

Our Ref: 31233\_Stekenjokk\_Mineral\_Resource\_Statement\_November\_2021\_4.docx

November 2021

Mr Peter Hjorth,  
Joma Gruver AS,  
Stadionveien 4,  
N- 7898 Limingen,  
5043 Røyrvik,  
Norway

RE: **Mineral Resource Statement for the Stekenjokk VMS Project, Sweden**

## 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 undertake a Mineral Resource estimate (“MRE”) for the Stekenjokk-Levi, volcanic massive sulphide (“VMS”) deposit (the “Project”), located in Sweden.

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 SRK 2021 Mineral Resource Statement for the Stekenjokk-Levi 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 prepared mining and processing assumptions to estimate net-smelter return (“NSR”) values into the resource block model and apply an appropriate reporting cut off value.

The input parameters are based on discussions with Bluelake and benchmarked against 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 include a certain degree of optimism, and support the “reasonable” and “eventual” reporting components for Mineral Resources.

In conjunction with this, SRK has generated practical mining shapes, based on the dip and width of the mineralisation and underground mining practices related to such factors, such as mining method (combination of long hole open stoping and room and pillar approaches), minimum mining width/height and resulting planned dilution. The resultant shapes were filtered using a NSR cut off value and used to constrain the reporting of the Mineral Resource.

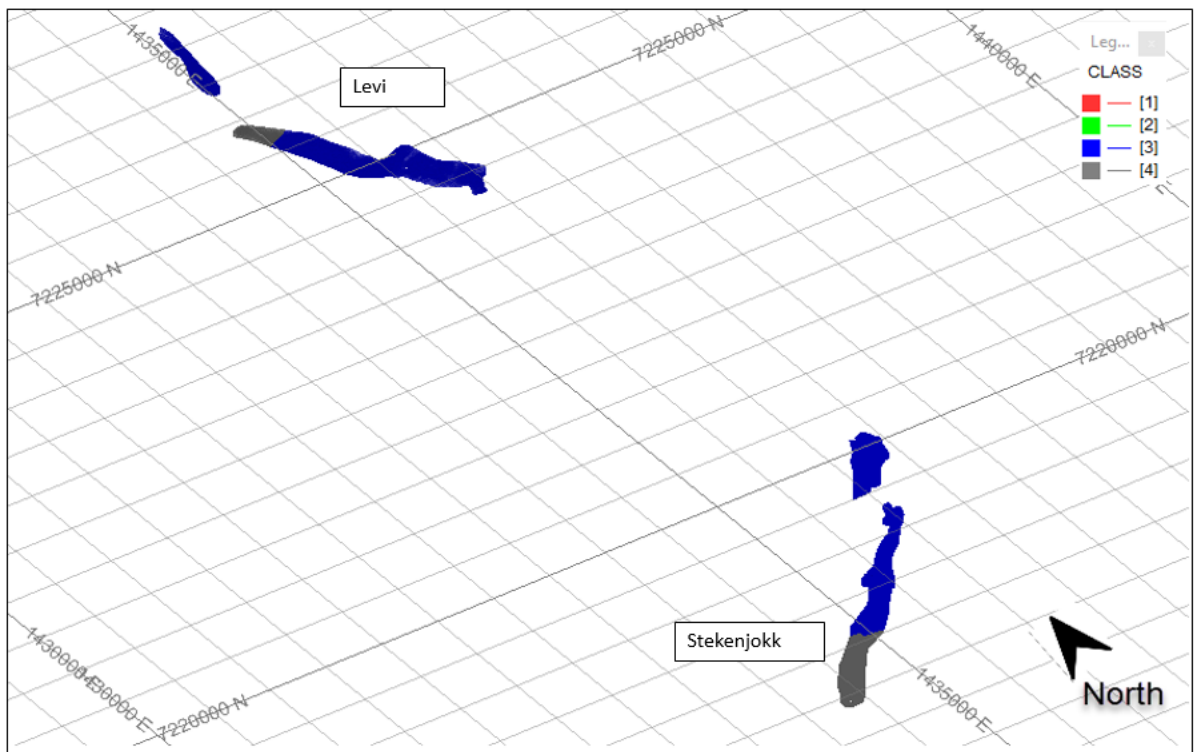
SRK recommends that as part of any future mine planning exercise, or other such technical study, additional work, such as infill drilling to convert the Inferred to Indicated, geotechnical assessments and hydrological studies be conducted.

The Stekenjokk-Levi in situ Mineral Resources Statement, as declared for the Stekenjokk Project, as at 19 November 2021 is limited to material falling within the defined mineable shapes above a NSR value of 60 USD/tore, which amounts to:

- No Measured Mineral Resources;
- No Indicated Mineral Resources;
- Inferred Mineral Resources of 11.8 Mt at a mean grade of 0.9% Cu, 2.1% Zn 0.4% Pb, 50 g/t Ag and 0.2 g/t Au.

