INFORMATION MEMORANDUM

CORCEL NICKEL-COBALT-COPPER PROJECT
GALICIA PROVINCE, NW SPAIN

EXECUTIVE SUMMARY

Corcel Minerals SL (“*Corcel Minerals*” or “*the Company*” is 100% owner of the Corcel Nickel-Cobalt-Copper (Ni-Co-Cu) Project (“*Corcel*” or "*the Project*”), located in Galicia, northwest Spain. The Project contains 31.9 km^2 of exploration and exploration application concessions. The main prospect, Castriz, is located in an active exploration concession and contains walk-up drill-ready targets.

Soil sampling, geophysics, trenching and drilling at Castriz in the early 1990’s identified a zone of disseminated Ni-Co-Cu sulphides (pyrrhotite, pentlandite and chalcopyrite) hosted within the basal units of a mafic-ultramafic rock sequence. No modern exploration activities have occurred on the project since 1991.

Corcel Minerals initially plans on undertaking development assessment studies at the Castriz prospect which is considered to be the most prospective target on the Project. The primary target to be investigated at Castriz is a zone of enriched sulphide mineralisation intersected at surface by trenching and at depth by drill hole R-4. On the basis of historical trench assays and drill hole intersections, the Company estimates the main lode has the potential to contain in excess of 17Mt @ 0.48% Ni, 0.02% Co, 0.15% Cu (*1.36% CuEq%*). Grades are expected to be higher near the surface where trenching intersected 0.54% Ni, 0.03% Co, 0.18% Cu (*1.63% CuEq%*).

Following the initial exploration work program, the Company will evaluate selective mining of the main lode by conventional open pit mining to produce a mixed sulphide concentrate using conventional sulphide flotation processing. The conceptual open pit would be shallow, with a maximum depth of 175m. Indicative financial metrics estimated for a 2.5Mtpa mining operation over a Life of Mine of 7 years (17.5Mtpa ROM) exploiting the main lode at Castriz indicates the Project has the potential to generate attractive financial returns. with an IRR of 62%[1].

The Company is also encouraged about the potential of the project to contain two additional styles of mineralisation that are prospective for potential mining operations. The first of these relates to the extensive and pervasive nature of sulphide mineralisation, particularly at the Castriz prospect, which presents the opportunity for a large tonnage, low grade bulk mining operation (exploration target 73.8–100Mt @ 0.41–0.68% Ni, 0.02–0.04% Co, 0.14–0.23% Cu; *1.22 – 2.03% CuEq*). The potential for bulk mining also needs to be further assessed at the Monte Castelo prospect where soil sampling also outlined a large area of metal anomalism.

The second style of mineralisation to be assessed is the potential for massive sulphide mineralisation at depth. Historical exploration activities recognised topographic depression at the Monte Maior prospect. These depressions were considered to be ideal sites for the settling and accumulation of sulphide minerals and potentially a massive sulphide deposit.

[1] It should be noted that the development plan referred to herein is for project guidance purposes only and is based on technical and economic assessments of a low-confidence level. The study utilises historic exploration results to estimate exploration targets. These are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case, or to provide certainty that the conclusions of the development study will be realised. Notwithstanding, production targets, financial forecasts and potential economic benefits are provided in order to highlight the economic potential of the Project and to optimise planning for the next stage of project development.

1. INTRODUCTION

The Corcel Ni-Co-Cu Project is located in the in the municipalities of Santa Comba and Coristanco in the area of Monte Castelo (La Coruña), Galicia, NW Spain. The project is located approximately 60km from La Coruña and approximately 40km from Santiago de Compostela near the town of Santa Comba (*Fig. 1*). Corcel is located east of the Santa Comba tungsten-tin Project, owned by Galicia Tin & Tungsten, consisting of two exploration licences (Segregación Carmen; 9.3km^2) and one exploration licence application (P.I. Salgueiras; 22.6km^2) (*Table 1; Fig. 2*).

Figure 1. Location of the Corcel Ni-Co-Cu Project, Galicia, NW Spain.

Table 1. Corcel Project concessions.

Concession	Type	No.	Grant date	Consolidation date	Expiration date	Area (km^2)
Carmen Segregación	Concession	1807	13/07/1944	24/02/1978	24/02/2068	6.993
Primera Demasía a Carmen Segregación	Extension	1807	12/03/1990	n/a	24/02/2068	2.347
P.I. Salgueiras	Application	n/a	n/a	n/a	n/a	22.57

An extensive nickel anomaly was investigated by the national company Adaro for the IGME (Spanish Geological and Mining Institute) and General Directorate of Mines between 1982 and 1991. The work program was carried out by senior Russian geologists who were bought in to manage the project given the geology's similarity to that hosting the Norilsk deposit. Exploration activities culminated with the completion of 5 drill holes for 2,417.65m. The purpose of the drilling was to identify the source of the soil geochemical anomalism that appeared to be related to mafic and ultramafic rocks from the Bazar, Castriz and Monte Castelo massifs. Drilling was also intended to clarify aspects of the geological structure of these massifs so that it could guide in further planning of exploration activities. Despite the Russians' and Adaro's enthusiasm for the project's potential, funding constraints and a shift in government policy away from mining activities resulted in the project being terminated in 1992.

2. GEOLOGICAL SETTING

The Variscan belt is the European part of the large orogen that developed during the late Paleozoic as a result of the progressive collision between Laurussia and Gondwana. A large exposure of the Variscan basement forms the Iberian Massif, in the western Iberian Peninsula. In Galicia and Asturias, northwest of the Iberian Massif, a long and continuous section of the Variscan belt, nearly 400km wide, developed in Devonian and Carboniferous times. Deformation progressed from west to east, and the western parts represent the more internal domain, which includes the remnants of a complex suture zone that contains several ophiolitic units (Arenas et al., 2007).

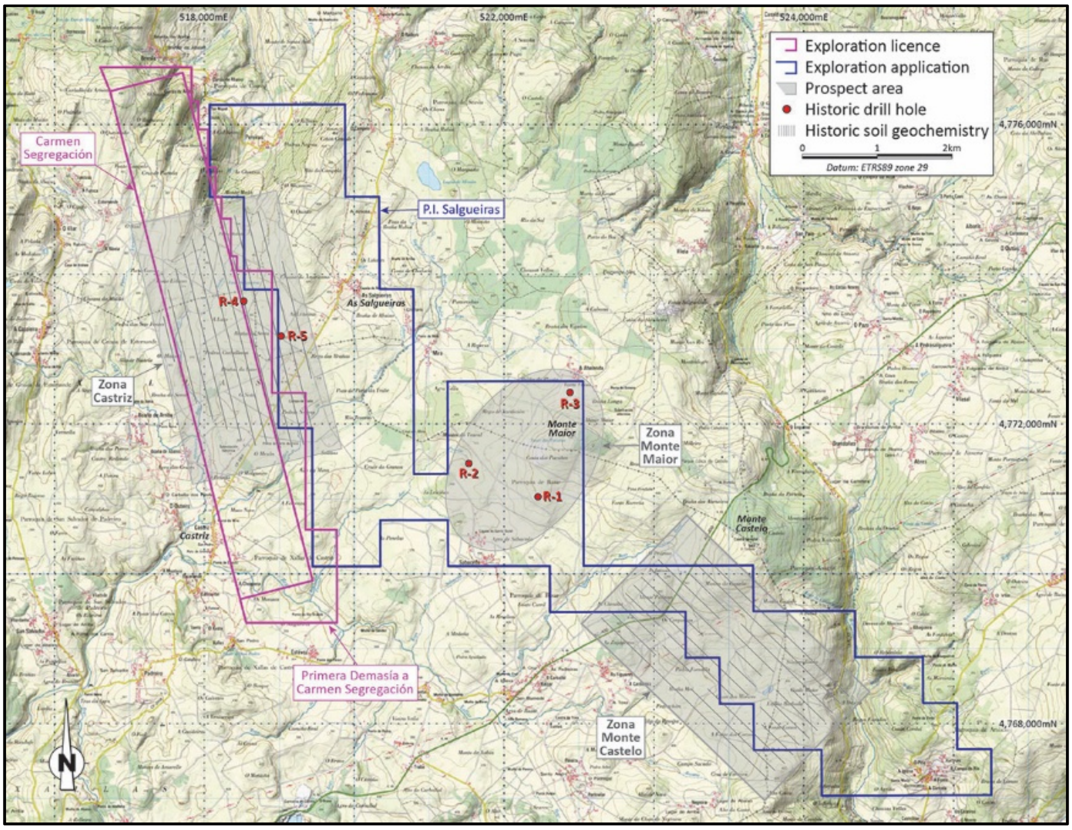


Figure 2. Corcel Project concessions map highlighting main prospects and historical exploration areas.

2.1 Ophiolite Units

The ophiolites form part of the so-called allochthonous complexes of Galicia-Trás-os-Montes; they separate the main colliding elements and represent the remnants of the Paleozoic oceanic domains that closed during the long convergence between Laurentia-Baltica and Gondwana and their final collision.

