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HALLGARTEN + COMPANY

Initiation of Coverage

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First Nordic Metals

(TSX-v: FNM | OTC: FNMCF | FSE: HEG0)

Strategy: LONG

Key Metrics	
Price (CAD)	$0.360
12-Month Target Price (CAD)	$1.02
Upside to Target	183%
12mth high -low	$0.10 to $0.415
Market Cap (CAD mn)	$79.92
Shares Outstanding (mns)	222.0
Fully diluted	257.8

First Nordic Metals

Bulking Up in Sweden

- + The merger of Barsele Minerals and Gold Line Resources, to create First Nordic Metals, in late 2023, has as its lynchpin the Barsele development project, which is a JV with Agnico Eagle Mines
- + First Nordic also holds a strong portfolio of exploration targets on the appropriately named Gold Line Belt in north central Sweden
- + The main exploration target, Paubäcken, is strategically positioned between the Barsele project and that of Dragon Mining with scope for economies of scale and further consolidation
- + There is reason to believe that a transaction with Agnico Eagle might be possible that brings that totality of the Barsele project under First Nordic's control
- + Agnico Eagle is a substantial shareholder in FNM with a 13.3% shareholding.
- + While many European nations have seen their mining sectors wither away in recent decades, both Sweden and Finland have continued being strong mining jurisdictions
- + The gold price has broken out of the range, in which it has seemed trapped for two years, and moved to a new base in the mid-$2,000s
- + The company also holds a key position on the Oijärvi greenstone belt in Finland with an expandable resource at its Kylmäkangas project
- + The target projects are located in the mining friendly northern regions of both countries
- ✘ Nimbyism has a strong presence in urban populations in both Scandinavian nations
- ✘ The environment for exploration funding is tough with investors being willing to fund only projects with a good story and realistic perspectives of production

Strength in Numbers

In tough times for explorers in the financing market the marriage between explorers and developers has become the dream scenario (in the absence of being bought by a producer). The teaming up of the neighbouring Barsele and Gold Line ticks the boxes on synergistic grounds.

Progress has been dramatic since we launched coverage of Gold Line in June of last year, both on the ground and in the C-Suite. In that Initiation we commented "…. the potential of some sort of broader reorganization of ownership in the district, with Gold Line strategically located in the centre of the action". This has now come to pass.

The merger brings together the advanced-stage Barsele Project (being an advanced partnership with Agnico Eagle Mines) with Gold Line's district-scale exploration portfolio, thereby consolidating a significant license position in the Gold Line Mineral Belt of Sweden. The consolidated gold exploration portfolio covers both Sweden and Finland, including a district-scale property package situated on the

prolific Gold Line Mineral Belt in Sweden, totaling over 104,000 hectares in the Gold Line Mineral Belt, and the Oijärvi gold project, located in the Oijärvi Greenstone Belt of Finland.

In this Initiation of Coverage, we shall review the merged company's asset portfolio across the region, its exploration strategy and the environment for mine development in an area where opinions differ widely on the ease of operations.

The Merger Details

In mid-December of 2023 Barsele Minerals (TSXV: BME, OTC:BRSLF) and Gold Line Resources (TSXV: GLDL, OTC: TLLZF) announced that the two companies had entered into an agreement by which Barsele would acquire Gold Line in exchange for common shares of Barsele.

The holders of the Gold Line shares received 0.7382 of a Barsele Share for each Gold Line Share. Gold Line options and warrants were to be exercisable in accordance with their terms and based on the exchange ratio for similar securities to purchase Barsele Shares.

On the 26th of February of 2024 the companies confirmed to the market that the merger had been completed and the combined companies took on the new name, First Nordic Metals Corp.

The Assets

With the merger a new entity was created that represented the largest developer/explorer operating in Sweden. Gold Line Resources is a junior explorer focused exclusively on Scandinavia.

The Barsele project is the jewel in the crown of the merged entity and lies in the heart of the district with an open pit and underground Indicated Resource of 324k oz gold and an Inferred resource of 2.086mn oz gold currently being advanced under a joint venture partnership with Agnico.

Gold Line brought to the merged entity its flagship projects, Paubäcken and Storjuktan, which are located to the immediate south and immediate north of the Barsele Project. In total Gold Line brought to the expanded entity over 60,000 hectares in the four project areas: Paubäcken, Storjuktan, Klippen and Långtjärn.

The combined exploration portfolio now extends over 104,000 hectares across 41 semi-contiguous exploration permits making it one of the largest license packages in Scandinavia. The commanding land position covers the majority of the underexplored and highly prospective Paleoproterozoic Gold Line greenstone belt and covers more than 100 km of strike length of the regional Gold Line structural corridor. This belt is host to the development stage Faboliden deposit with over one million ozs, and the past-producing Svartliden and Blaiken deposits.

In Finland, the merged company has the high-grade Oijärvi project located in the Oijärvi Greenstone Belt which includes the Kylmäkangas gold-silver underground deposit with an Indicated Resource of 159 koz AuEq grading 4.6 g/t AuEq and an Inferred Resource of 152 koz AuEq grading 2.9 g/t AuEq.

