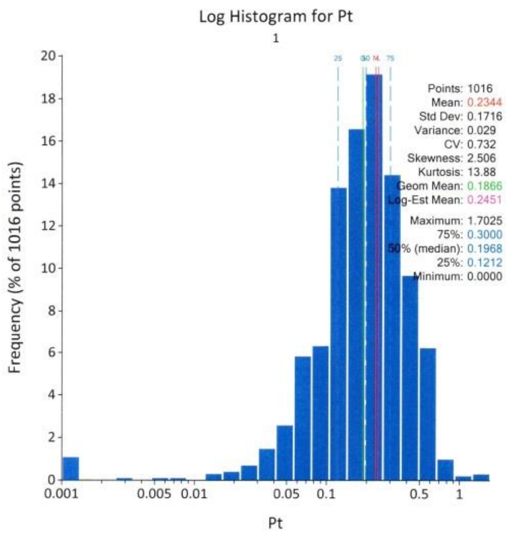

Figure 14-19 Log histogram for Pt

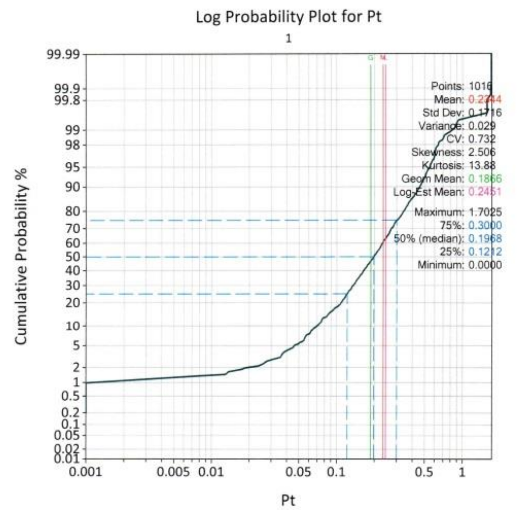

Figure 14-20 Log probability plot for Pt

This is also reflected on the log probability plot **Figure 14-20**. The waste consists of approximately 10% of the Pt sample population and higher grade represents only 1%. The low coefficient of variation at 0.732 indicates that capping of outliers is not necessary.

Copper

The composited sample data set shows for Cu to have a left skewed log histogram **Figure 14-21**. The log probability plot shows three sample subpopulations. There is not a good similarity in the Cu occurrence with the Pd and Pt and the sample data set contains a higher copper waste subpopulation.

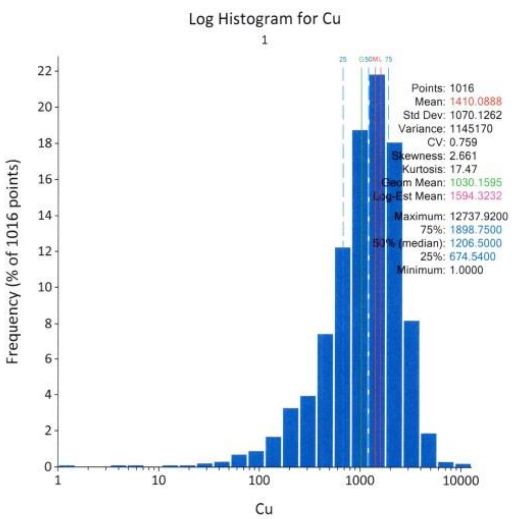

Figure 14-21 Log histogram for Cu

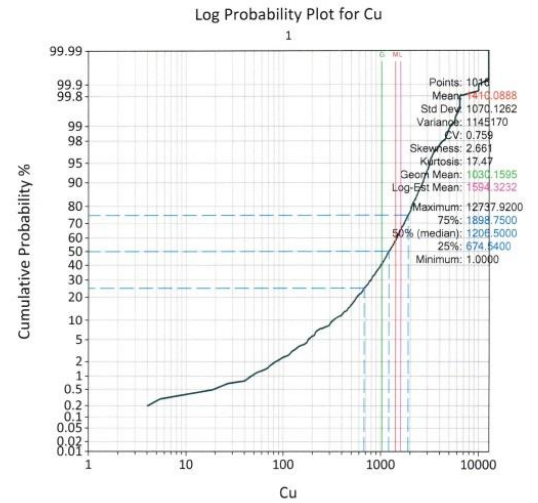

Figure 14-22 Log probability plot for Cu

The log probability plot **Figure 14-22** shows that Cu waste consists of 20 % of the total sample population. A third sample subpopulation is represented by higher Cu grades in relation to the main sample subpopulation. However, these higher Cu grades represent only 2% of the total sample data set. A low coefficient of variation at 0.759 indicates that capping outliers is not necessary.

Nickel

The composited sample data set shows Ni on a log histogram normal distribution.

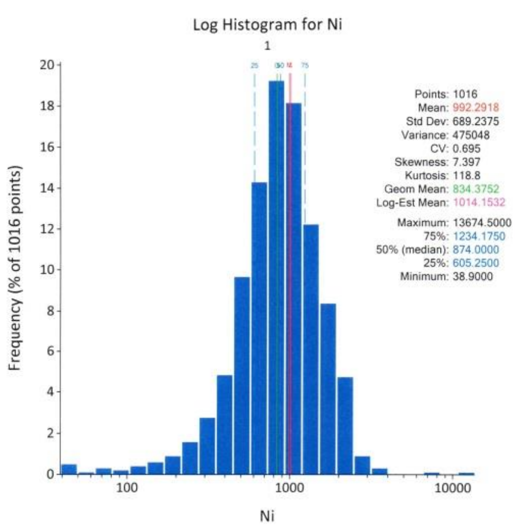

Figure 14-23 Log histogram for Ni

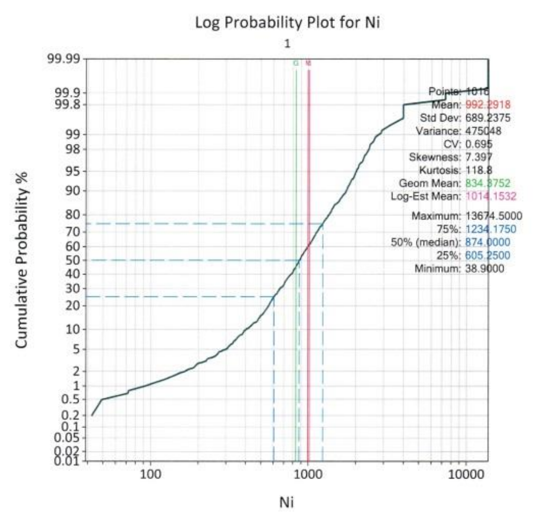

Figure 14-24 Log probability plot for Ni

The log probability plot **Figure 14-24** indicated three sample subpopulations. The grade below 700 ppm is Ni waste representing approximately 20% of the sample population. The third subpopulation representing 5% of the samples are the high Ni grades in relation to the main sample population. The coefficient of variation is low at 0.759 and indicates that capping outliers is not necessary.