The allochthonous complexes occupy the uppermost structural position in the NW Iberian Massif and consist of a stack of largely displaced allochthonous units (*Fig. 3; references in Arenas et al., 2007*). These were part of a gigantic nappe pile that was assembled during the first stages of the Variscan collision. The allochthonous units include ophiolitic assemblages and terranes with continental and island-arc affinities. The ophiolites are remnants of oceanic lithosphere that was almost completely removed in pre-Variscan and Variscan times, whereas the other units are remnants of colliding continental margins and other exotic terranes located between them (Arenas et al., 2007).

Five ophiolitic units are recognized in Galicia, three in the Órdenes Complex (Vila de Cruces, Careón, and Bazar units; *Fig. 3*), and two in the Cabo Ortegal Complex (Moeche and Purrido units; *Fig. 3*). The Bazar unit hosts the Corcel Project. Based on their similar lithological composition and structural position beneath the upper units of the allochthonous complexes, the Bazar, Careón, and Purrido units are considered to be equivalent, and they are generally described as the upper ophiolitic units. The Moeche and Vila de Cruces units underlie the upper ophiolitic units, and, based on their equivalent lithologies, similar structural position, and common tectonothermal evolution, both are correlated and described as the lower ophiolitic units (Arenas et al., 2007). Díaz García et al. (1999) obtained an age of ca. 395 Ma in a sample of quartz-bearing leucogabbro from the top of the Careón slice which is interpreted to date gabbro protolith crystallization and the age of the ophiolites.

The Bazar unit is located in the western part of the Órdenes Complex. Though its internal structure is poorly known, its thickness, up to 5000 m, and the presence of several thrust faults suggests that it is an imbricate. It is made up of monotonous metagabbroic amphibolite, with a relatively undeformed layer of gabbro, leucogabbro, pegmatoid gabbro, pyroxenite, and ultramafic rocks located toward the lower part of the unit (Díaz García, 1990; *Fig. 4*). The unit was affected by an early high-T metamorphism, which formed mafic granulites transitional between the low- and medium-P types.

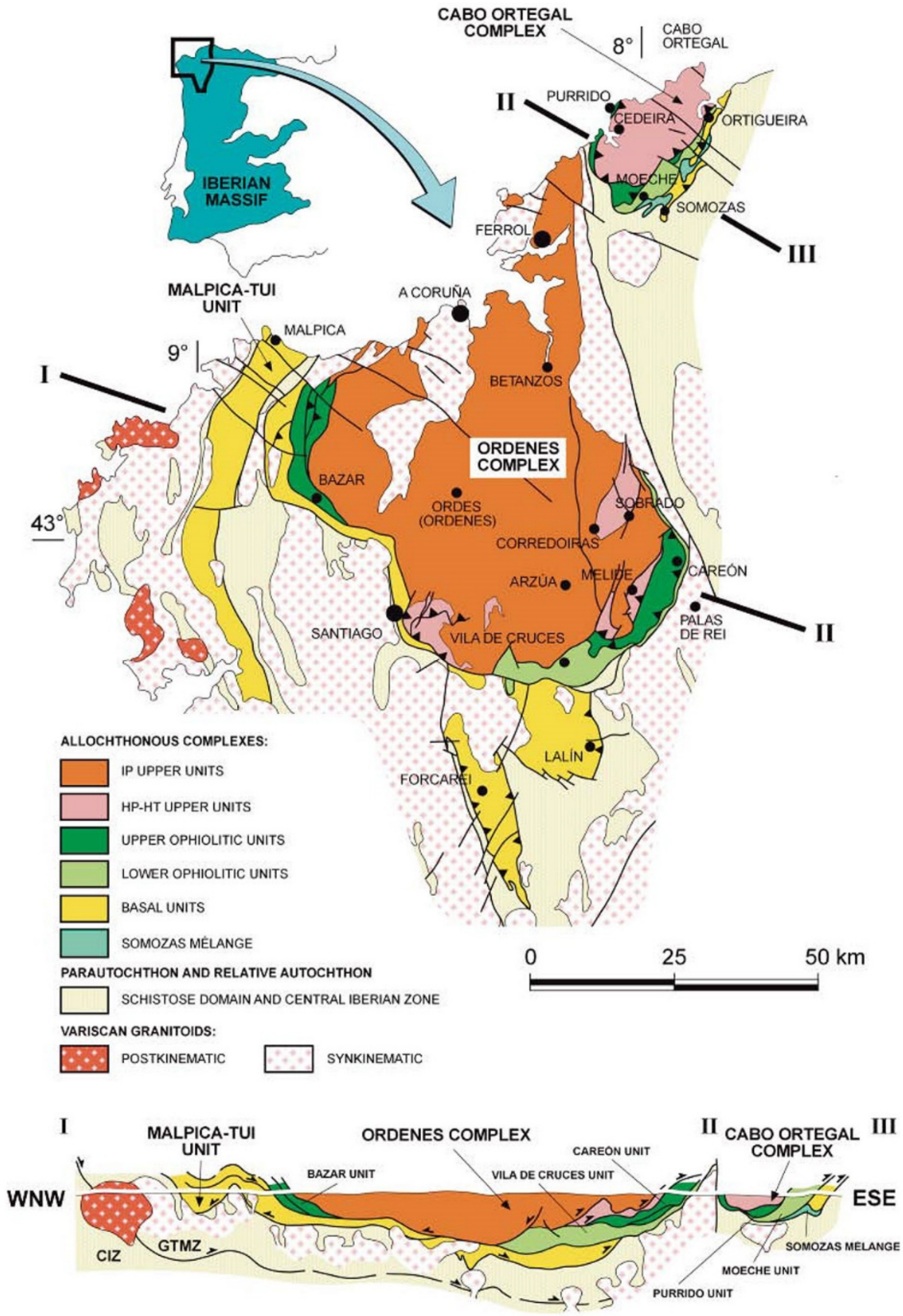


Figure 3. Schematic geologic map and cross-section of the allochthonous complexes of Galicia, showing the distribution of ophiolitic units (Arenas et al., 2007). The Corcel Project is located in the Bazar unit. IP = intermediate pressure; HP-HT = high pressure, high temperature; GTMZ = Galicia-Trás-os-Montes zone; CIZ = Central Iberian zone.

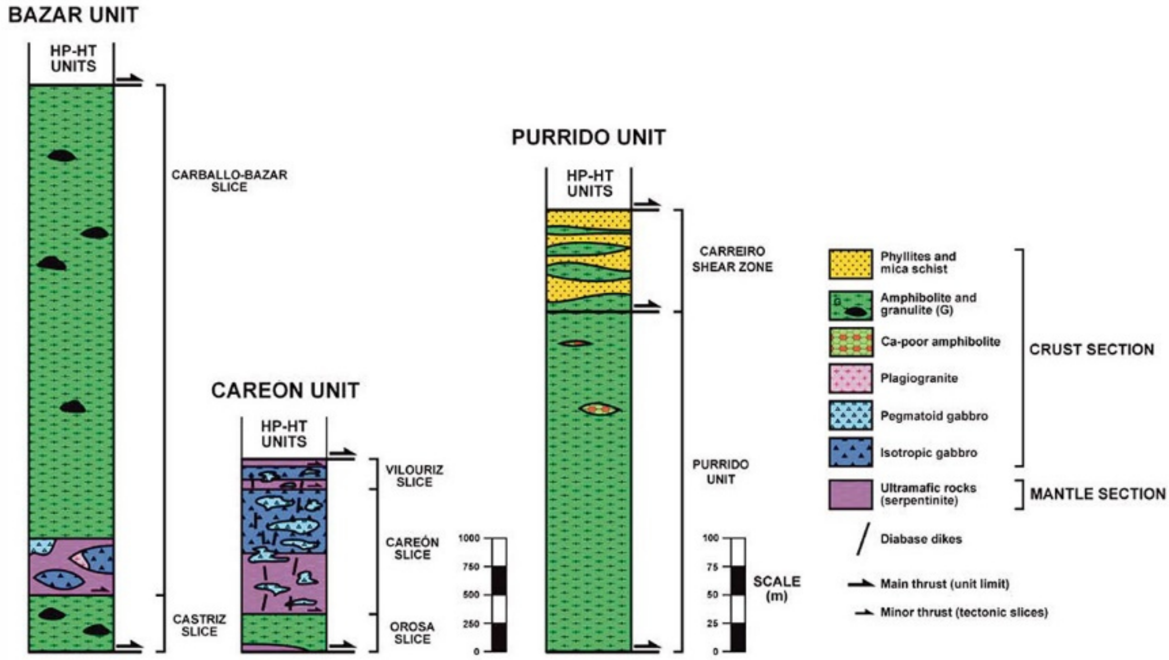


Figure 4. Schematic columns highlighting lithological constituents of the upper ophiolitic units. Also shown are the internal structure of ophiolitic units characterised by the presence of several tectonic slices (Arenas et al., 2007).

3. HISTORICAL EXPLORATION ACTIVITIES

Following identification of prospective mafic and ultramafic rock units by Adaro for IGME in the early 1980's, geological and mineral exploration investigations were undertaken to assess the potential of the region. The identification of layered intrusives and cumulate textures initially led to the focus being on the potential for platinum group elements (PGEs') and chromite accumulations. An absence of significant PGE or Cr anomalies, and the presence of Ni-Co-Cu anomalies, resulted in the focus shifting to Ni-Cu sulphide metal accumulations. Following is a summary of the key activities conducted by Adaro during its tenure on the project.