Closeology

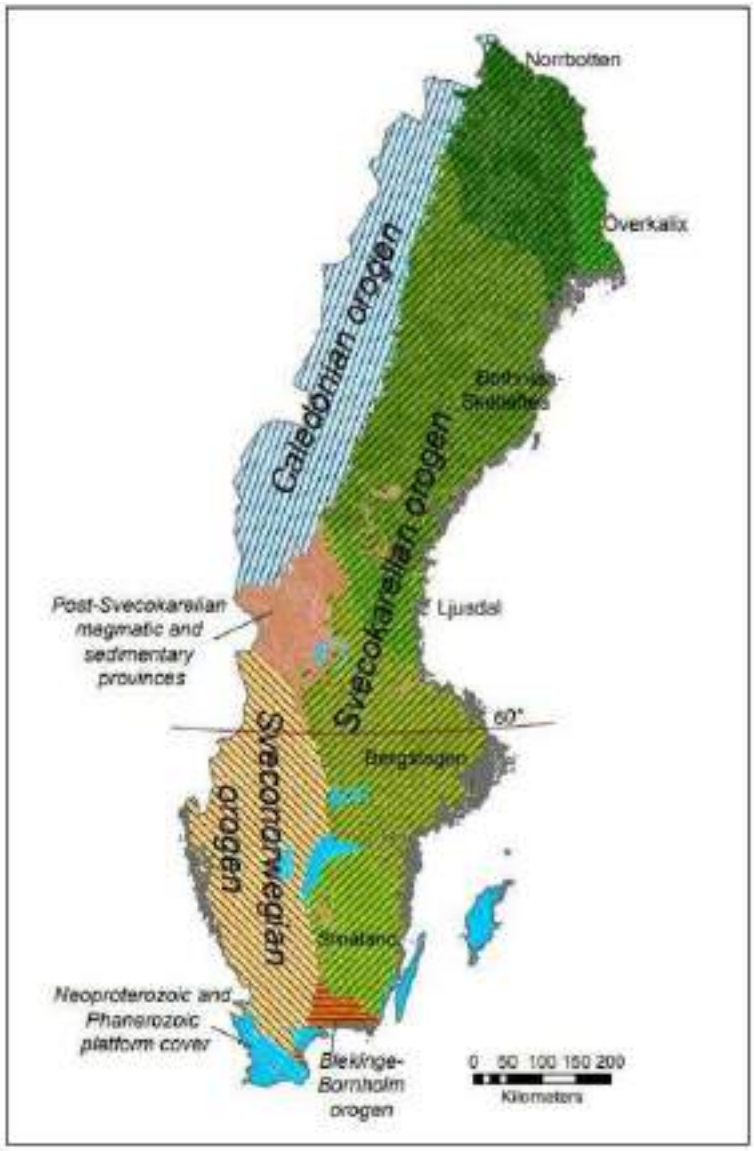
There are several other significant gold deposits in the Gold Line belt, including the Fäboliden development project (operated by Dragon Mining Ltd). The Fäboliden deposit is currently at a pre-production stage.

Past-producing mines include Svartliden (closed in 2015) and the Blaiken mine (closed in 2007). Major polymetallic VMS deposits are also nearby, including Kristineberg (Boliden Mining).

Excellent infrastructure with regional highways, rail lines and hydroelectric dam all within 50km of the principal license packages.

Regional Geology

The Gold Line belt is located in the Västerbottens Län mining region of Northern Sweden, 600 km north of Stockholm. The Gold Line belt is a north-south trending Paleoproterozoic greenstone belt that is host to at least 14 gold prospects ranging from early-stage exploration to closed mines. It was formed during the Svecofennian orogeny (the green hatched region on the map on the following page). The Gold Line Belt is located on the western end of the Proterozoic Skellefte Trend, a prolific volcanogenic massive sulphide deposits belt, that intersects with the Gold Line in Northern Sweden. Both polymetallic VMS deposits and intrusive-hosted orogenic deposits are present in this region.



The Swedish tenements of First Nordic are located within the Fennoscandian Shield, which shares a similar geology and metallogeny with the Precambrian shields in

Canada, Australia, Brazil and South Africa. The shield is situated in the north-westernmost part of the East European Craton and is the largest exposed area of Precambrian rocks in Europe.