Gold

The composited sample data set for Au tends to be left skewed on the log histogram. **Figure 14-25**

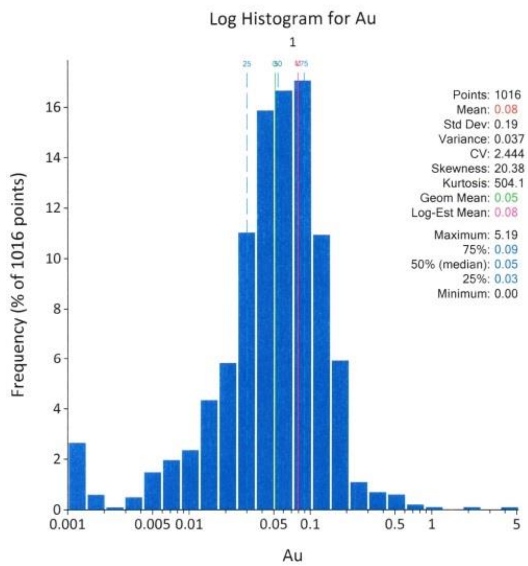

Figure 14-25 Log histogram for Au

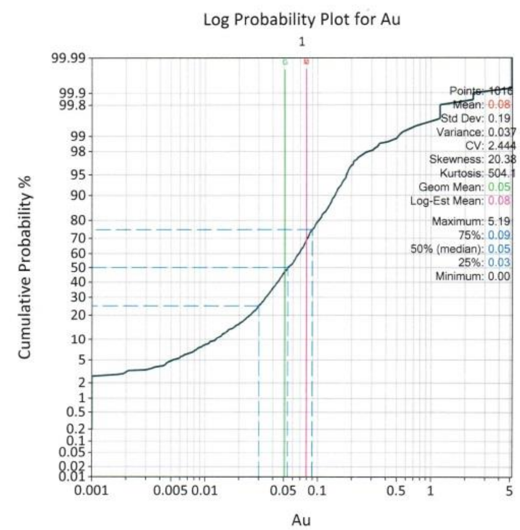

Figure 14-26 Log probability plot for Au

The log probability plot **Figure 14-26** shows two sample subpopulations. The subpopulation below cut-off 0.2 g/t is Au waste. The Au waste consists of 98% of total sample population. A high coefficient of variation at 2.444 indicates that capping outliers is necessary.

14.2.6 Capping Outliers

The basic statistical analysis indicates that capping outliers for Pd, Pt, Cu, and Ni is not necessary due to a low coefficient of variation. However, there was a need to cap outliers for Au due to a high coefficient of variation (2.444) that exceeds one. The location of the outlier values are scattered throughout the deposit. The capping of outliers is necessary in order to prevent overestimate of metal grade due to the influence of high sample values. Three Au outlier sample composites were capped: one to the value 1.25 g/t Au and two to 0.8 g/t Au. Those outliers have a scattered occurrence within the modeled deposit and local Au grades were taken into consideration for capping them.

14.2.7 Density

There are number of density measurements recorded for the historical drillholes drilled by GTK. These densities were measured in the lab. New density measurements were not conducted for the recent drillholes. As an average density 2.9 t/m3 was used in the resource estimate for the Kaukua deposit based on an average of the GTK laboratory results for this zone.

14.2.8 Geostatistical Analysis.

Geostatistical analysis of the spatial relationship of the samples within the solid model representing Pd/Pt mineralization were conducted using spherical variogram models on uncapped sample composites. Sixteen variograms were generated with increasing azimuth 22.5 degrees for each element. The direction of the maximum continuity of the mineralization was recorded using modeled variograms with the longest range and lowest variance. Variogram analyses were conducted for Pd, Pt, Cu, Ni and Au.

No geostatistical analysis was conducted on the East Zone due to an insufficient number of samples. Two very small remnant zones adjacent to Main Zone were included in these analyses. These zones were connected to the Main Zone in the past and later disconnected due to erosion or dyke intrusion.

Table 14-10 Variogram parameters

Element	Pd	Pt	Cu	Ni	Au
Bearing	154.43	139.63	204.5	152.8	213.26
Plunge	-23.34	-32.93	22.52	-24.59	28.74
Dip	39.27	-35.12	40.05	38.96	36.24
Sill	0.78	1.038	0.74	0.88	0.11
Nugget	0	0	0.03	0	0
Range	175.8	104.3	98.6	177.2	83.2
Ellipsoid Parameters					
Major/Semimajor	1.92	1	1.07	1.9	1.24
Major/ Minor	1.91	3.28	1.19	2.5	2.45

14.2.9 Resource Block Model and Grade Estimate

Block Model

A block model was generated in Gemcom Surpac software using a 10m x 10m x 5m block cell size. The block cell size was based on the drillhole spacing and geometry of the deposit in order to get the best grade estimate. The block model parameters for Kaukua deposit are listed the **Table 14-11** below.

Table 14-11 Kaukua deposit – block model parameters

Description	X	Y	Z
Minimum Coordinates	7316500	3552500	-150
Maximum Coordinates	7318000	3554500	300
Block Size	10	10	5
Rotation	0	0	0

The block model attributes were set up for Pd, Pt, Cu, Ni, and Au, partial volume percentages for the Main, and remnant zones and contact with overburden. The partial volume percentage attributes represent the percentage of the block model cell volume that is particular inside any solid model representing geometry of the Pd/Pt mineralization. The combined partial volume percentage represents a partial percentage for all zones as one block model attribute.

Grade Estimation

The grade estimate was conducted using ordinary krigging in Gemcom Surpac software on capped sample composites. The data parameters resulted from the variography study with ellipsoid search and four discretization points were used to estimate grade for Pd, Pt, Cu, Ni and Au. The ellipsoid search parameters are listed in **Table 14-12**:

Table 14-12 Ellipsoid search parameters

Element	Pass	Search Radius	Number of Samples
			Min/Max
Pd	1	58	6/15
	2	116	4/15
	3	176	2/15
Pt	1	69	6/15
	2	104	4/15
	3	175	2/15
Cu	1	65	6/15
	2	99	4/15
	3	175	2/15
Ni	1	58	6/15
	2	117	4/15
	3	177	2/15
Au	1	55	6/15
	2	83	4/15
	3	175	2/15

The first pass for Pt, Cu and Au represent two thirds of the variogram distance range. The second pass represents the full variogram distance range. Additionally, the third pass with the longest search was run for these elements to populate block cells with background grade.

Due to the longest variogram range from geostatistical analyses for Pt and Cu the first pass was set to one third of the variogram range, the second pass two thirds of the variogram range and third pass represented the full variogram range.

The minimum number of samples taken for the grade estimate varied from 6 for the first pass, 4 for second pass and 2 for the third pass with a steady number maximum 15 samples for all passes.

Mineral Resource Classification

The mineral resource for Kaukua deposit was estimated with a focus on surface extraction and was classified as indicated and inferred. No measured resources were assigned. The mineral resource is reported at a cut-off of 0.1 g/t Pd. The interpretation of the deposit geometry and its solid model was made for that cut off. Some internal waste with low Pd grade, which was not possible to separate during the interpretation and modeling, is included in the resources estimate. The diabase dykes cross cutting the Kaukua deposit were excluded from any tonnage and grade estimate. The table below represents the estimated mineral resources for Kaukua deposit at 0.1g/t Pd **Table 14-13**:

Table 14-13 Tabulation of estimated mineral resources for Kaukua deposit at cut off 0.1g/t Pd

Category	Zone	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
Indicated	Main	10.4	0.73	0.26	0.15	0.1	0.08
Inferred	Main	13.2	0.63	0.22	0.13	0.1	0.06

*Total nickel

The estimated mineral resource is reported in industry standard units. The lab units ppm for Pt, Pd and Au were converted into gram per tonne. The lab units ppm for Ni and Cu were converted into percent.

The East Zone has been drilled by three drillholes and can be regarded as a potential target for a future resource estimate in the range from 0.5 to 2 Mt of material with grade in the 0.3 to 0.6 g/t Pd. The potential quantity and grade for the East Zone is conceptual in nature, that there has been insufficient exploration to define mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource. This estimate is done on projection of possible extension, shape, grades and results from the existing drillholes.