3.1 Soil Geochemistry

IGME completed a detailed soil geochemistry over two key areas, Castriz and Monte Castelo, as part of its investigations into the Ni-Co-Cu-Cr potential of the region (*Figs 2 & 5*). Samples were collected at approximately 50m intervals along several transects of approximately 3km in length. The most prospective zone of coincident Ni-Co-Cu-Cr anomalism was identified at Castriz (*Fig. 6*; IGME, 10583). An anomaly measuring 1,000 metres in strike and 100-300m wide with concentrations of up to 0.26% Ni and 0.09% Co was identified and confirmed the prospectivity of the region for hosting economic metal concentrations. The geochemical anomalies provided IGME and Adaro with enough incentive to embark on more detailed regional investigations aimed at testing the prospectivity of the region.

Following identification of the soil anomalies, additional activities were undertaken by Adaro including detailed geological mapping, trenching and petrographical studies. These were undertaken in order to identify the boundaries between the major lithological units and specifically position collar locations for future drilling. Following is a summary of the key outcomes from these studies.

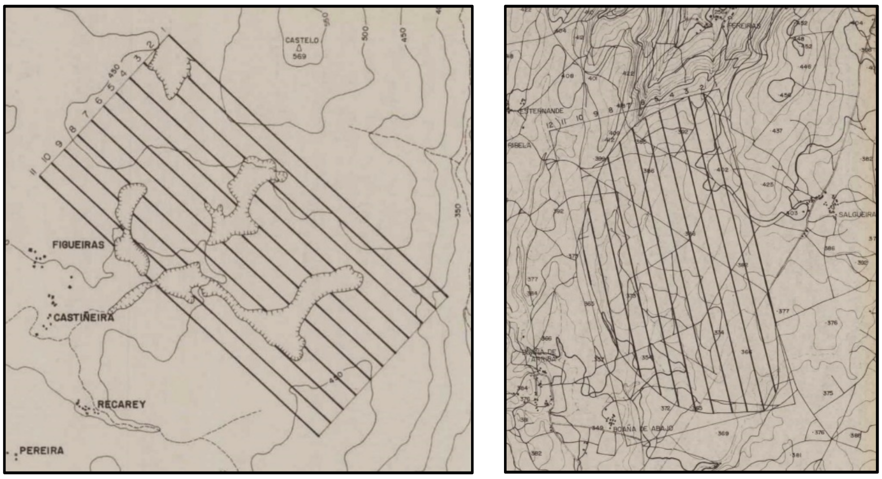


Figure 5. Soil geochemical survey lines at Zona Monte Castelo (left) and Zona Castriz (right).

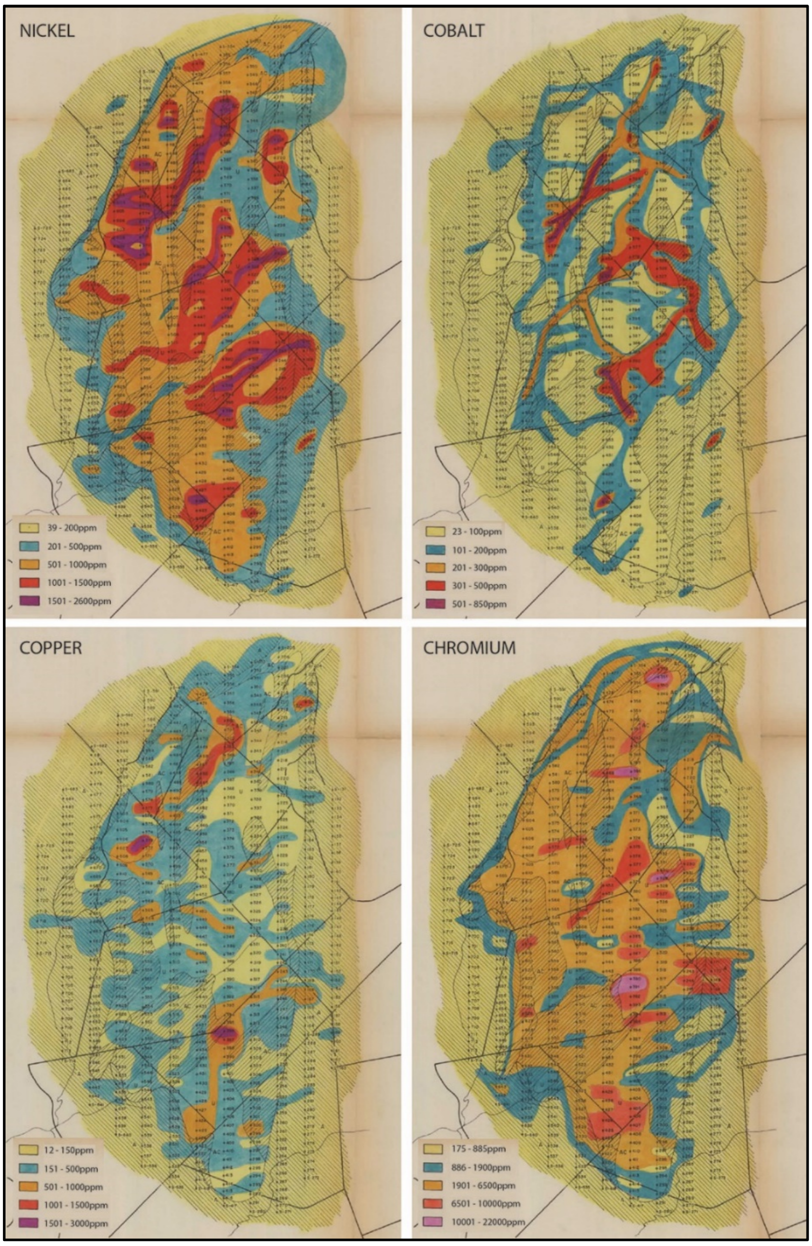


Figure 6. Soil geochemistry results at Zona Castriz prospect (IGME, 10583).

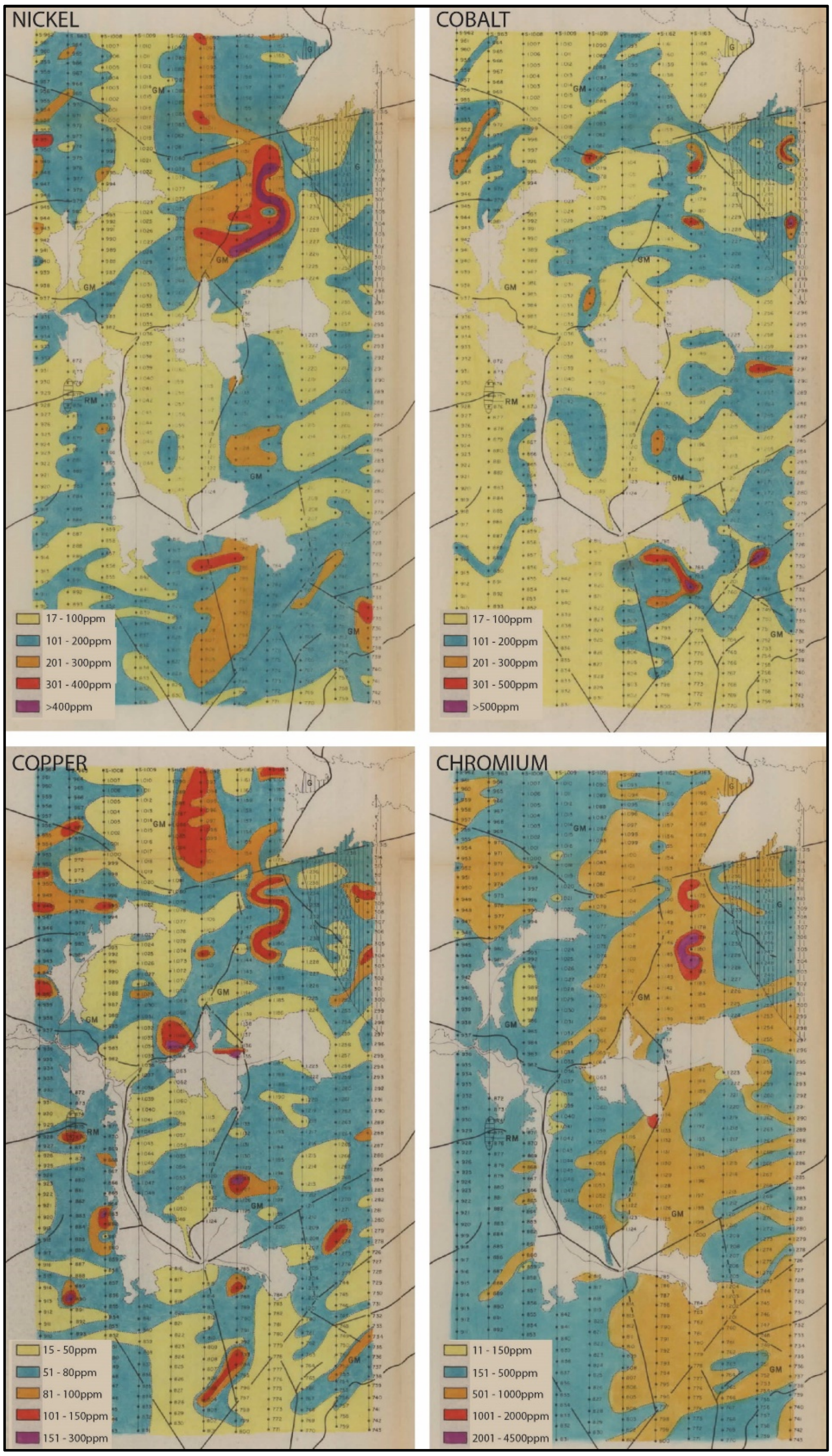


Figure 7. Soil geochemistry results at Zona Monte Castelo prospect (IGME, 10583).