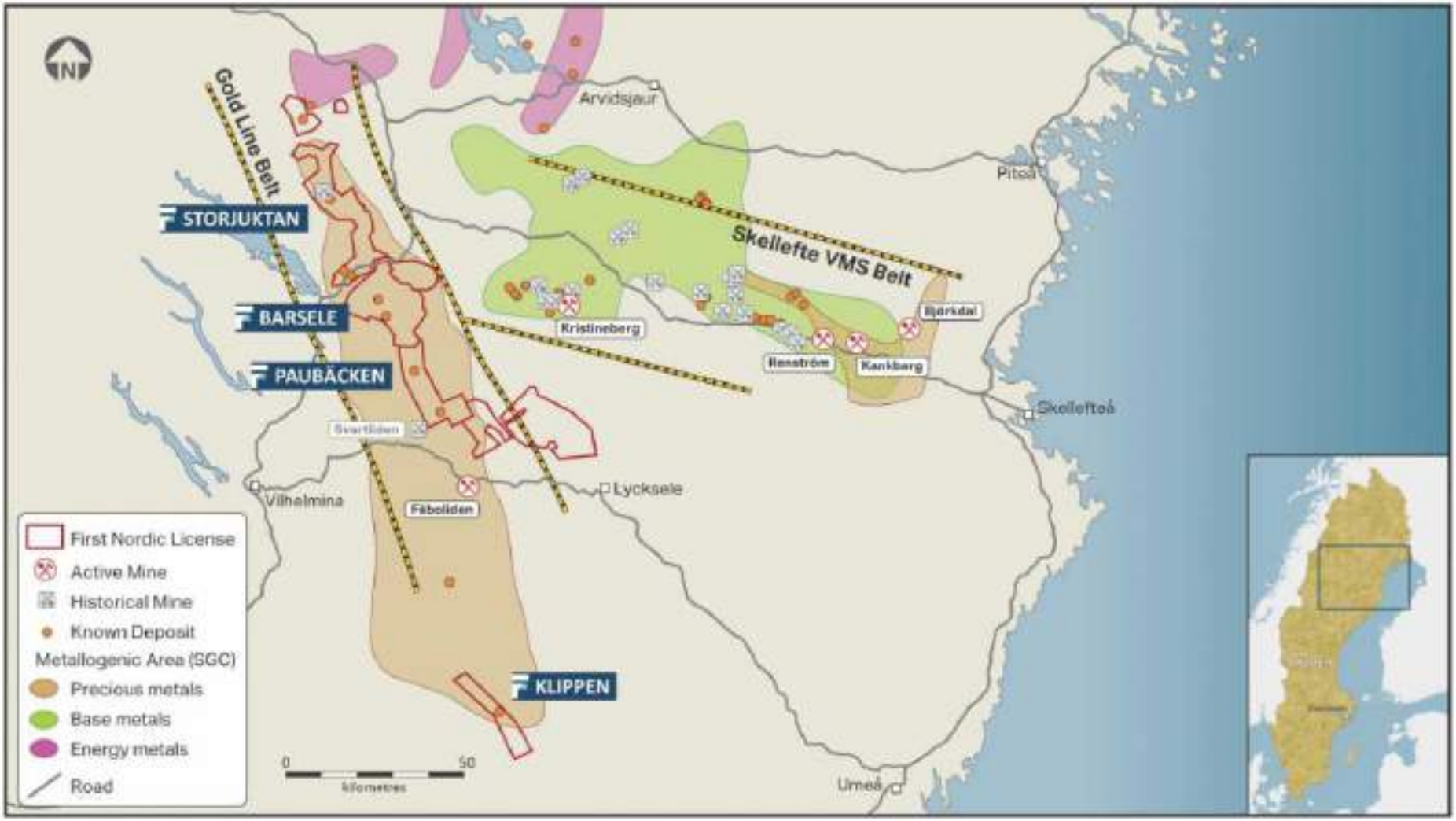
The Svecokarelian orogen in Sweden is inferred to have formed along an active continental margin in a convergent plate boundary setting. The main lithotectonic units of the Svecokarelian orogen in Sweden are Norrbotten, Bothnia-Skellefteå and Bergslagen. These units also host the three most important mining districts in Sweden.

The oldest rocks in the Bothnia-Skellefteå lithotectonic unit are turbiditic to coarse-grained sedimentary sequences with some mafic rocks. Magmatic activity during the orogeny formed the rocks of the Skellefte district, a province with both submarine and subaerial volcanic rocks deposited in volcanic arc environments.

The Skellefte District and adjacent areas is one of the most prominent gold and base-metal districts in the Fennoscandian Shield with around 150 known precious and base-metal deposits.

The first property that Gold Line acquired was the Långtjärn property, located in the north-western part of the Skellefteå district lying at the northern extent of the Gold Line belt.

The bedrock geology of the Gold Line area consists of metasedimentary rocks and metabasalts of the Bothnian Supergroup, which was intruded by several phases of granitoids. The metabasalts were emplaced as sills or submarine lava flows. Pillow lavas, spilites and volcanoclastic breccias are common. Granodiorites intruded at an early stage of the orogeny and were deformed together with the supracrustal rocks. Late- to post-orogenic granites occur as large massifs in the region.


Gold Line Belt
STORJUKTAN
BARSELE
PAUBÄCKEN
KLIPPEN
Skellefte VMS Belt
Arvidsjaur
Piteå
Kristineberg
Renström
Kankberg
Björkdal
Skellefteå
Lycksele
Vilhelmina
Fäboliden
Umeå
First Nordic License
Active Mine
Historical Mine
Known Deposit
Metallogenic Area (SGC)
Precious metals
Base metals
Energy metals
Road
0
50
kilometres

The Barsele Project

The Barsele project (operated as a joint venture with Agnico Eagle Mines) is located at the northern end of the Paubäcken concession. The project is situated adjacent to Barsele, a small town in Västerbottens Län (County) in Northern Sweden. It is located approximatively 20kms east-southeast from the town of Storuman. It lies 200 kms northwest of Umeå (population of 120,000), the administrative headquarters of the county, and approximately 630 kms north of Stockholm.

