

Our Ref: 31233\_Joma\_Mineral\_Resource\_Statement\_December\_2021\_Final.docx

09 December, 2021

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**RE: Revised Mineral Resource Statement for the Joma VMS Project, Norway**

## 1 INTRODUCTION

SRK Consulting (Sweden) AB (“SRK”) is an associate company of the international group holding company, SRK Consulting (Global) Limited (the “SRK Group”). SRK has been requested by Bluelake Mineral (“Bluelake”, hereinafter also referred to as the “Company” or the “Client”), through their Norwegian subsidiary, Joma Gruver AS (“Joma Gruver”), to update the Mineral Resource estimate (“MRE”) for the Joma copper (Cu) zinc (Zn) volcanic massive sulphide (“VMS”) deposit (the “Project”), located in Norway.

SRK previously reported a MRE for the Project with an effective date of 29 July 2021. This updated MRE includes the Joma South mineralisation, which was not included in the original SRK MRE, as well as updated metal prices used in the mineable stope optimiser (“MSO”).

The MRE technical report is currently being developed, and a preliminary economic study (“PEA”) is currently underway, however as an interim step SRK has provided the Mineral Resource Statement to assist with the Company’s internal discussions, business strategy, and to support the public declaration of the Mineral Resource Statement.

### 1.1 Mineral Resource Statement

The updated SRK 2021 Mineral Resource Statement for the Joma Cu and Zn VMS deposit is presented in Table 1-2. The MRE is reported and classified in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) and NI43-101 Standards of Disclosure for Mineral Projects (May 2016).

In order to determine the quantities of material offering “...reasonable prospects for eventual economic extraction”, according to CIM requirements, by underground mining methods, SRK has used various mining and processing assumptions to estimate net-smelter return (‘NSR’) values into the resource block model against which to apply an appropriate reporting cut off value.

The input parameters are based on discussion with Bluelake and benchmarked against other similar projects, where appropriate. Historical production records were used to provide the processing parameters. The parameters associated with the NSR calculation are provided in Table 1-1. The metal prices for Mineral Resource reporting are based on 2021 long-term consensus market forecast data plus a 30% premium, and therefore includes a certain degree of optimism, and supports the “reasonable” and “eventual” reporting components for Mineral Resources.

SRK ran a mineable stope optimiser (“MSO”) using the minimum stope dimensions of 10m x 10m x 3m in order to define potential realistic mining targets to be generated. The resultant MSO shapes were used to constrain the reporting of the Mineral Resource. Furthermore, SRK notes that the majority of the defined MSO shapes occur within 50m of the depletion survey for the mine as shown in

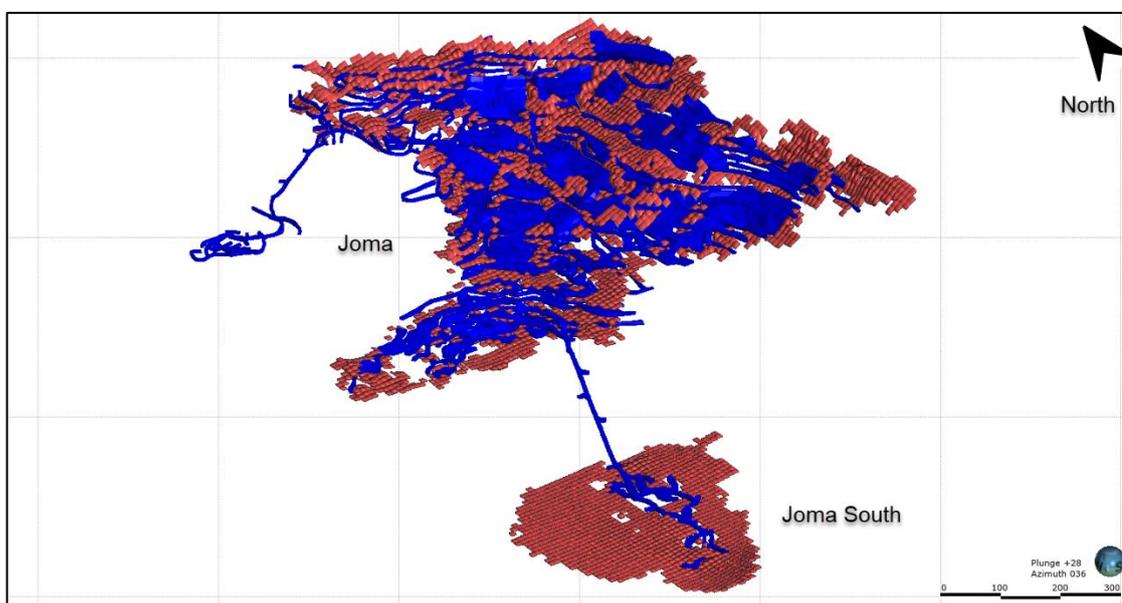


Figure 1-1, other than at Joma South.