Resource classification is based on various available data sources considered robust by MP, including:

- Distance between sample points (drilling density)
- Confidence in the geological interpretation
- Continuity of the geologic structures and the continuity of the grade within these structures
- Variogram models
- Statistics of the data population
- Rock density

The measured resources were not classified because there is insufficient confidence to classify them at this category.

Grade Tonnage Information

The changes in the Pd grade at different cut-offs and the grade tonnage characteristics of the Kaukua deposit is shown in **Table 14-14** and **Table 14-15**.

Table 14-14 Grade tonnage information Kaukua deposit indicated resources

Pd Cut off g/t	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
0.1	10.4	0.73	0.26	0.15	0.10	0.08
0.3	10.2	0.75	0.26	0.15	0.10	0.08
0.6	6.2	0.92	0.3	0.17	0.11	0.09
0.9	2.6	1.18	0.38	0.18	0.12	0.11
1.2	0.8	1.47	0.45	0.21	0.12	0.13
1.5	0.3	1.85	0.53	0.23	0.13	0.15

*Total Nickel

Table 14-15 Grade tonnage information Kaukua deposit inferred resources

Pd Cut off g/t	Tonnage Mt	Pd g/t	Pt g/t	Cu %	Ni* %	Au g/t
0.1	13.2	0.63	0.22	0.13	0.1	0.06
0.3	12.7	0.64	0.22	0.13	0.1	0.06
0.6	5.8	0.84	0.28	0.15	0.11	0.08
0.9	1.8	1.11	0.34	0.17	0.15	0.09
1.2	0.5	1.34	0.39	0.18	0.2	0.10
1.5	0.05	1.59	0.44	0.2	0.26	0.10

*Total Nickel

The tabulated grade tonnage for Kaukua deposit summarizes quantities of tonnes in relation to grade in the deposit and provides information from changes in the cut-off grade.

Mineral Resource Validation

The Kaukua deposit grade estimate was validated. The estimated grade in the block model cells were compared with drillhole assays on cross-sections.

Figure 14-27 represents an example fragment of cross-section 3,553,350 with the drillholes and block model cells. The red line is the interpreted mineralization boundary at a cut-off of 0.1g/t Pd superimposed on the block model and drillholes.

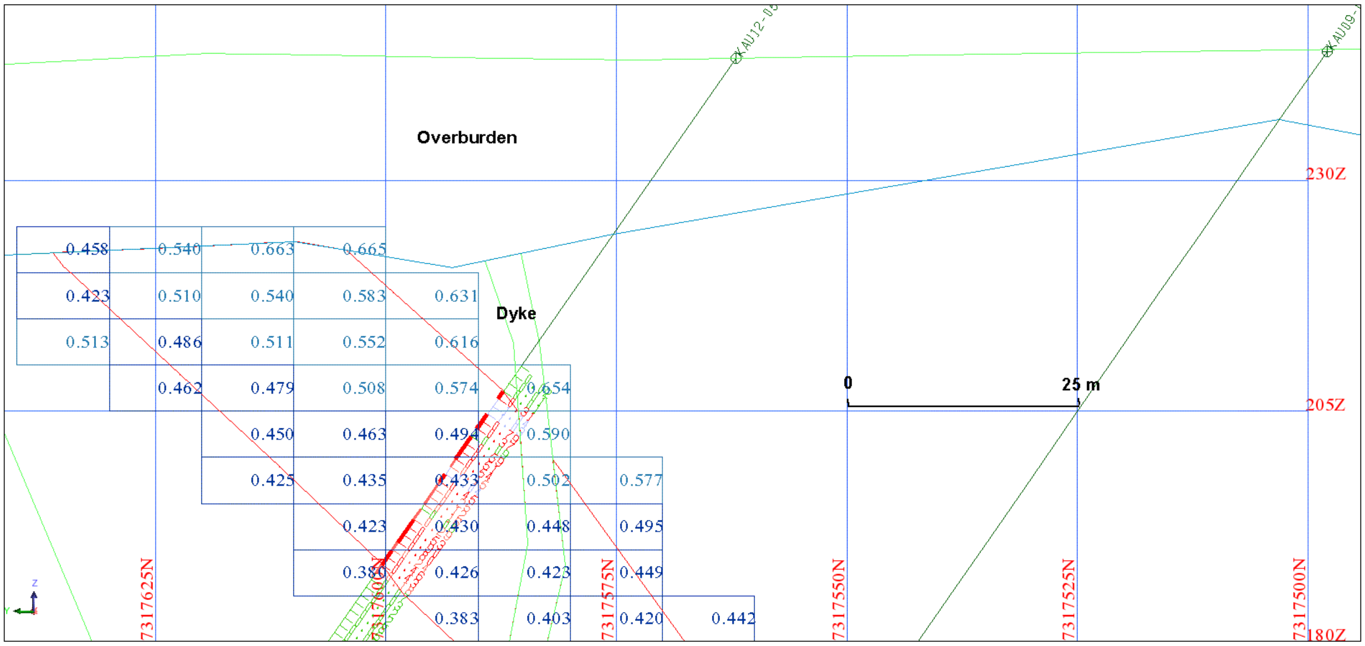

Figure 14-27 Fragment of cross section 3,553,350 looking East with Pd assays and estimated Pd grades in block cells

The estimated Pd, Pt, Cu, Ni and Au grades match the grade with drillhole assays. The grades reflect the tenor of local drillhole grades and boundary conditions evident in drilling.

The final grade output from the resource estimate in the block model was also compared with mean grade output from basic statistics analysis. **Table 14-16**

Table 14-16 Comparison of block model grades vs. mean grades from composite samples

Reported Grade	Method	Pd g/t	Pt g/t	Cu %	Ni %	Au g/t
Block Model	Ordinary Kriging	0.67	0.24	0.14	0.10	0.07
Mean grade from composite samples	Basic statistics	0.68	0.23	0.14	0.10	0.08
Note: All grades are converted from lab units into industry units						

The grades from ordinary krigging generally match the grade from basic statistics composites. The tonnage was validated by calculating the volume of the solid models and multiplying it by the nominal density. The result was then checked to see if the yielded tonnes made sense for the dimensions of the mineralized gold zone.

Conclusions

The following conclusions have been drawn:

- The Kaukua deposit is anisotropic with the major direction of grade continuity to the SE
- The deposit boundary at the contact with overburden is not intersected or defined by drilling
- The Pd-Pt mineralization is consistent over long distances. This is confirmed by a low coefficient of variation and long variogram ranges

- The Kaukua deposit is intersected by barren diabase dykes, the tonnage from the barren dykes has been subtracted from the total in the resource estimate
- The last drilling campaign does not have accurately surveyed drillhole collars
- To date no twinned drillholes were drilled to assess the accuracy of data from historical drilling

15 MINERAL RESERVE ESTIMATES

This is an early stage project and no mining economics are done on this project. Mineral reserves cannot be defined until a positive economic study is defined at the preliminary feasibility or feasibility level. There are no mineral reserve estimates stated on this project.

16 MINING METHODS

This is not an advanced stage property report and mining methods are outside the scope of this study. None were reviewed.

17 RECOVERY METHODS

This is not an advanced stage property report and recovery methods are outside the scope of this study. None were reviewed.

18 PROJECT INFRASTRUCTURE

This is not an advanced stage property report and project infrastructure is outside the scope of this study. None were reviewed.