The Barsele Project currently consists of one block of 23 granted exploration permits and two exploitation concessions, for an aggregate area of 43,481 ha.

Some Background

Barsele Mining was created in late 2015 as a SpinCo from Orex Minerals (TSX-v:REX), which had owned a 100% interest in the project since October of 2013, through its subsidiary, Gunnarn Mining.

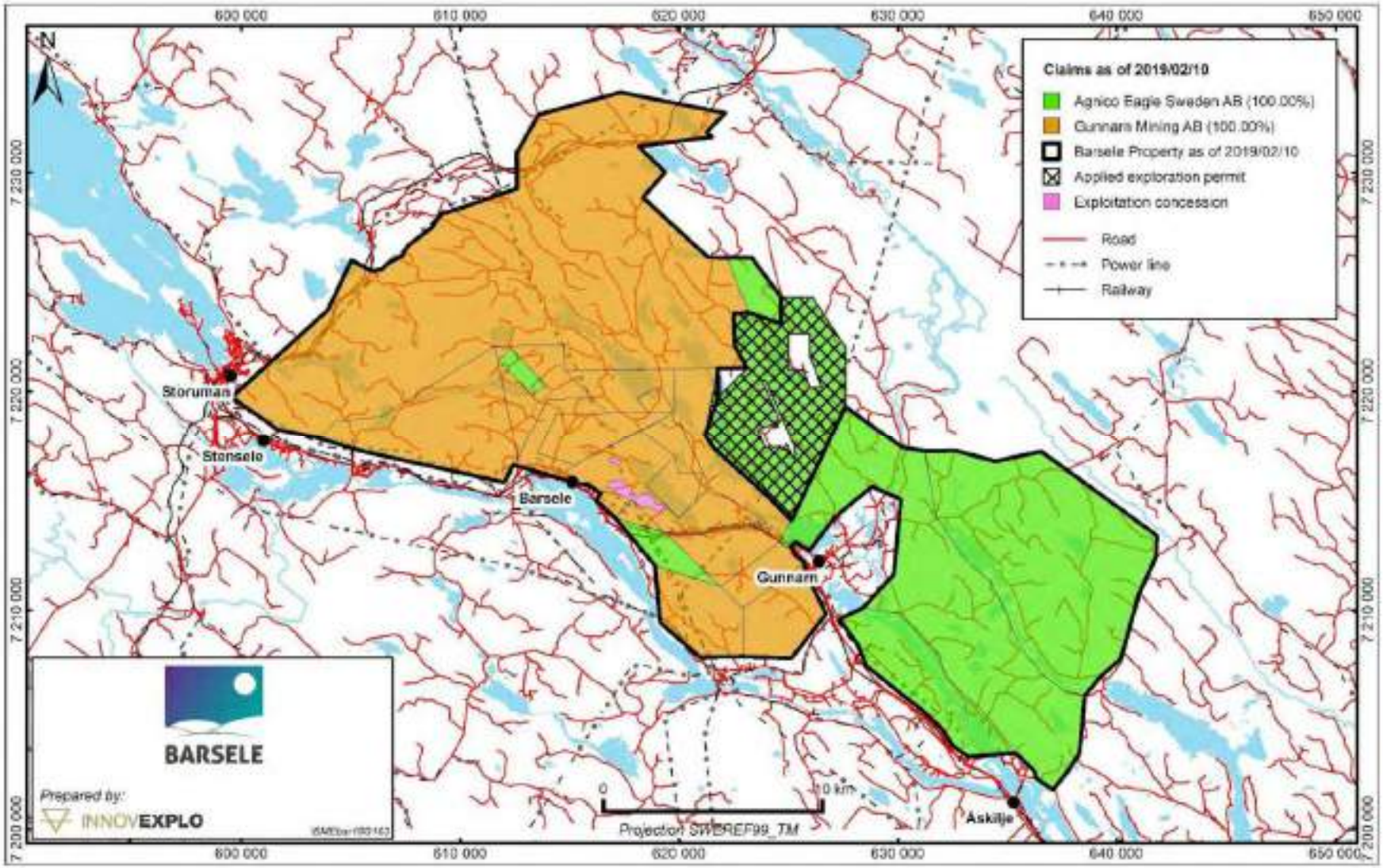
In June of 2015, Agnico Eagle Mines, through its indirect, wholly-owned subsidiary AE Sweden, acquired a 55% interest in Gunnarn Mining in consideration of an initial payment to Orex of US$6 million. An additional US$2mn was payable on each of the first and second anniversaries of the closing of the transaction. Agnico Eagle committed to spend US$7mn on the project over three years. If Agnico Eagle prepares a Pre-Feasibility Study (PFS) on the project and contributes it to Gunnarn Mining, Agnico's interest in Gunnarn Mining would increase to 70% and First Nordic's interest in Gunnarn Mining would be reduced to 30%. Until such time, all costs and expenses fall upon Agnico Eagle and, following the completion of such PFS, all costs and expenses of Gunnarn Mining will be shared by AE Sweden and First Nordic in their proportionate interest in Gunnarn Mining.