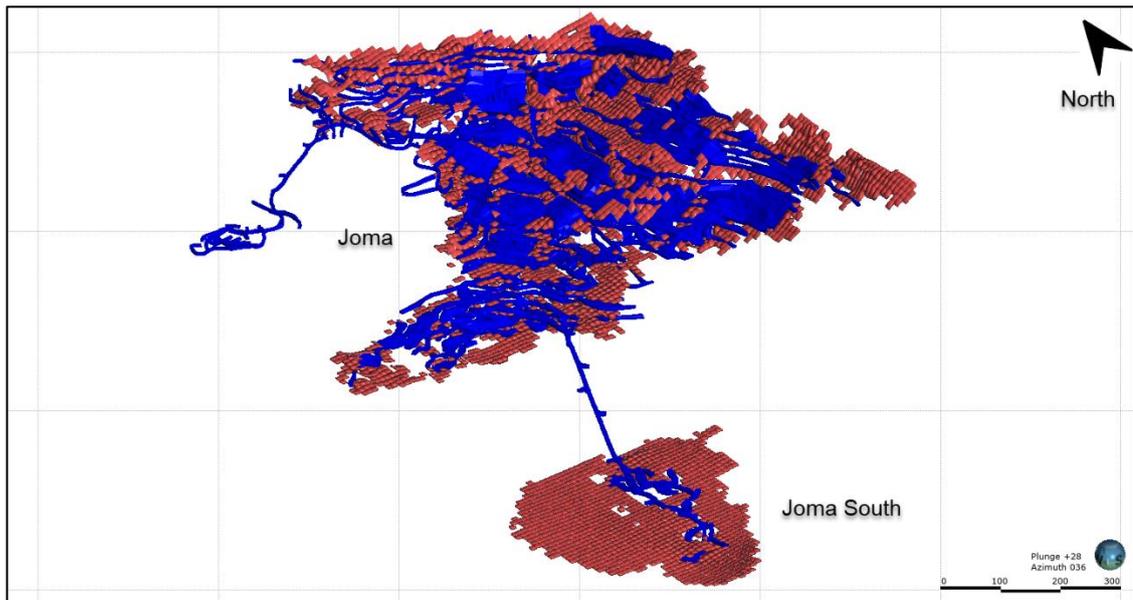
SRK recommends that as part of any future mine planning exercise, or other such technical study, additional work, such as infill drilling to convert the Inferred to Indicated, geotechnical assessments and hydrological studies be conducted.

The Joma in situ Mineral Resources Statement, as declared for the Joma Project, as at 09 December 2021, depleted to reflect the current understanding of historical mining, and limited to material falling within the defined MSO shapes, amounts to:

- No Measured Mineral Resources;
- Indicated Mineral Resources of some 6.0 Mt with a mean Cu and Zn grade of 1.00% and 1.66% respectively; and
- Inferred Mineral Resources of some 1.2 Mt with a mean Cu and Zn grade of 1.2% and 0.7% respectively.

**Table 1-1: Mineral Resource reporting: technical and economic assumptions for Joma**

| <b>Input Summary</b>   | <b>Units</b>            | <b>Copper Circuit</b> | <b>Zinc circuit</b> |
|--|-------------------------|-----------------------|---------------------|
| <b>Metal Price</b>   |                         |                       |                     |
| Cu   | USD/t                   | 9,100                 |                     |
| Zn   | USD/t                   | 2,800                 |                     |
| <b>Processing</b>  |                         |                       |                     |
| Cu Recovery  | %                       | 87                    |                     |
| Zn Recovery  | %                       | 5                     | 76                  |
| <b>Smelter</b>   |                         |                       |                     |
| Cu Payable   | %                       | 95.8                  |                     |
| Zn Payable   | %                       |                       | 84.6                |
| Concentrate freight  | USD/t <sub>conc</sub>   | 40.5                  | 20.2                |
| Treatment costs  | USD/t <sub>conc</sub>   | 80                    | 140                 |
| Refining charges   | USD/lb payable          | 0.08 USD/lb Cu        |                     |
| <b>Operating Costs</b>   |                         |                       |                     |
| Mining Cost In-Situ  | (USD/t <sub>RoM</sub> ) | 31.8                  |                     |
| Processing   | (USD/t <sub>RoM</sub> ) | 14.5                  |                     |
| G&A  | (USD/t <sub>RoM</sub> ) | 3.5                   |                     |
| <b>Mineral Resource NSR Reporting Cut-Off (after rounding)</b> |                         |                       |                     |
| In situ cut-off value  | USD/t <sub>RoM</sub>    | 50                    |                     |



**Figure 1-1:** North east view of the MSO shapes (red) in relation to the depletion survey (blue). The MSO shapes have been used to constrain the reporting of the Mineral Resources.