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

Input Summary	Units	Copper Circuit	Zinc circuit	Lead circuit
<b>Metal Price</b>				
Cu	USD/t	9,100		
Zn	USD/t	2,800		
Pb	USD/t	2,400		
Au	USD/oz	1,790		
Ag	USD/oz	25		
<b>Processing</b>				
Cu Recovery	%	90		
Zn Recovery	%	5	75	
Pb Recovery	%			60
Au Recovery	%	32		
Ag Recovery	%	25		
<b>Smelter</b>				
Cu Payable	%	95.8		
Zn Payable	%		84.9	
Pb Payable	%			85
Au Payable	%	90		
Ag Payable	%	90		
Concentrate freight	USD/t <sub>conc</sub>	40.5	20.2	20.2
Treatment costs	USD/t <sub>conc</sub>	80	140	140
Refining charges		0.08 USD/lb Cu		
		5 USD/oz Au		
		0.5 USD/oz Ag		
<b>Operating Costs</b>				
Mining Cost In-Situ	(USD/t <sub>RoM</sub> )	31.8		
Transport Run of Mine ("RoM")	(USD/t <sub>RoM</sub> )	11.3		
Processing	(USD/t <sub>RoM</sub> )	11.5		
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>	60		



**Figure 1-1: Plan view of the block model coloured by Classification, blue = Inferred material.**

**Table 1-2: SRK Mineral Resource Statement for the Stekenjokk-Levi Project, Sweden, as of 09 November 2021**

Area	Classification	Tonnes (Mt)	Cu %	Zn %	Pb %	Ag g/t	Au g/t	NSR (USD/tore)	Contained Metal: Cu (Kt)	Contained Metal: Zn (Kt)	Contained Metal: Pb (Kt)	Contained Metal: Ag (Koz)	Contained Metal: Au (Koz)
Stekenjokk	Measured Mineral Resources	-	-	-	-	-	-	-	-	-	-	-	-
	Indicated Mineral Resources	-	-	-	-	-	-	-	-	-	-	-	-
	Inferred Mineral Resources	6.7	0.9	2.7	0.6	55	0.2	128	60	181	40	11,783	43
Levi	Measured Mineral Resources	-	-	-	-	-	-	-	-	-	-	-	-
	Indicated Mineral Resources	-	-	-	-	-	-	-	-	-	-	-	-
	Inferred Mineral Resources	5.1	1	1.5	0.1	22	0.2	105	51	77	5	3,640	33

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

- The reported Mineral Resources have an effective date of 19 November 2021. 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;
- Four primary lenses of mineralisation were interpreted and modelled, alongside two smaller lenses. The two smaller lenses are interpreted as internal high-grade domains in the larger lenses and are associated with elevated Cu and Zn grades. For reporting the Mineral Resource, SRK has combined all of the modelled domains across the entire deposit;
- Mineral Resources are reported in situ and undiluted. It is assumed that all mineralised material will be transported 75 km to the future Joma process facilities in Norway. The Mineral Resources are reported within mineable shapes, generated using a net smelter return of 60 USD/tRoM, with a minimum mining width of 2m where the dip of the mineralisation is in excess of 40° and a minimum mining width of 3m where the dip of the mineralisation is less than of 40°. The Cu, Zn, Pb, Ag and Au prices used in the NSR calculation were of 9,100 USD/t, 2,800 USD/t, 2,400 USD/t, 2,600USD/t, 25/oz and 1,790/oz 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, 90%, Zn recovery 5%, Au recovery 32%, and Ag recovery, 25% for an average Copper concentrate grade of 22.5%Cu;
  - For the Zn concentrate: Zn recovery, 75% for an average Zinc concentrate grade of 53%Zn; and
  - For the Pb concentrate: Pb recovery, 70% for an average Lead concentrate grade of 60%Pb.

Further assumed operating costs include:

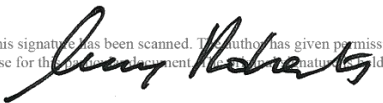
- Mining at USD31.8/tRoM
- Transport RoM to Joma Process Facilities (75 km in Norway) USD11.3/tRoM
- Processing cost of USD14.5/tRoM
- Copper Concentrate transport charges of USD40.5/tconc and treatment charges of USD80/tconc
- Zinc and Lead Concentrate transport charges of USD20.2/tconc and treatment charges of USD140/tconc
- Metal Payability of 84.5% (zinc), 99.5% (gold) and 99.6% (silver)
- Refining Charges of USD0.08/lb payable copper, USD5/oz payable gold and USD0.5/oz payable silver
- G&A cost of USD3.5/tRoM
- Given these parameters, SRK considers there to be reasonable prospects for eventual economic extraction, and as such, fulfils the requirements for reporting a Mineral Resource;
- Mineral Resources are not Mineral 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 of available quality control and quality assurance data, from the 2021 re-sampling. The reported Mineral Resource is limited to the areas which are reported to be unmined. The only underground development in the unmined area is a underground exploration adit, used for drilling. The reported Mineral Resources reflects the current understanding of the mining completed up to the date of the mine closure (1988);
- SRK is unaware of any issues at Stekenjokk-Levi which could materially affect the reporting of Mineral Resources by 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 (%) and grams per tonne (g/t). 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

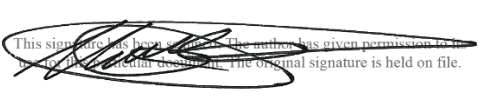
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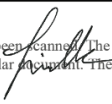
Dr Lucy Roberts  
Principal Consultant (Resource Geology)  
**Project Manager**  
SRK Consulting (UK) Limited

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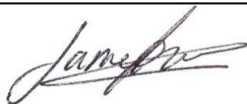
Dr Tim Lucks  
Managing Director and Principal Consultant  
(Resource Geology)  
**Project Reviewer**  
SRK Consulting (UK) Limited

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James Williams  
Senior Consultant (Resource Geology)  
SRK Consulting (UK) Limited

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Jamie Price  
Consultant (Resource Geology)  
SRK Consulting (UK) Limited