Pursuant to the transaction, First Nordic was also granted a 2% NSR on production from the project, which may be repurchased by AEM at any time for US$5mn.

Project Geology

The project area is located at the intersection of the Skellefte-belt and the Gold Line metallogenic trend and covers a sequence of metasedimentary and volcanic rocks of the Proterozoic Svecofennian system. The volcanics are more specifically referred to as the Härnö Formation. The metasedimentary rocks consist of metamorphosed greywackes and pelites and sporadic conglomerates. The volcanic rocks of the Härnö Formation consist of felsic, intermediate and mafic volcanics, including pillow lavas and pyroclastics, probably deposited in a back-arc setting.

It is postulated that there are three main phases of granitoid intrusions in the region which are referred to as early, middle and post with respect to the Svecokarelian orogeny. The early orogenic granitoids are the most important from a mineralization perspective and comprise a calc-alkaline suite of predominantly tonalites with lesser volumes of granodiorite, which were emplaced prior to the main phases of Svecokarelian metamorphism and deformation. An early orogenic granodiorite is the host rock of the Central Zone mineralization at Barsele.

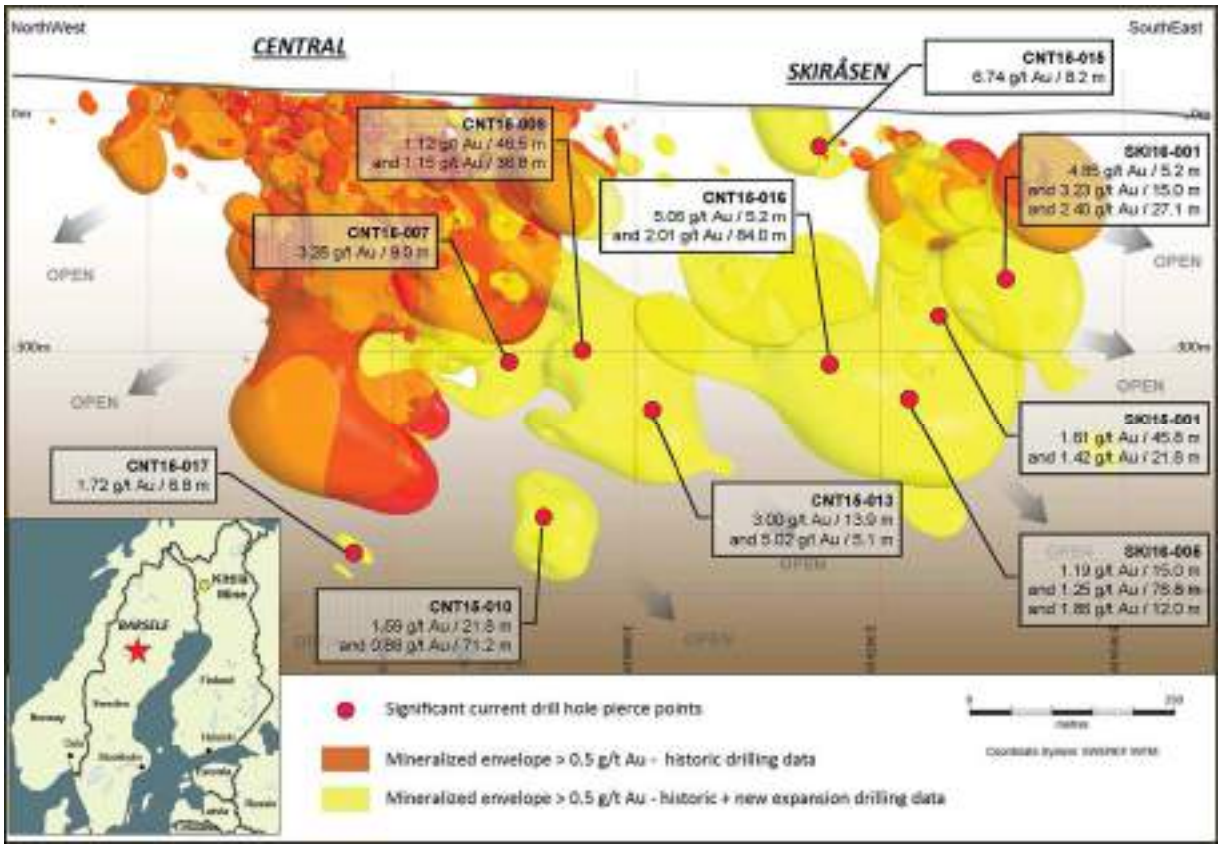

600 000
610 000
620 000
630 000
640 000
650 000
7 230 000
7 220 000
7 210 000
7 200 000
N
Claims as of 2019/02/10
Agnico Eagle Sweden AB (100.00%)
Gunnars Mining AB (100.00%)
Barsele Property as of 2019/02/10
Applied exploration permit
Exploitation concession
Road
Power line
Railway
Storuman
Stensele
Barsele
Gunnarn
Askilje
BARSELE
Prepared by:
INNOVEXPLO
0
10 km
Projection SWEREF99_TM

Several separate intrusive rocks have been identified at the Central and Avan zones including late and post-mineralization dykes. Mineralization varies among the zones on the property. Two distinct mineralized areas have been explored on the Barsele concessions: CAS (the Avan, Central, and Skiråsen zones) and Norra.