3.2 Geological Mapping

Following identification of the soil anomalies, additional activities were undertaken including detailed geological mapping (1:5,000 scale), trenching and petrographical studies. The majority of these studies were undertaken on the Castriz prospect in order to identify the boundaries between the major lithological units and specifically position collar locations for future drilling (*Fig. 8 & 9*). The main mafic and ultramafic rock units include:

Metagabbros: These rocks outcrop mainly to the north, and southern half of the studied area. Such outcrops show more prominent relief. Northern outcrops show very distinct orientation, mainly distinguished by feldspar contents, texture and grain size. They are coarse-grained rocks, looking like patchy or "camouflage" gabbros. Amphibole and plagioclase are concentrated in some localities, forming large crystals. Metagabbros are almost always associated to ultramafics, so it is usual to find outcrops with metagabbro–peridotite or metagabbro–pyroxenite associations. Fundamental minerals are amphibole, alkalinised plagioclase and clinozoisite, with accessory rutile, titanite and opaque minerals.

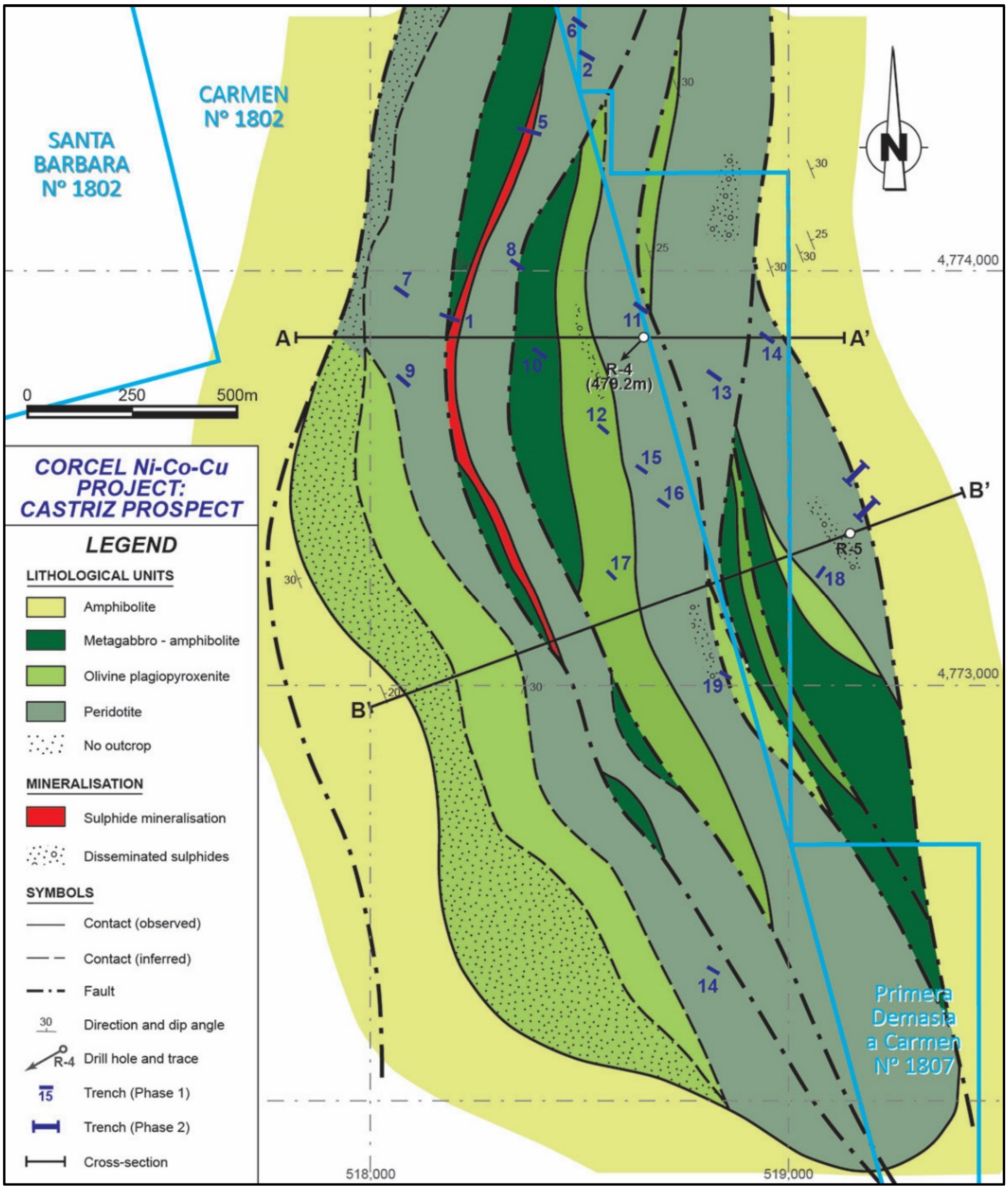


Figure 8. Solid geology interpretation of Castriz region highlighting trench locations. Cross sections A–A' and B–B' shown in Figure 9 (Adaro, 1992).

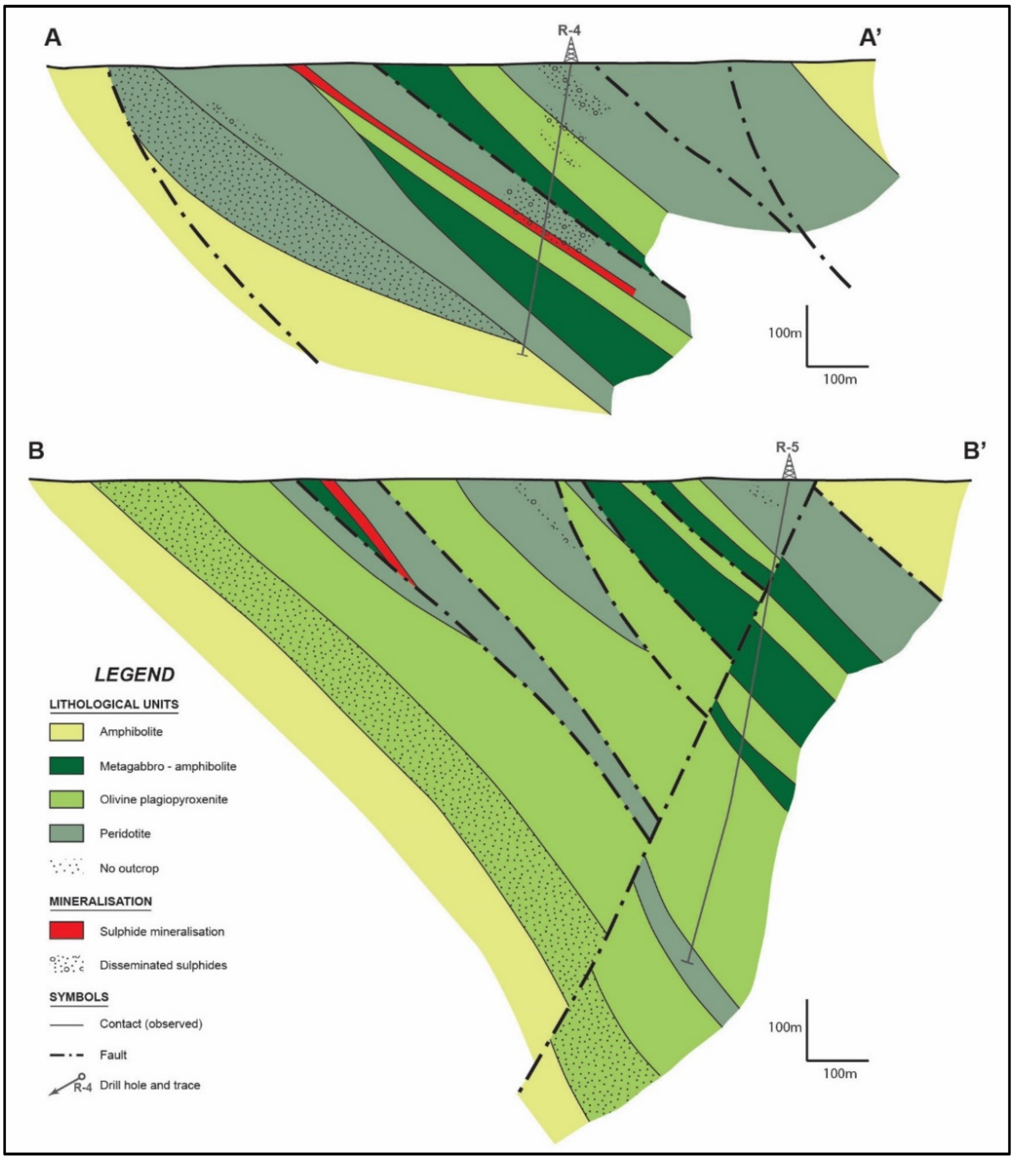


Figure 9. Cross sections of solid geology interpretation of Castriz prospect. Location of drill hole R-4 highlighted (after Adaro, 1992).