19 MARKET STUDIES AND CONTRACTS

This is not an advanced stage property report and market studies and contracts are outside the scope of this study. None were reviewed.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL IMPACT

This is not an advanced stage property report and environmental studies are outside the scope of this study, but a summary review is added for reference. Permanent residents inhabit the area of several of the areas including the Kaukua mineralized zones. There are permanent residents within the property boundary and they will be compensated within Finnish legislation.

None of Nickel One's properties are located on or near any nature conservation areas, with the closest being Kaukua North 3, which is 1.8 km from a Natura 2000 program area. Natura 2000 is a nature conservation program established according to Finnish national legislation and in accordance to directives given by the European Union.

An Environmental Impact Assessment (ympäristövaikutusten arviointimenettely, YVA) procedure as defined by Finnish national legislation and regulations forms the basis for the environmental permitting process. Nickel One or any preceding property owners have not done base line or other environmental studies to document the present conditions and status of the environment, which would form the first step in the YVA procedure.

21 CAPITAL AND OPERATING COSTS

This is not an advanced stage property report and capital and operating costs are outside the scope of this study. None were reviewed.

22 ECONOMIC ANALYSIS

This is not an advanced stage property report and economic analysis is outside the scope of this study. No economic analysis was done.

23 ADJACENT PROPERTIES

A review of the Finnish government online map was used to check for nearby mineral titles. There were no adjoining properties known to MP as of June 26th, 2012.

The Mustavaaran Kaivos Oy application for a mining concession is located about 1.6 km south of Nickel One's claim application area at Haukiaho East, on the previously mined Mustavaara site.

Within the same belt of layered intrusion complexes hosting the Koillismaa Complex, mining is currently taking place at Kemi for chrome (close to Tornio near the Gulf of Bothnia), 160 km to the west. A mining concession has also been granted for exploitation of the Suhanko contact-type PGE-Cu-Ni deposit at Portimo Complex located 95 km to the west.

24 OTHER RELEVANT DATA AND INFORMATION

No other relevant data or information is known to MP.

25 INTERPRETATION AND CONCLUSIONS

The KLIC in Finland, hosting Nickel One's LK Project, is one of the largest among the approximately 2.45 Ga old Fennoscandian mafic layered complexes worldwide. The Koillismaa complex has an estimated magma volume greater than 2,000 km^3. These volumes of basic magma provide large reservoirs of metal for deposit forming processes and the Fennoscandian complexes are host to a number of known mines including, chrome (Kemi), Fe-Ti-V oxides (Mustavaara) and Ni-Cu-PGE sulphides (Monchegorsk).

The KLIC has a significant potential for economic deposits of the contact-type base metal -PGE type. Nickel One's properties cover about one quarter of the approximate 100 km length of the favourable contact horizon which varies in thickness from metres to several tens of metres.

Higher grade zones can occur where the marginal series mineralization occurs coincidentally with reef style PGE mineralization. The potential for this type of mineralization occurs in the northern Kaukua intrusive block and possibly near the Haukiaho deposit.

The potential for gold mineralization associated with the PGM is good. Historic analysis indicates a significant gold enrichment and could add to the economics of this deposit. This enrichment has been suggested by previous operators to be derived from the underlying metasomatized Archean bedrock.

MP concludes, based on previous exploration results, interpretation and observations, that, further exploration is warranted on the LK project areas. There is a good opportunity to increase the size of the mineralization to an economically positive size.

26 RECOMMENDATIONS

The following recommendations for future exploration on the Haukiaho Deposit and resource estimates are made:

- The drillhole collars should be surveyed soon after finishing the drill campaign
- Twinning at least three historical drillholes and comparison of analyses is necessary
- Complete detail structural interpretation of the faults, dykes and extension of the mineralization is required
- Drillholes are needed to confirm interpreted structure locations, deposit continuity to surface and the mineralization contact with overburden
- Explore the East zone to the resource level and include core recovery in the database
- Conduct assay analyses for sulphide nickel
- There is a need to estimate magnesia (MgO) content, magnesia is an impurity for possible nickel grade
- 50 m drillhole spacing is necessary to define the deposit boundary
- Focus of the drilling should be to extend the West Block in a westerly direction and the shallow higher grade area in the eastern side of the Central Block

The following recommendations for future exploration on the Kaukua Deposit and resource estimate are made:

- The drillhole collars should be surveyed soon after completing a drill campaign
- Drill deeper holes in the zone beyond ~250 m depth to extend the deposit and possibly increase the overall grade by extending the drilling below the wider and higher grade holes in the existing resource area
- Twinning at least three historical drillholes and comparing analyses is necessary
- Complete a detailed structural interpretation of the faults, dykes and extension of mineralization
- Surface sampling or shallow drilling to extend the zone to surface or overburden boundary
- Infill drilling to 25 m centres to increase the resource classification of the deposit in the higher grade areas
- Explore the East zone to the resource level
- Include core recovery in the database
- Conduct assay analyses for sulphide nickel

The recommended future work should include the following recommendations outside the defined resource zones;

- A review of the geology of the other zones, in particular Murtolampi
- Further metallurgical studies

A recommended budget in Canadian dollars (C$) is attached below:

Table 26-1 Budget for Recommended Future Work

Recommended Future Work Budget				
Kaukua Zone				
	metres	$ per metre		
Core Drilling	8,000	$140	$1,120,000	
Contingency ~20%			$225,000	
Geology and Assays			$200,000	
Sub Total Kaukua				**$1,545,000**
Haukiaho Target				
	metres	$ per metre		
Core Drilling	7,000	$140	$980,000	
Contingency ~20%			$195,000	
Geology and Assays			$200,000	
Sub Total Haukiaho				**$1,375,000**
Other Zones and General studies				
Metallurgy			$50,000	
Geology, assays of other zones			$30,000	
Sub Total Further studies				**$80,000**
Total				**$3,000,000**

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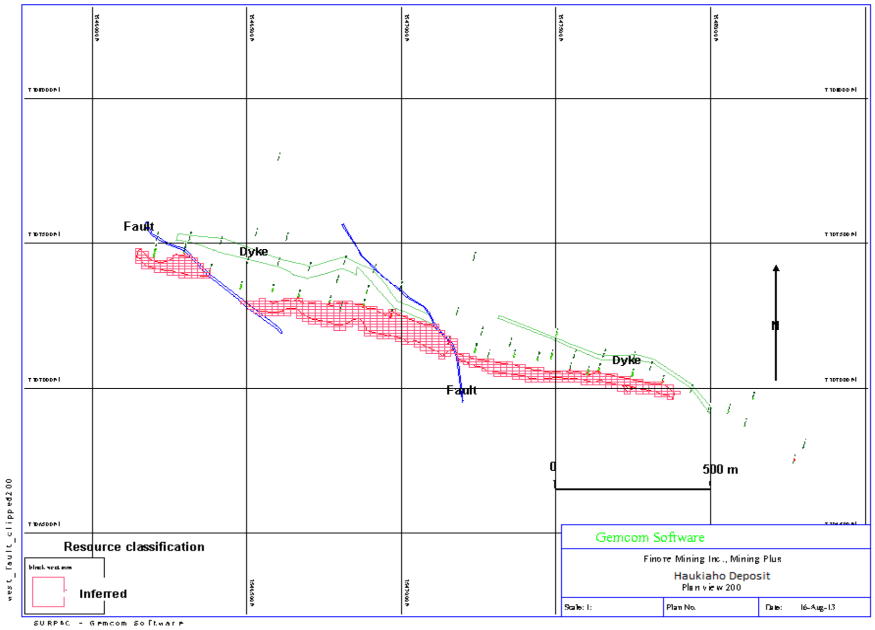
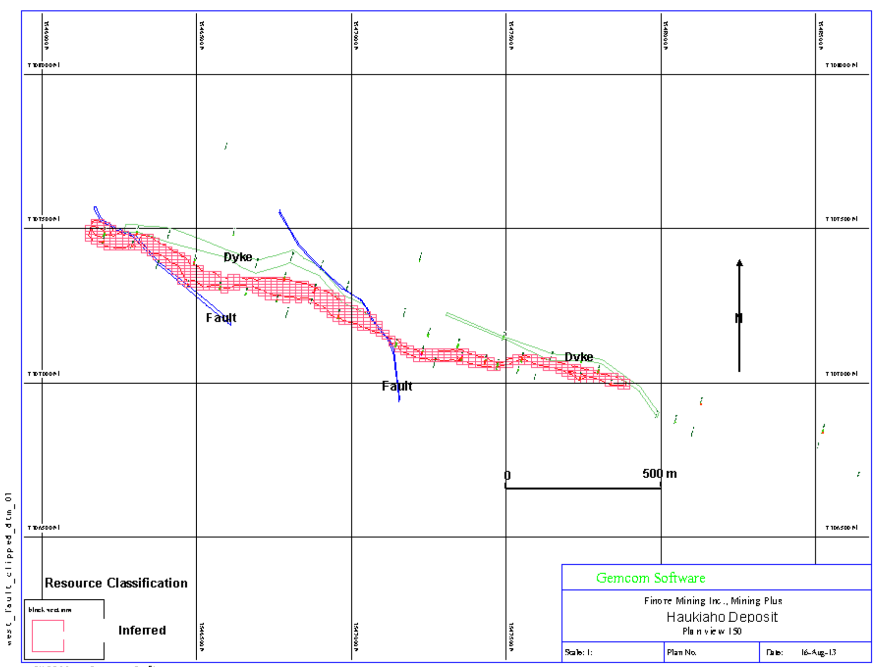
APPENDIX