The Central, Avan and Skiråsen zones have a combined strike length of over 3.5 km. The Central Zone comprises 24 lodes and the Skiråsen Zone hosts 13 lodes with an average horizontal thickness of 5 m for D3 type and 10 m for D2 type. Some of the lodes have to date been traced to a depth of 900 m. The Avan zone consists of 22 lodes with an average horizontal thickness of 10 m. The lodes can be followed for 800 m along strike and up to 700 m depth. Several events of shearing and veining occur through the deposit.

Exploration

Since Agnico Eagle became operator of the project in late 2015, a total of 162,691 metres of overburden penetration and core collection has been tabulated from a total of 433 drill holes. The main gold-bearing system remains open in all directions. The structurally linked gold mineralized lodes occur mainly within a granodiorite host and to a lesser extent, volcanic and sedimentary rocks. Multiples of parallel to sub-parallel lodes, that vary in width from 10 metres to 100 metres, combine for a maximum known thickness of 425 metres.



The Avan–Central–Skiråsen zones are on a northwest trending structural corridor that contains localized bodies with gold mineralization over a further 4.4 kms. The drill-tested depth of the mineralized system approaches one kilometre and as mentioned, remains open.

At Barsele, gold is generally associated with arsenopyrite and there is a low base metal content. Gold also occurs as native metal.

Metallurgy

Based on metallurgical testwork performed by Barsele Minerals, Barsele ore is characterized as:

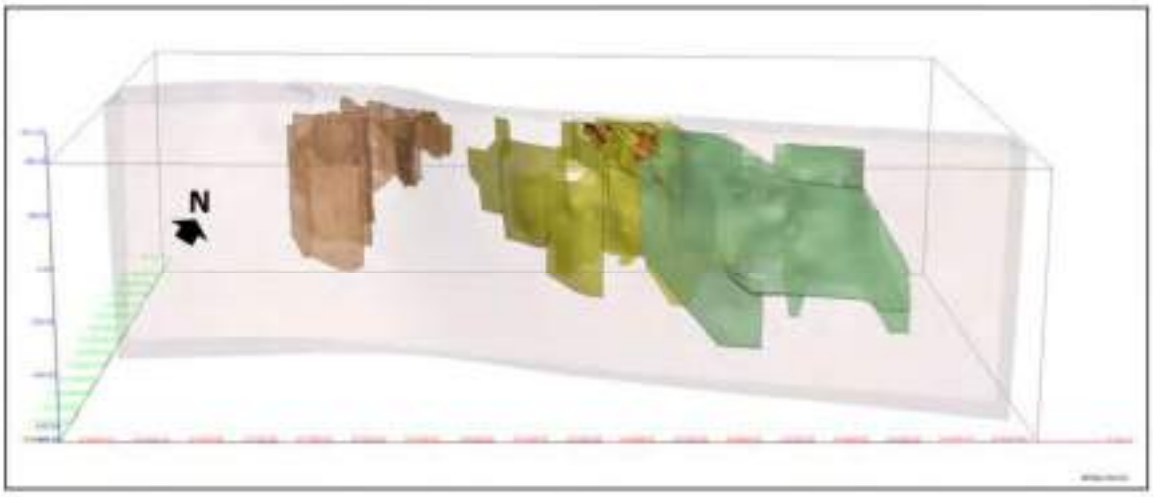
- Free milling non-refractory ore with no refractory issues.
- Initial metallurgical test work looked at three different options; Whole rock leaching, flotation with cyanidation of concentrate and tailings, and gravity gold followed by cyanidation of the gravity tailings (table is shown below)
- Barsele ore is sensitive to grind size. The optimal grind size is 80% passing 90 microns.
- BWi (work index) of >18 and BAi of 0.34 (ore is characterized as “hard”)

Process	Grind size P80 µm	Calculated head grade g/t	Normalized extraction %
Whole rock cyanidation	76	1.86	92.5
Whole rock cyanidation	85	1.68	91.5
Whole rock cyanidation	144	1.96	88.0
Flottation and cyanidation	150	1.68	90.2
Continuous gravity and cyanidation	150	1.92	92.5
Continuous gravity and cyanidation	90	1.70	94.2

The Barsele Resource

The most recent Mineral Resource Estimate dates from February of 2019 and was prepared by Harold Brisson and Carl Pelletier of InnovExplo. The resource area measures 2,700 m along strike and up to 450 m wide. Although resources are defined down to 900 m, the bulk of the resource is located in the first 600 m from surface. The 2019 MRE was based on a compilation of historical and recent diamond drill holes.