Peridotites: Along with metagabbros, peridotites are the more abundant rocks. They outcrop more or less continuously in the whole area. Because of the lack of outcrops, it is difficult to find the contact with the amphibolites. Peridotites generally show strong serpentinisation, with frequent chrysotile (asbestos) veinlets, especially in zones where rock deformation is higher. Some samples show high olivine contents, classifying them as dunites. Texturally, they are coarse- to medium-grained, panallotriomorphic rocks, with serpentinisation forming mesh or cell textures, and late tectonic deformation sometimes producing schistose appearance marked by laminar minerals, antigorite and chlorite. Fundamental composition is: olivine, clino- and orthopyroxene; with secondary antigorite, chlorite and magnetite and minor amounts of amphibole and carbonate. Serpentine presence is also important.

Pyroxenites: Are associated with the serpentines and amphibolites. Two groups can be distinguished: peridotite-derived serpentinites and pyroxenite-derived orthoamphibolites Main components are pyroxene and amphibole, with secondary chlorite, antigorite, opaque minerals, pyrite, iron oxides and chalcedony. Chalcedony is restricted to vein fillings. Pyroxenites have medium- to coarse-grained anallotriomorphic textures.

3.3 TRENCHING

Several trenches were excavated to control soil Cu and Ni geochemical anomalies, gain a deeper understanding of the lithologies and assist with positioning of planned drill hole collars (*Fig. 8 & 10*). The trenches were 30m in length and were excavated to depths of 0.5 – 2.1m which continuous samples collected at 5m intervals (6 samples per trench). Several trenches were excavated on the main Ni-Cu soil anomaly identified in the northern area of the Castriz prospect. Trenching results further confirmed the soil anomaly and the prospectivity of the Project to host economic mineralisation grades. Assay highlights from the trenching are highlighted in *Table 2*.

Table 2. Trench (calicata) assay results (Adaro, 1982).

Trench	Length (m)	Ni (%)	Co (%)	Cu (%)	Cr (%)
1	**20**	**0.54**	**0.03**	**0.18**	**0.49**
2	**30**	**0.32**	**0.02**	**0.09**	**0.44**
4	30	0.15	0.03	0.09	0.18
5	**45**	**0.39**	**0.04**	**0.18**	**0.47**
6	**30**	**0.20**	**0.02**	**0.08**	**0.35**
7	**30**	**0.33**	**0.02**	**0.08**	**0.24**
8	30	0.14	0.02	0.04	0.28
9	**30**	**0.25**	**0.02**	**0.05**	**0.32**
10	30	0.05	0.02	0.01	0.08
11	30	0.26	0.03	0.04	0.29
12	30	0.19	0.03	0.04	0.24
13	30	0.19	0.03	0.02	0.29
14	30	0.25	0.03	0.03	0.34
15	30	0.14	0.02	0.03	0.20
16	30	0.16	0.02	0.01	0.30
17	30	0.08	0.02	0.02	0.17
18	30	0.29	0.02	0.04	0.23
19	30	0.13	0.03	0.05	0.35

** Results highlighted in bold from most prospective zone in the northern area coincident with soil anomaly.*

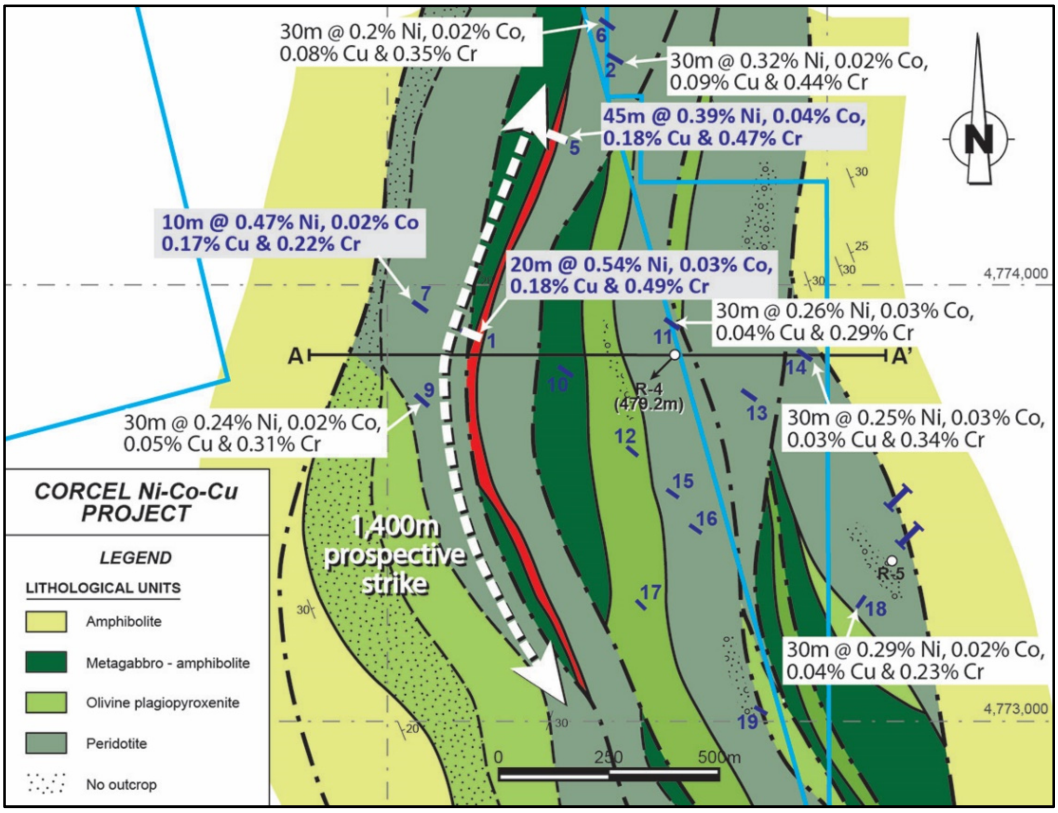


Figure 10. Trenching assay results over Castriz prospect.

3.4 DRILLING

Five (5) drill holes were completed at the Castriz and Monte Maior prospects (*Fig. 2*). Drill hole core is in good condition and kept in the IGME library in Peñarroya. Corcel Minerals inspected the core in March 2018 with the main focus being on drill hole R-4 drilled at the Castriz prospect. Drill hole R-4 was noted by Adaro to have the best mineralised sequence. In total, 2,417.65 m of drilling was completed across the two prospects (*Table 3*).

Table 3. Historic drill holes completed at the Corcel Project.

Drill hole	Sector	Azimuth	Dip	Depth (m)	Mineralisation
R-1	Monte Maior	225°	80°	496.0	Disseminated sulphides from 70 – 83m
R-2	Monte Maior	225°	80°	290.0	Negative
R-3	Monte Maior	008°	80°	749.45m	Disseminated sulphides from 444 – 514m
R-4	Castriz	225°	80°	479.20m	Disseminated sulphides from 232 – 237m
R-5	Castriz	250°	80°	403.0m	Negative

In the area of Monte Maior, the rocks intersected included gabbros and norites and compositions intermediate between them. Minor shale beds and amphibolites were also intersected. In the area of Castriz, the rocks intersected were predominantly serpentinites and amphibolites, interpreted to have formed from alteration of peridotites and pyroxenites.

3.4.1 Castriz drilling

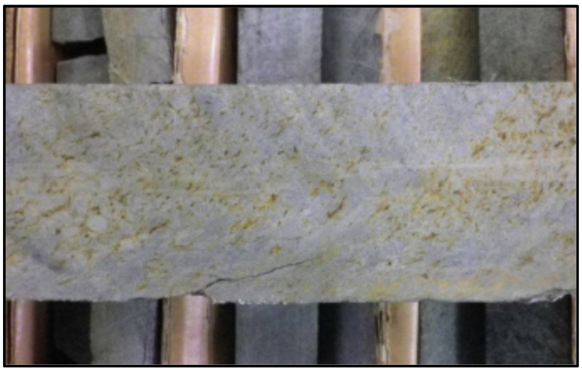
Drilling at Castriz, and in particular drill hole R-4, intersected a higher proportion of ultramafic rocks than in the other drill holes (*Fig. 11*). Serpentinised peridotites and pyroxenites are prevalent. The peridotites are almost entirely altered to serpentinites and the pyroxenites are typically amphibolite. There are also gabbronorites partially transformed to amphibolites. Several mylonitised zones were also observed.