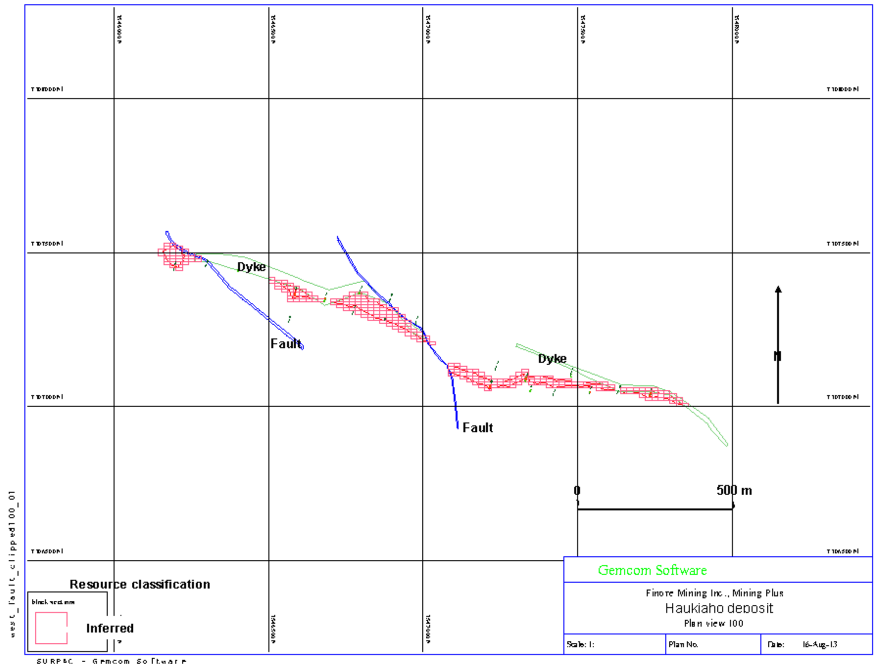
Plan views and Cross Sections – Haukiaho Deposit



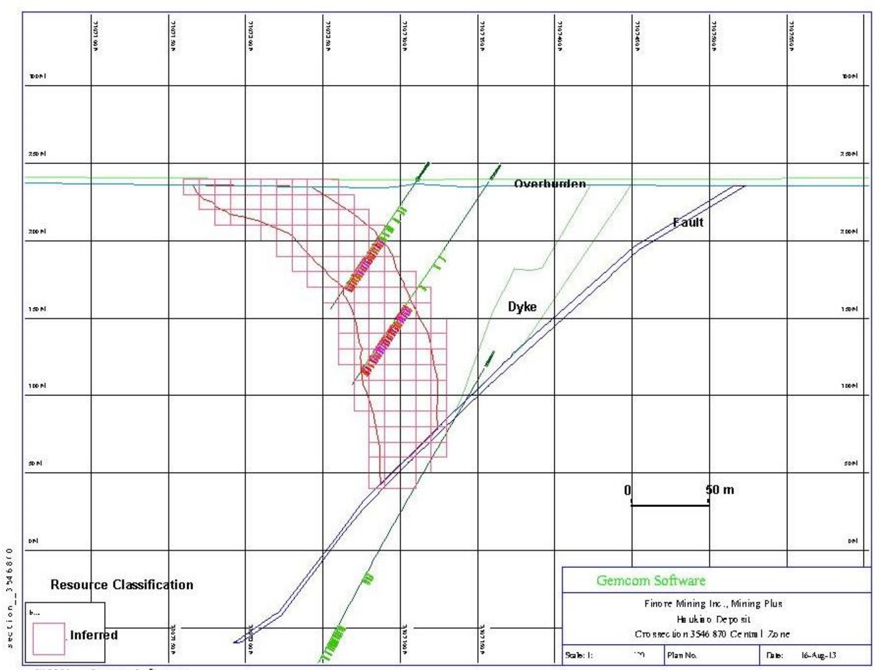
Haukiaho deposit plan view 200m elevation



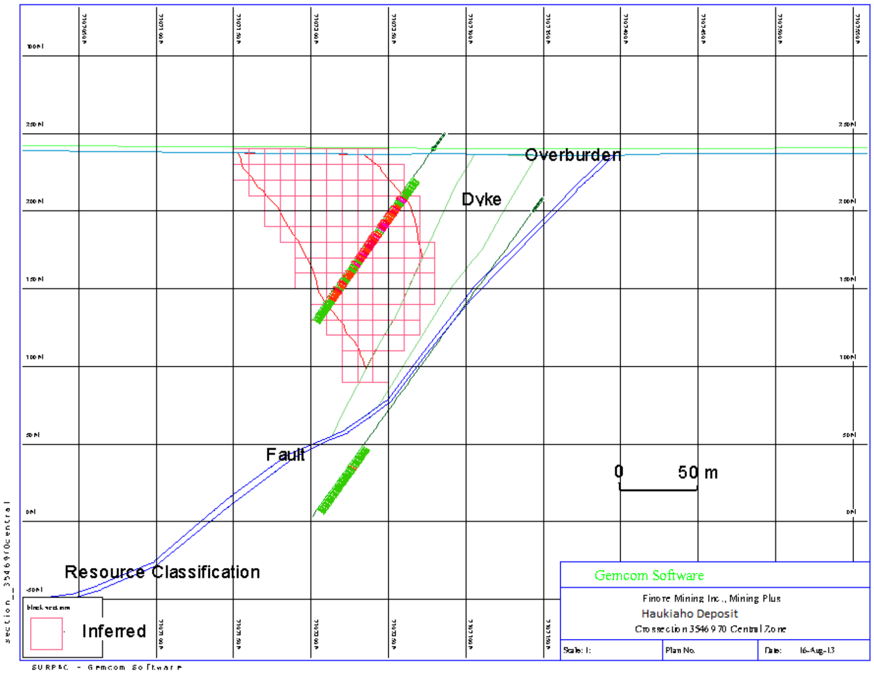
Haukiaho deposit plan view 150m elevation