**Table 1-2: SRK Mineral Resource Statement for the Joma Project, Norway, as of 09 December 2021**

| Project                                 | Classification | Tonnes (Mt) | Cu %        | Zn %        | NSR (\$/t <sub>rom</sub> ) | Cu tonnes (Kt) | Zn tonnes (Kt) |
|---|----------------|-------------|-------------|-------------|----------------------------|----------------|----------------|
| Joma                                    | Measured       | -           | -           | -           | -                          | -              | -              |
|   | Indicated      | 6.0         | 1.00        | 1.66        | 95.95                      | 60.0           | 99.6           |
|   | Inferred       | 0.3         | 0.9         | 1.4         | 81.3                       | 3              | 4              |
| Joma South                              | Measured       | -           | -           | -           | -                          | -              | -              |
|   | Indicated      | -           | -           | -           | -                          | -              | -              |
|   | Inferred       | 0.9         | 1.3         | 0.5         | 102.2                      | 12             | 5              |
| <b>Total Indicated Mineral Resource</b> |                | <b>6.0</b>  | <b>1.00</b> | <b>1.66</b> | <b>95.95</b>               | <b>60.0</b>    | <b>99.6</b>    |
| <b>Total Inferred Mineral Resource</b>  |                | <b>1.2</b>  | <b>1.2</b>  | <b>0.7</b>  | <b>97.0</b>                | <b>15</b>      | <b>9</b>       |

In reporting the Mineral Resource Statements, SRK notes the following:

- Mineral Resources have an effective date of 09 December 2021 and have been depleted to reflect the current understanding of the mining completed up to the date of the mine closure (1998). The depletion is based on the digitised development plans, as held by the mine at the time of closure. The digitisation exercise was completed by Bluelake;
- The Qualified Person for the declaration of Mineral Resources is Dr Lucy Roberts, MAusIMM(CP), of SRK Consulting (UK) Ltd. The Mineral Resource estimate was authored by a team of consultants from SRK;
- Three primary lenses of mineralisation were interpreted and modelled, alongside nine smaller lenses. The majority of the smaller lenses are interpreted to be separate to the larger mineralisation volumes. The larger lenses are interpreted to coalesce and bifurcate. For reporting of the Mineral Resource, SRK has combined all of the modelled domains across the entire deposit;
- Mineral Resources are reported as in situ and undiluted. The Mineral Resources are reported within mineable stope optimiser shapes, generated using a net smelter return of 50 USD/t<sub>ROM</sub>, with a minimum stope shape of 10mX x 10mY x 3mZ using a Cu and Zn price of 9,100 and 2,800 USD/t respectively and include royalty reductions. The recoveries used in the net smelter return calculations were based on the historical performance of the Joma plant being:
  - For the Cu concentrate: Cu recovery 87%, Zn recovery 5%, for an average Copper concentrate grade of 24%Cu; and
  - For the Zn concentrate: Zn recovery 76% for an average Zinc concentrate grade of 52%Zn.

Assumed operating costs include:

- Mining at USD31.8/tRoM
- Processing cost of USD14.5/tRoM
- Copper Concentrate transport charges of USD40.5/t<sub>conc</sub> and treatment charges of USD80/t<sub>conc</sub>

- Zinc Concentrate transport charges of USD20.2/tconc and treatment charges of USD140/tconc
  - Metal Payability of 95.8 % (copper) and 84.6% (zinc)
  - Refining Charges of USD0.08/lb payable copper,
  - G&A cost of USD3.5/tRoM
- Given these parameters and the results of the MSO assessment, SRK considers there to be reasonable prospects for eventual economic extraction, and as such, fulfil the requirements for reporting a Mineral Resource;
  - Mineral Resources are not Ore Reserves and do not have demonstrated economic viability, nor have any mining modifying factors been applied;
  - In order to verify the historical data, SRK has reviewed the digital database, reviewed a re-sampling programme of historical core, reviewed core photographs, and has reviewed the available quality control and quality assurance data from the 2021 re-sampling. SRK is unaware of any issues at Joma which could materially affect the reporting of Mineral Resources associated to any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant factors; and
  - Tonnages are reported in metric units, with metal grades in percent (%). Tonnages and grades are rounded appropriately. Rounding, as required by reporting guidelines, may result in apparent summation differences between tonnes, grade and contained metal content. Where these occur, SRK does not consider these to be material.

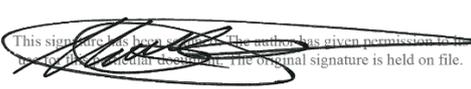
**For and on behalf of SRK Consulting (UK) Limited**

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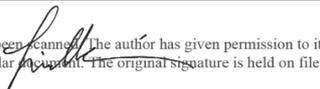
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