The mineralised part of drill hole R-4 consists predominantly of disseminated sulphides (*Fig. 11*). Minor sulphide patches and fissural fillings are also observed although these do not contain the main metal concentrations. The main sulphides are Fe-sulphides (pyrrhotite and pyrite) with the pyrrhotite presumably the source of widespread magnetism in the rock. Traces of pentlandite and chalcopyrite are also present and likely the source of elevated nickel and copper concentrations, respectively. A direct correlation between magnetic pyrrhotite and elevated metal concentrations has been observed.

Assay highlights from drill hole R-4 are summarised in *Table 4* and *Figure 12*. These results confirm the rock sequences at Castriz are extensively mineralised for Ni, Cu and Co. The results also confirm a higher grade component occurs at depth (*ca.* 271m down hole depth). This was interpreted by Adaro to be the down-dip extension of the mineralisation intersected in trenches 1 and 5, approximately 500m west of R-4 (*Figs. 8 & 9*). Critically for the Castriz prospect, the metals of interest occur as sulphide minerals which is important for processing and concentrate production.

Table 4. Drill hole R-4 assay highlights (Adaro, 1992).

	From (m)	To (m)	Interval (m)	Ni%	Co%	Cu%
	15.75	55.15	39.40	0.179	0.013	0.024
incl.	*15.75*	*32.3*	*16.55*	*0.208*	*0.015*	*0.033*
	89.30	122.15	32.85	0.198	0.013	0.052
	137.05	146.55	9.50	0.124	0.007	0.044
	223.90	283.95	60.05	0.156	0.009	0.048
incl.	*225.80*	*247.20*	*21.40*	*0.153*	*0.009*	*0.051*
and	*263.20*	*279.15*	*15.95*	*0.252*	*0.011*	*0.067*
incl.	***271.15***	***277.15***	***6.00***	***0.417***	***0.012***	***0.116***



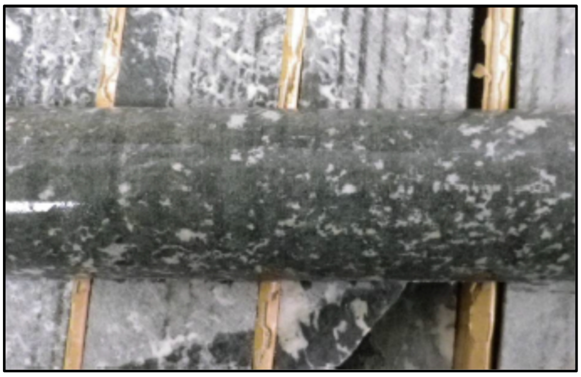


Figure 11. (top left) Disseminated sulphides in amphibolite; (top right) Disseminated sulphide mineralisation in mylonite; (bottom left) Gabbro partially transformed to amphibolite and serpentinite

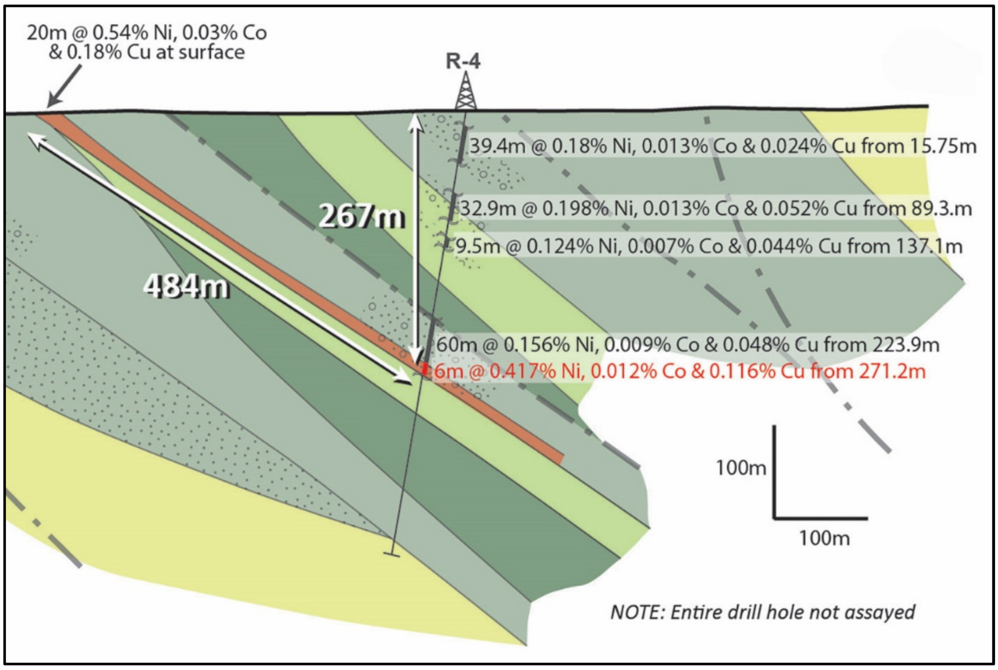


Figure 12. Assay highlights from drill hole R-4. Note entire drill hole was not assayed (modified from Adaro, 1992).

3.4.2 Monte Maior drilling

While drilling at Monte Maior did not intersect significant sulphide accumulations, minor sulphides were encountered. Importantly, Adaro interpreted that the drill holes were collared at the flanks of a "depression" in the prospective rock sequence, with the inference being that the bottom of the depression is prospective for more significant massive sulphide accumulations. The widespread sulphur saturation of the host magma, evidenced by the occurrence of disseminated sulphides, adds weight to this theory.

3.5 Geophysics

Adaro undertook high level gravity and magnetic surveys over the Castriz area in late 1990 and early 1991 (Adaro, 1991). 380 gravity stations were setup, amounting to 1 to 2 stations per square kilometre. In the case of the magnetic survey, 90 stations were measured over 3 profiles with a separation of 25m per station. With this, Adaro interpreted that a homogenous coverage of the study area was achieved with respect to gravimetry. One magnetic survey transected as closely to the magnetic structures of interest.

The geophysical surveys allowed Adaro to interpret the internal structure of the massif and revealed an important gravity anomaly (20 Mgal) in the west of the survey region, with its maximum located between the Monte Castelo and Bazar and Castriz ultramafics.

4. PROSPECTIVITY

Based on historical exploration activities, geological interpretations and mineralisation intersected at surface and at depth at Castriz, the Company will target three distinct deposit styles across the Project. These different targets are summarised below.

4.1 Castriz Main Lode – Shallow Open Pit Target

Adaro interpreted that the mineralisation intersected in drill hole R-4 at Castriz is the down-dip extension to that observed in surface trenching, particularly that in trenches No. 1 and No. 5 (*Figs. 10 & 12*; "*the main lode*"). The N-S extent of the main lode, estimated to be in excess of 1,400m, is inferred from rock outcrops and the spatial extent of soil anomalism (*Fig. 6*). The dip angle of the main lode, estimated to be approximately 34°E, is interpreted from rock fabrics observed at surface and in the core. The association of the mineralisation with a deformational fabric was interpreted by Adaro to suggest that primary magmatic sulphides were remobilised during deformation and consequently be a secondary, epigenetic style of mineralisation.

The main lode is the primary subject of the Company's mining development scenario for the Project (*see Section 6 below*). Based on the projected thickness and grade of the main lode at surface and at depth, Corcel Minerals estimates in excess of 17Mt @ 0.48% Ni, 0.02% Co and 0.15% Cu (*1.36% CuEq%*) is contained within the main lode to a vertical depth of ~175m (*Fig. 13*). Note this is a non-JORC (2012) estimate.

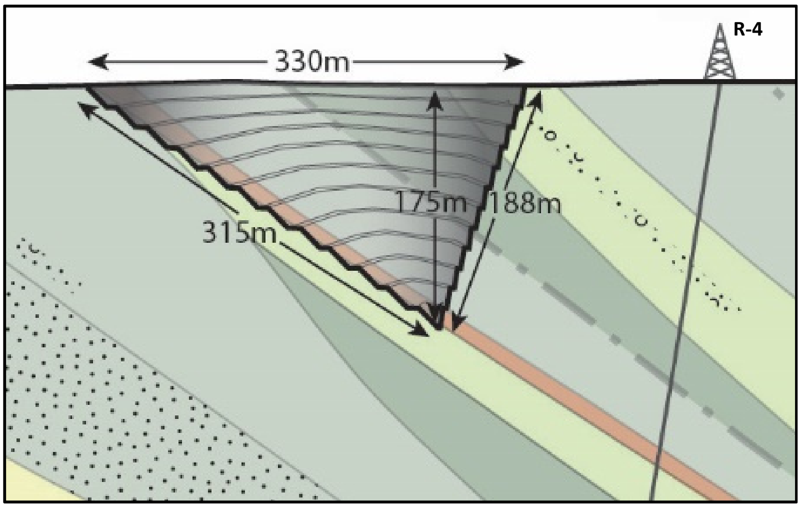


Figure 13. Conceptual pit design for main lode exploitation scenario (Section 6).