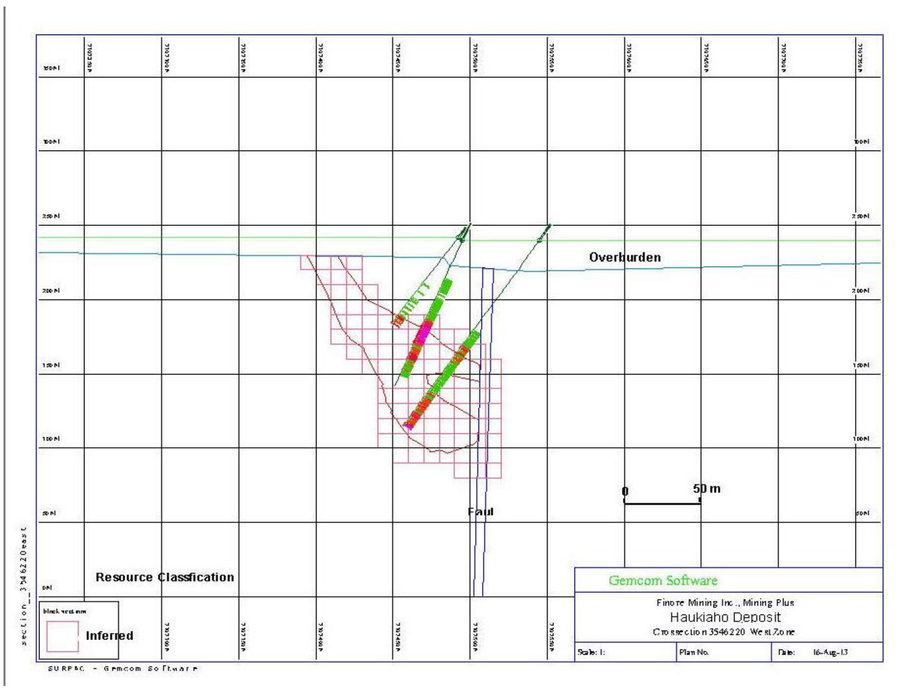
Haukiaho deposit plan view 100m elevation



Haukiaho deposit cross section 3546870E through the Central Zone



Haukiaho deposit cross section 3546970E through the Central Zone



Haukiaho deposit cross section 3546220E through the West Zone

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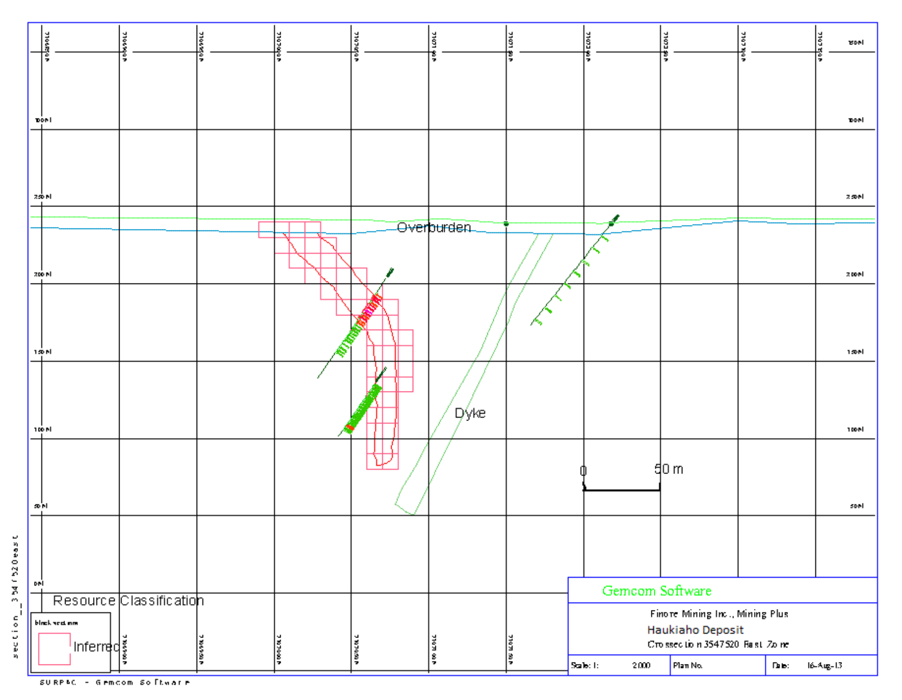
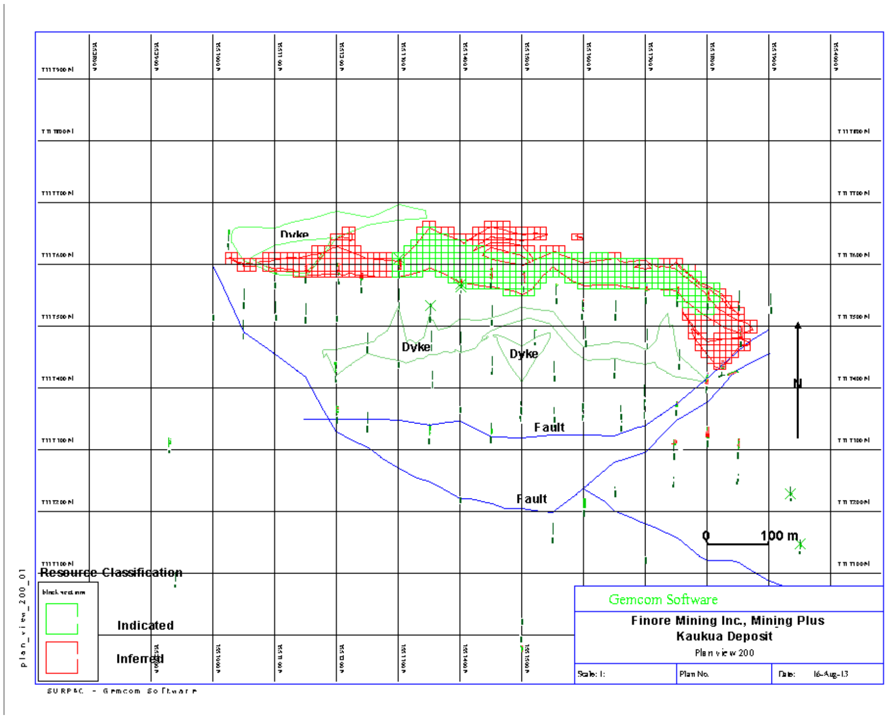
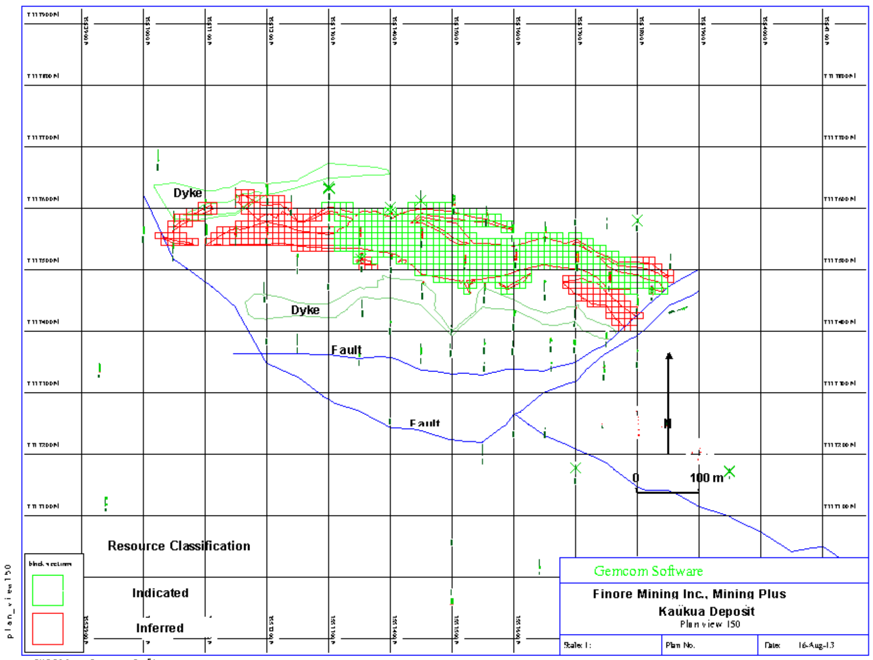