On the following page can be seen a cross-section of the various zones of the resource area:



Orange = Avan; yellow = Central D2; red = Central D3; green = Skirásen; pink = low-grade envelope

The In Situ Barsele Deposit Mineral Resource Estimate is calculated utilising a development scenario of combined open pit, underground bulk and underground selective mining methods scenario at cut-off grades of 0.50 g/t Au (in pit), 1.50 g/t Au (bulk underground) and 1.8 g/t Au (selective underground), respectively.

Barsele Resource

		Indicated			Inferred		
Scenario	**Cut-off g/t**	**Tonnage**	**Gold g/t**	**Contained ozs**	**Tonnage**	**Gold g/t**	**Contained ozs**
Pit Constrained	0.5	3,452,000	1.32	147,000	1,819,000	1.59	93,000
Bulk Underground	1.5	1,442,000	2.53	117,000	8,759,000	2.58	728,000
Selective Underground	1.8	684,000	2.75	60,000	14,917,000	2.64	1,265,000
Total		5,578	1.81	324,000	25,495	2.54	2,086,000

The following parameters in a production scenario were employed in working out the cut-offs:

- mining cost = US$35.00 to US$45.00
- processing cost = US$15.00
- G&A = US$5.00 to US$8.00
- refining and selling costs = US$10.00
- gold price = US$1,300.00
- metallurgical recovery = 92.6%

Of course, February of 2019 is not quite some while ago and moreover the price of gold has made a quantum move since that time (from $1300 to current levels around $1000 per oz higher). Ergo, this resource is in need of an update, at least for the higher gold price but also for work undertaken in the meantime.

Also, a key factor to note, is that the consultants recommended a further 20,000 metres of drilling to pull the inferred resource up into the Indicated category, at least.

A Path to Production

While a PEA does not exist for the Barsele project as of yet, there is a well drilled-off resource and a substantial set of precedent/comparable operating and development-stage assets in the region. These can be mobilised to come up with a high-level operating / cashflow model for Barsele.

On page 23 of this note there is an interesting tabulation of mining costs in Sweden prepared by EMX Royalty. At first glance one might imagine Nordic countries to be more expensive to operate in and yet they are more efficient and do not rely upon expensive practices such as Fly-in/Fly-Out. Mechanization and efficiency of mining in northern Sweden is renowned, which further help with costing. Additionally, over 50% of underground mining equipment is designed or made in Sweden (e.g. Sandvik, Epiroc are amongst the largest manufacturers worldwide).

We have mused upon some *back-of-the-envelope* calculations on the revenue potential at Barsele. We only employ a Base Case, which does not take into account any additional exploration potential on the Barsele project, other than what's already in the resource. We use 100% of the Indicated and Inferred resources and leave the grade as-is, despite there being grade upside as the drilling density increases.

Thus, in the open-pit phase, we have assumed 6mn tonnes at 1.4 g/t Au, totalling 0.27mn oz, which is in line with the current resource. We also assume a 93% recovery. Based on cross-sections throughout the open pit part of the deposit, a strip ratio of 4:1 waste-to-ore is assumed for the open-pit component.

As for the underground phases, we are assuming the longhole open-stoping mining method is used for all of the underground mining. Further, we categorize the underground ore into two categories, Bulk Underground (which corresponds to the published resource's "Bulk UG" category and for stopes of 10 m wide or greater and Bulk-Selective Underground, which corresponds to the published resource's "Selective" category for stopes of 5-10 m.

Referring back to metallurgy, we would note that Barsele ore is consistently the same across all zones (including open-pit and underground) and it is a simple free-milling sulphide ore. Metallurgical testwork shows recoveries of 93-95% based on a crush-mill-gravity-CIL flowsheet. Conservative costing of this flowsheet based on similar operations works out to about $10/t of ore processing and $8/t for GS&A.

The resulting back-of-the-envelope model signals truly impressive economics as can be seen on the following page:

BARSELE - Indicative Economics (US$)

@ US$2300 Au

	Tonnes (mn)	Grade (g/t Au)	Mn ozs Au	Recovery (@ 93%) mn ozs	$/t value incl. Recovery	Strip Ratio	$ mining cost / t	$ process cost + g&a / t	$ total cost / t	$ Margin / t	Margin US$
OP	6	1.4	0.27	0.25	90	4	2.50	18	31	59	356,028,000
Bulk UG (LHOS)	11	2.5	0.89	0.83	160		30	18	48	112	1,236,675,000
Bulk Selective UG (LHOS)	15	2.8	1.35	1.26	180		60	18	78	102	1,525,140,000
LOM (15 years)	**32**		**2.51**	**2.34**							

* LHOS = longhole open stoping

Pre-tax profit (undiscounted)	**3,117,843,000**
Less initial capex (UG + 2mn tpa mill / CIL)	- 400,000,000
Less sustaining &UG development capex ($20mn/yr)	- 300,000,000
Pre-tax, undiscounted less capex	**2,417,843,000**
Post-tax, (tax rate = 20.6%) undiscounted	1,919,767,342
Post-tax, discounted @ 8% over 15 years	**1,535,813,874**
Gold Production per annum (average)	155,800

CapEx

There is difficulty in calculating a capital expense as construction/production would be several years out. However, for the sake of argument we have assumed a 2mn tpa mill/gravity/CIL flowsheet. One might posit around US$400mn for initial capital (mine and plant). For sustaining capital, we have assumed 5% of the total initial capital per year of mine life of 15 years.