4.2 Bulk Tonnage Targets

Spatially extensive, shallow, low grade mineralisation at the Castriz prospect is reflected by soil geochemistry and trenching. Although lower in grade than that recorded in the trenching, depth extensions to the mineralisation is also reflected in assay results from drill hole R-4 which is located ~500m east of trench No. 1 (*Fig. 12*). The Company interprets similar depth extensions to the mineralisation recorded in the trenches and on this basis postulates that the Castriz prospect has the potential to host a large, low-grade, bulk tonnage resource (*Fig. 14*). The Company's exploration target (non-JORC) at Castriz is estimated at 74–100Mt @ 0.41–0.68% Ni, 0.02–0.04% Co and 0.14–0.23% Cu (*1.22 – 2.03% CuEq%*) within a conceptual pit with dimensions 1,400m in length, 250m in width and depths of 150m to 250m assuming a strip ratio of 0.5:1 (*Table 5*).

Corcel Minerals is also assessing the potential for bulk tonnage resources at the Monte Castelo prospect in the southeast of the project area (*Fig. 2*). Prospective mafic-ultramafic rock sequences have also been observed in this area and its prospectivity is supported by soil geochemistry (*Fig. 7*). The Company intends on reassessing the historical data at Monte Castelo prospect to further understand the source of the soil geochemistry anomalies and broader prospectivity of the prospect.

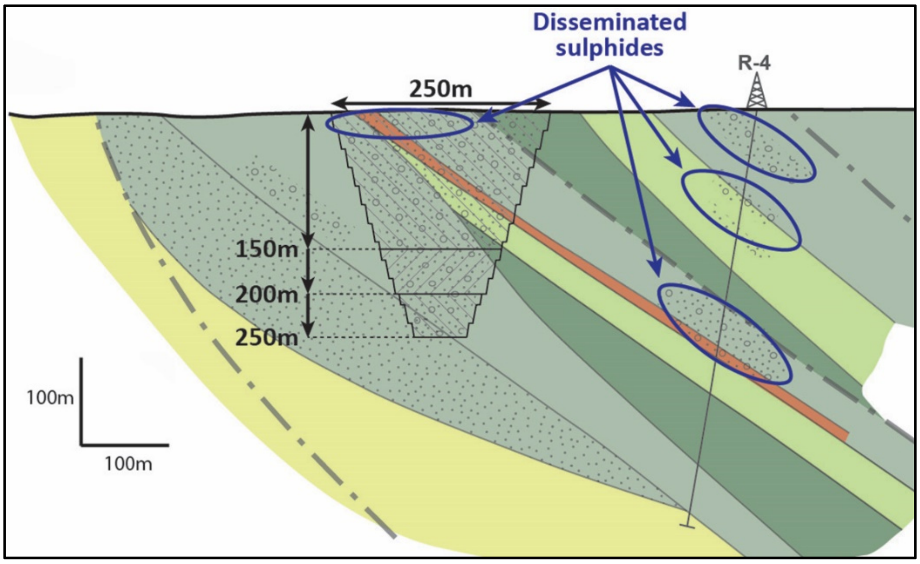


Figure 14. Conceptual bulk tonnage exploration target at Castriz.

Table 5. Exploration target ranges for bulk tonnage resource at Castriz prospect.

Case	High	Base	Low
Pit depth	250m	200m	150m
Pit width	250m	250m	250m
Pit length	1,400m	1,400m	1,400m
Pit wall angle	70°	70°	70°
Density (g/cc)	2.7	2.7	2.7
Total tonnes	**150.3Mt**	**134.0Mt**	**110.8Mt**
Strip ratio	0.5:1	0.5:1	0.5:1
Resource (non-JORC)	**100.2Mt**	**89.3Mt**	**73.9Mt**
Ni grade		0.41 – 0.68%	
Co grade		0.02 – 0.04%	
Cu grade		1.22 – 2.03%	
Ni tonnes		**299,000 – 541,000**	
Co tonnes		**17,000 – 30,000**	
Cu tonnes		**100,000 – 180,000**	

4.3 MASSIVE SULPHIDE TARGET

The recognition of widespread and pervasive sulphide mineralisation across the Project area indicates the source magma attained sulphur saturation. Consequently, the Company views the project to be highly prospective for massive sulphide accumulations either proximal to the conduit through which the magma intruded or in topographic depressions where denser sulphide minerals could settle and accumulate.

Adaro noted the occurrence of several topographic depressions during its historical work on the project and interpreted that drill holes R-1 and R-3 were collared on the flanks on one of these depressions (*Fig. 15; Adaro, 1991*). Adaro named this structure the Monte Maior Depression and interpreted it to be at least 2,000m long. Adaro planned on conducting follow-up drilling at Monte Maior however budgets were cut across the organisation and no further exploration activities were undertaken.

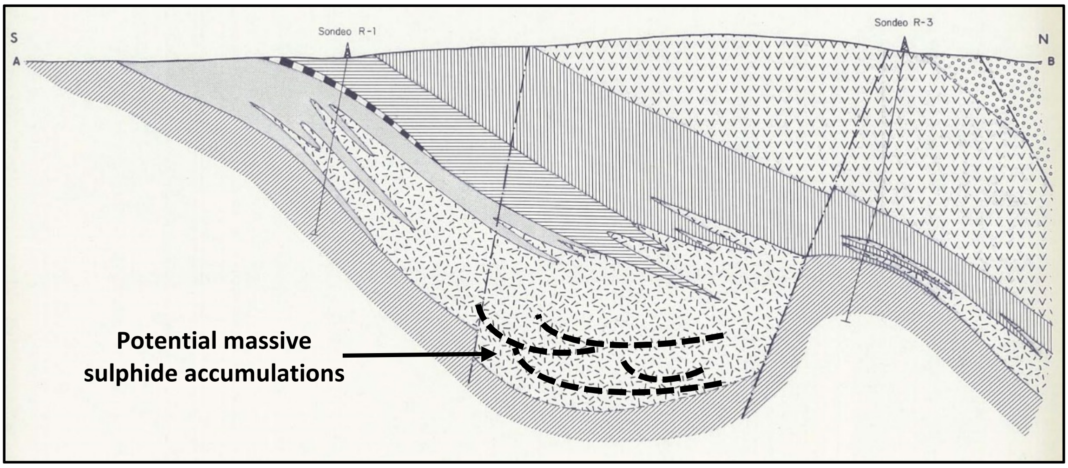


Figure 15. Cross-section between drill holes R-1 and R-3, Monte Maior prospect. Note drill holes interpreted to have intersected flanks of a topographic depression (Adaro, 1991).

5. INFRASTRUCTURE

The project is located in an area well serviced by modern infrastructure. A sealed road (DP2904) and power line is located ~1km east of the main prospective area adjacent to trench 1. A gravel road then provides direct access to the Project. The new industrial port at La Coruña is located 48km from the Project. Additional ports are located at Vilargarcia (83km) and Vigo (120km).

The region around the Corcel Project is also busy with other mining activity. The area is located less than 5km from both the open pit granite quarry operated by Canteira da Mina SL and the combined open pit/underground tungsten development operated by Galicia Tin & Tungsten SL.

6. INDICATIVE FINANCIAL METRICS

It should be noted that the development plan referred to herein is for project guidance purposes only and is based on technical and economic assessments of a low-confidence level. The study utilises historic exploration results to estimate exploration targets. These are insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case, or to provide certainty that the conclusions of the development study will be realised. Notwithstanding, production targets, financial forecasts and potential economic benefits are provided in order to highlight the economic potential of the Project and to optimise planning for the next stage of project development.

6.1 Main Lode Open Pit Mining Scenario

To evaluate the potential financial metrics of a hypothetic open pit mining operation exploiting the main lode (*Section 4.1*) a discounted cash flow (DCF) was calculated. The envisaged mining operation assesses a 7 year life of mine, extracting 2.5Mtpa ROM at an average grade of 0.479% Ni, 0.021% Co and 0.148% Cu. It is envisaged the mining operation would produce 10,766t Ni, 473t Co and 3,330t Cu in concentrate per year. The average ROM grade was calculated from the average of trench No. 1 and the intersection at depth in drill hole R-4 (*6m @ 0.417% Ni, 0.012% Co and 0.116% Cu from 271.2m*). Adaro interpret that the mineralised lode dipped from surface to where it was intersected in drill hole R-4.

Corcel Minerals designed a conceptual open pit to a depth of 150m using a footwall angle comparable to the drip of the lode (34°) and a high wall angle of 70°. This created an open pit width of ~330m at the surface. A pit length of 1,400m was utilised based on the extent of the Ni soil anomaly. The strip ratio is estimated to be 5.5:1 (w:o).

7. CONCLUSIONS

The Castriz area represents part of the basal zone of a mafic-ultramafic intrusion. Both the historic trenches excavated in the area and drill hole R-4 confirm the intrusion has the potential to be extensively mineralised. Pervasive disseminated sulphides are present with the primary sulphide minerals being pyrrhotite (magnetised), pentlandite and chalcopyrite. Given the extent of mineralisation recorded in drill hole R-4, it is interpreted that the prospectivity of the area closer in proximity to trenches No. 1 and No. 5 is high. Furthermore, historic assay grades recorded in trenches 1 and 5 indicate that there is an improvement in grade in this area. Based on the main mineralised horizon in the sequence, the Company is of the view that an economic resource could potentially be exploited in the region.