Haukiaho deposit cross section 3547520E through the East Zone

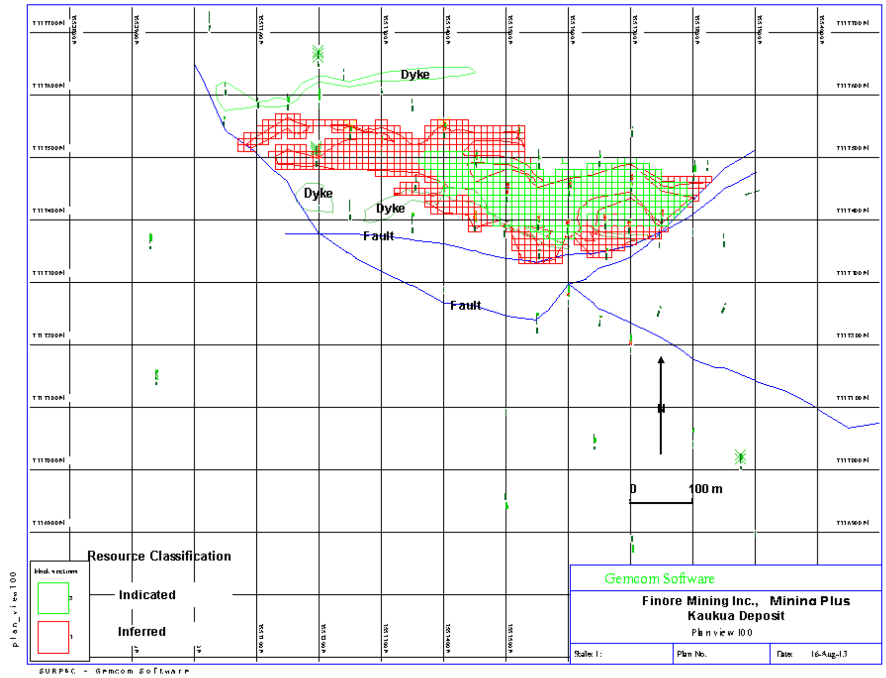
Plan Views and Cross Sections – Kaukua Deposit



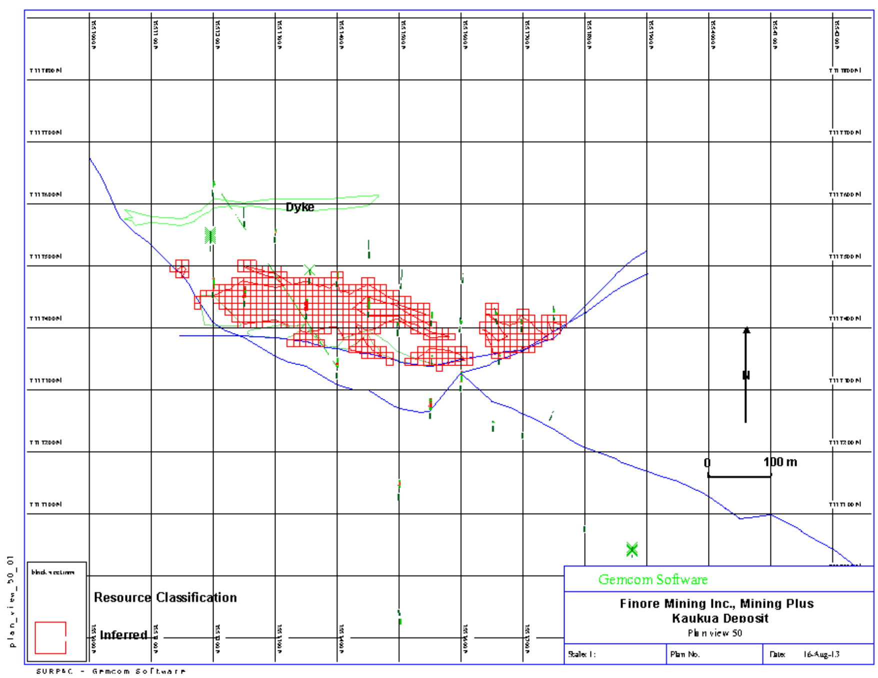
Kaukua deposit plan view 200m elevation



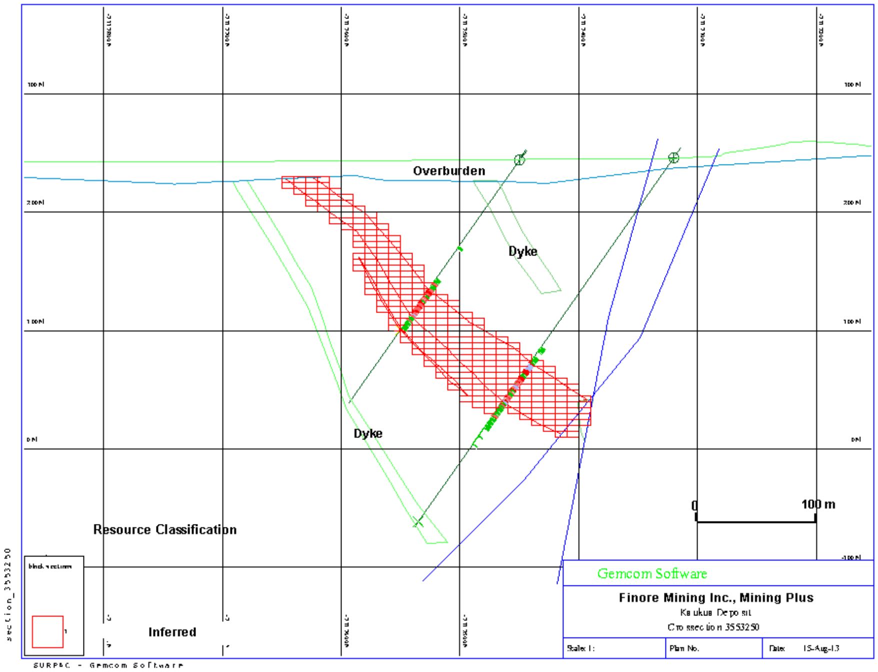
Kaukua deposit plan view 150 m elevation



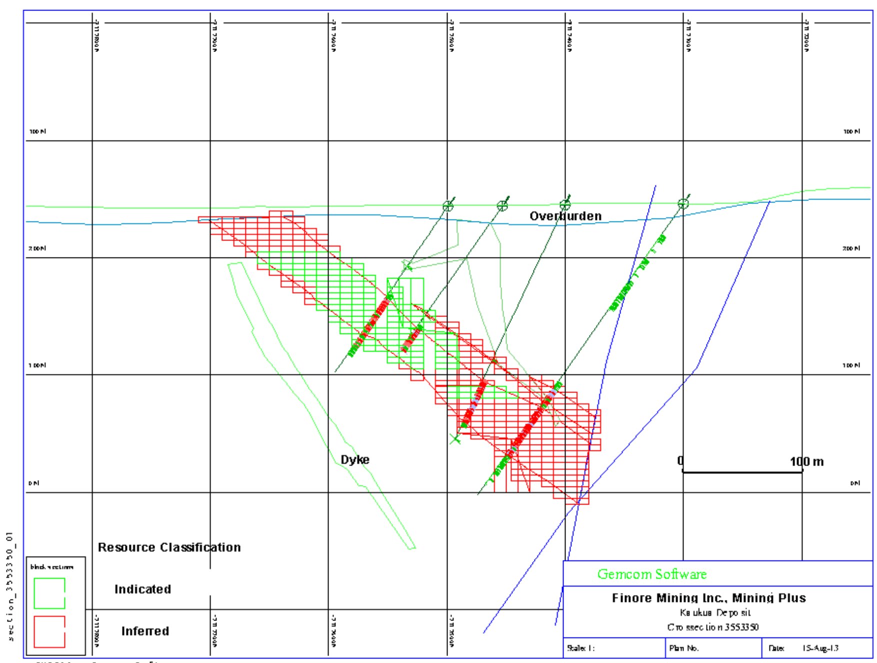
Kaukua deposit plan view 100 m elevation



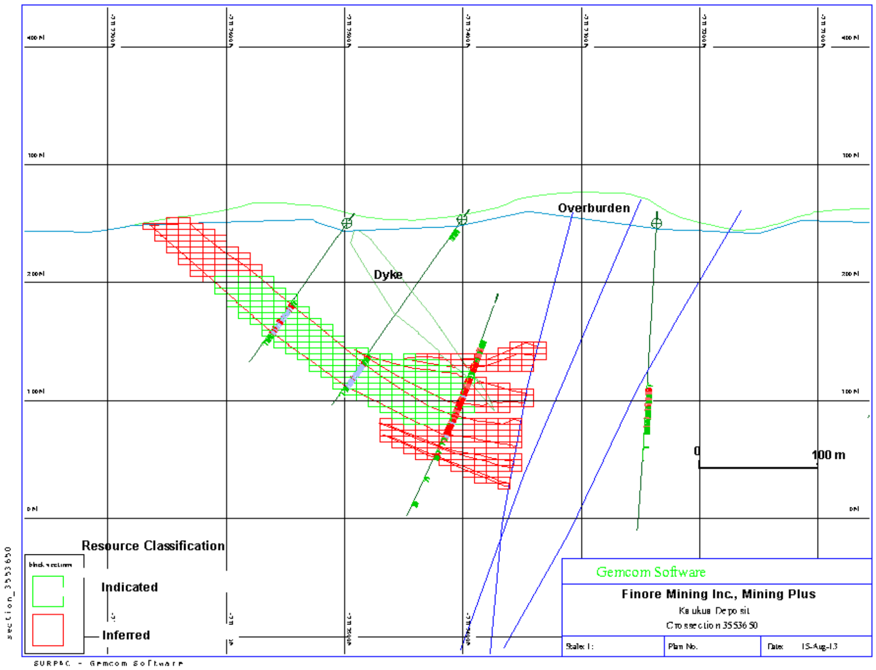
Kaukua deposit plan view 50 m elevation



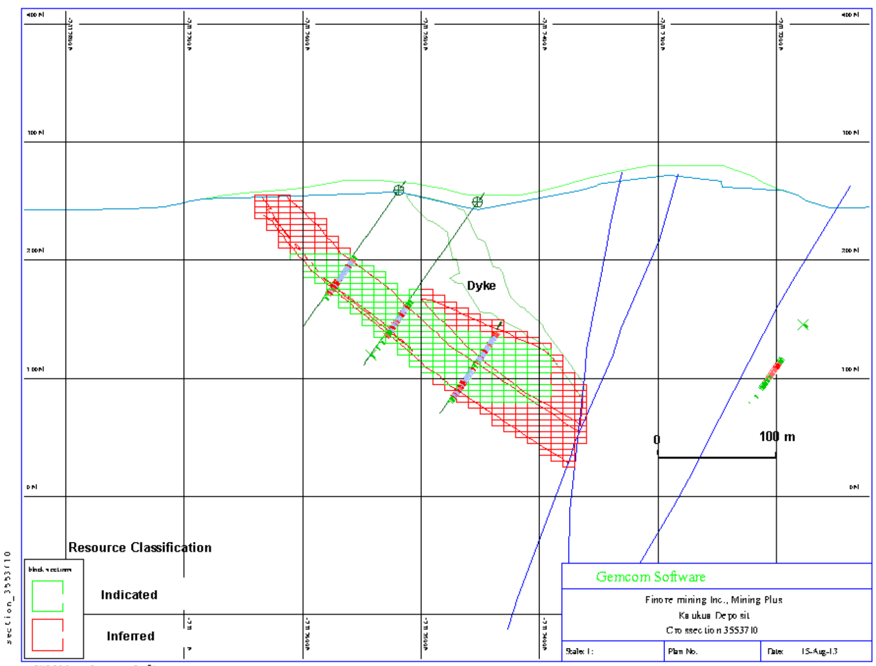
Kaukua deposit cross section 3 553 250E



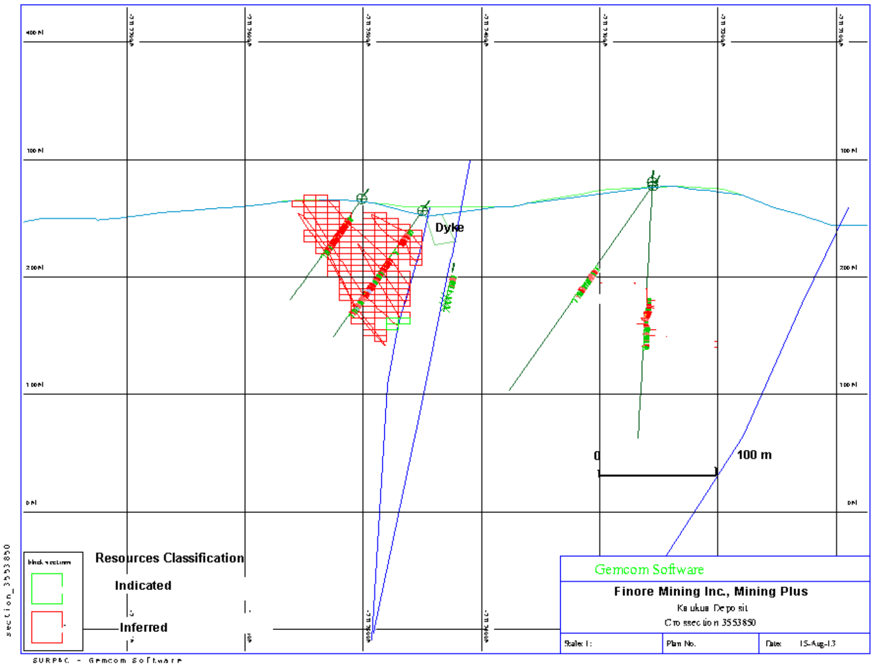
Kaukua deposit cross section 3 553 350E



Kaukua deposit cross section 3 553 650E



Kaukua deposit cross section 3 553 710E



Kaukua deposit cross section 3 553 850E