In addition to a selective mining scenario at the Castriz prospect, the Company also views there to be potential for a bulk mining operation. Although additional evaluation is required, the pervasive nature of the disseminated sulphide mineralisation is encouraging. Second order bulk tonnage and massive sulphide targets at Monte Castelo and Monte Maior also warrant further investigation.

8. COMPARISONS

8.1 Deposit Genesis & Analogies

The Adaro (1991) report noted the disseminated sulphides (pyrrhotite, pentlandite and chalcopyrite) hosted in mafic-ultramafic rocks at Castriz are partially remobilised and consequently have the potential to form is epigenetic-type deposits. At Castriz, remobilisation and concentration is plausible given the degree of deformation and metamorphism evident in the rock sequence. Adaro highlighted important epigenetic Ni-Cu deposits which are hosted or related to altered ultramafic rocks. More specifically, in several deposits located in Kola Peninsula (*Table 8*), remobilisation of disseminated sulphides seem to be linked to progressive metamorphism, which have two distinguishable phases, first one dominated either by ferro-serpentinisation or actinolitisation, and second one with talc formation and biotitisation. Exploitable Cu and Ni concentrations are related to second phase metamorphism and, spatially, associated to intensely tectonised areas along faults, with dominant talc and biotite. In the Castriz area, Adaro recognised that trenches No. 1, 5 and 2 could correspond to a strongly tectonised zone where Cu and Ni enrichment occurred.

8.2 Peer Comparisons

Table 9 summarises several ASX-listed companies with Ni(-Cu-Co) projects and corresponding company valuations. This highlights the potential market recognition that listed companies attract in the Ni-Co(-Cu) sector.

Table 8. Nickel deposits in Norway, Finland, Sweden and USA (Adaro, 1991).

DEPOSITOS DE NIQUEL EN ALGUNOS PAISES

PAIS / Depósito	RECURSOS ANTES DE EXPLOTACION			PRODUCCION HASTA 1980
	TONELADAS DE Ni *103	LEY DE CORTE (Ni)	RELACION Ni:Cu	
NORUEGA				
Bamble	0.4	0.80	2.0	0.4
Bruvann	141.9	0.33	4.1	0.0
Flat	19.4	0.72	1.5	17.5
Hosanger	4.1	0.82	2.1	4.1
Vakkerlien	4.0	1.00	2.5	0.0
FINLANDIA				
Hitura	61.7	0.50	2.9	10.6
Kotalathi	162.5	0.70	2.5	62.5
Kilmakoski	6.0	0.30	3.0	0.0
Kuhmo-Suomussalmi	4.0	0.80	2.7	0.0
Laukunkanges	14.8	0.33	3.3	0.0
Makola	3.3	0.81	1.9	3.0
Ringerike	1.5	0.81	2.0	1.5
Vammala	90.0	0.50	1.7	0.0
SUECIA				
Lainijaur	2.6	2.22	2.5	2.6
Lappvattnet	10.0	1.00	5.0	0.0
Mjodvattnet	2.8	1.40	7.0	0.0
Risliden	3.6	0.73	2.7	0.0
Nuevos (3)	11.0	0.73	2.7	0.0
USA				
Maine	90.7	1.00		

Table 9. Peer comparison of ASX listed companies with Ni-Co-Cu projects (Source: Company releases; Commsec).

Company	Ticker	Mkt Cap (A$m)	Project	Location	Stage	Resource/drilling	Mining Method	Mineralogy
Panoramic Resources	PAN.ASX	258.1	Savannah	Western Australia	Feasibility	7.65Mt @ 1.42% Ni, 0.68% Cu, 0.1% Co	UG	Sulphide
Aeon Metals	AML.ASX	167.0	Walford Creek	Queensland, Australia	Resource	Copper Lode: 15.7Mt @ 1.24% Cu, 0.98% Pb, 0.82% Zn, 33.5g/t Ag, 0.15% Co; Cobalt Lode: 18.0Mt @ 0.11% Co, 0.16% Cu, 1.03% Zn, 0.85% Pb, 22g/t Ag	OP & UG?	Sulphide
Celsius Resources	CLA.ASX	82.9	Opuwo Cobalt	Namibia	Drilling	Intersection incl. 6m @ 0.15% Co, 0.51% Cu from 132m	UG?	Sulphide
Pioneer Resources	PIO.ASX	36.2	Golden Ridge	Western Australia	Drilling	Intersection incl. 6m @ 0.57% Co, 0.52% Ni from 22m	OP?	Laterite
						Intersection incl. 22m @ 1.02% Ni, 0.05% Cu from 202m	UG?	Sulphide
Riedel Resources	RIE.ASX	33.4	Carmenes	Spain	Early	Historic high-grade mines including the Profunda and Divina Providencia	???	???
Golden Mile Resources	G88.ASX	41.4	Quicksilver	Western Australia	Drilling	Intersection incl. 10m @ 2.1% Ni & 0.1% Co from 55m	OP?	Saprolite
Great Boulder Resources	GBR.ASX	22.6	Mt Venn	Western Australia	Drilling	Intersection incl. 33m @ 0.5% Cu, 0.1% Ni, 0.05% Co from 76m	OP?	Sulphide

9. PROPOSED WORK PROGRAM & BUDGET

The Company has planned an extensive program of works to advance the Corcel Project to Scoping Study level. Many aspects of the work program will also feed directly into Prefeasibility Studies. Work will focus primarily on the main lode mining scenario and bulk tonnage potential of the Castriz prospect. Second order targets will be assessed at Monte Maior (massive sulphides) and Monte Castelo (bulk tonnage). Corcel Minerals has budgeted €2.0m in exploration and development studies (*Table 10*) over approximately an 18 month period. The program of works includes, but is not limited to, the following activities:

- Castriz prospect
  - Geophysical program for target delineation
  - Modest drilling program to confirm Castriz mineralisation
  - Preliminary metallurgical test work program confirming recovery via flotation
  - Define maiden JORC (2012) mineral resource estimate at Castriz
  - Mining studies to confirm open pit mining methods
  - High level Capex & Opex cost estimates
  - Scoping Study targeting low Capex, high margin mining operation producing mixed sulphide concentrate
- Monte Maior & Monte Castelo prospects
  - Geophysical program for target delineation
  - Follow up drilling between holes R1 and R3 at Monte Maior
  - Preliminary drilling program at Monte Castelo

Table 10. Gantt chart and budget for proposed program of works at the Corcel Project.

	Month	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Budget
1	**FINANCING**																				
1.1	Project financing	■																			
2	**CASTRIZ PROSPECT**																				
2.1	**Project evaluation**		■	■	■																***€ 125,000***
2.1.1	Confirmatory drilling & assaying		■	■																	€ 75,000
2.1.2	Preliminary metallurgical tests				■																€ 50,000
2.2	**Scoping Study**					■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	***€ 1,025,000***
2.2.1	Geophysical programs					■	■														€ 100,000
2.2.2	Preparatory ground works							■	■												€ 50,000
2.2.3	JORC Resource drill program									■	■	■									€ 400,000
2.2.4	Logging & assaying									■	■	■	■								€ 75,000
2.2.5	Downhole geophysics										■	■									€ 100,000
2.2.6	JORC report finalisation												■	■							€ 50,000
2.1.7	Metallurgical tests													■	■	■					€ 75,000
2.2.8	Preliminary process design															■	■				€ 65,000
2.2.9	Mining studies & cost estimates																■	■			€ 50,000
2.2.10	Scoping Study report finalisation																	■	■	■	€ 60,000
3	**MONTE MAYOR & MONTE CASTELO PROSPECTS**																				
3.1	**Project evaluation**												■	■	■	■	■	■	■	■	***€ 850,000***
3.1.1	Regional studies												■	■	■						€ 50,000
3.1.2	Geophysical programs														■	■					€ 500,000
3.1.3	Reconnaissance drill program																■	■	■		€ 250,000
3.1.4	Project evaluation																			■	€ 50,000
																				TOTAL	**€ 2,000,000**

10. REFERENCES

Adaro, 1982. Section 5.5. - Seguimieno de Anomalias en la Zona de Castriz. Memoria 6171.

Adaro, 1992. Programa de Investigacion Sistematica de Recursos Minerales, Proyecto: Noroeste, Actuacion: Platinidos.

Arenas, R. et al., 2007, Paleozoic ophiolites in the Variscan suture of Galicia (northwest Spain): Distribution, characteristics, and meaning. The Geological Society of America, Memoir 200.

Díaz García, F., 1990, La geología del sector occidental del Complejo de Órdenes (Cordillera Hercínica, NW de España): Nova Terra, v. 3, 269 p.

Díaz García F, Arenas R, Martínez Catalán JR, González del Tánago J, Dunning GR., 1999. Tectonic Evolution of the Careón Ophiolite (Northwest Spain): A Remnant of Oceanic Lithosphere in the Variscan Belt. Journal of Geology, 107(5): pp587-605.

IGME, 10583. Proyecto: Investigacion Minera en Carballo-Monte Castelo (La Coruña) para Cu-Ni-Cr-Ti y Asbestos. Planos (no date).