Infrastructure

Northern Sweden has some of the lowest power costs in the world, at 3.5-4c/kWh, mainly attributed to the massive availability of hydroelectric power in this region. A major high-voltage electrical transmission line runs through the Avan and Norra parts of the Barsele project. Hydroelectric power is generated locally in Storuman at the Grundfors hydroelectrical power plant, located 10 km southeast of the project. Hydroelectric power in the region is considered relatively inexpensive for commercial use. In the opinion of InnovExplo there is enough space on the property for a future tailings management facility and ancillary infrastructure. There is ample water for processing.

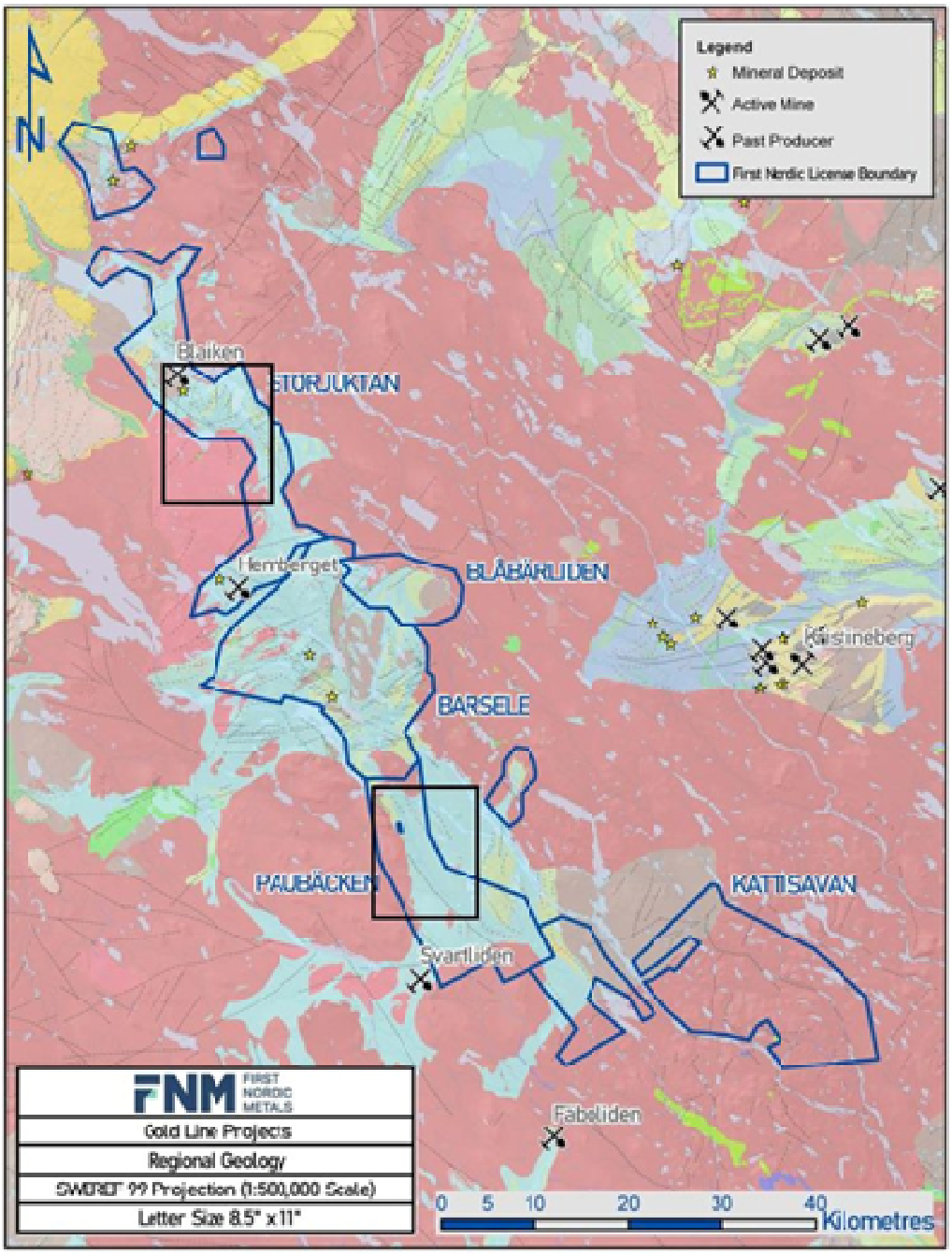
The Next Evolution of the Project

With Agnico's headlong growth spurt through acquisitions in recent times, the question arises as to whether Barsele is their priority. Or is First Nordic their proxy in the Scandi mining space?

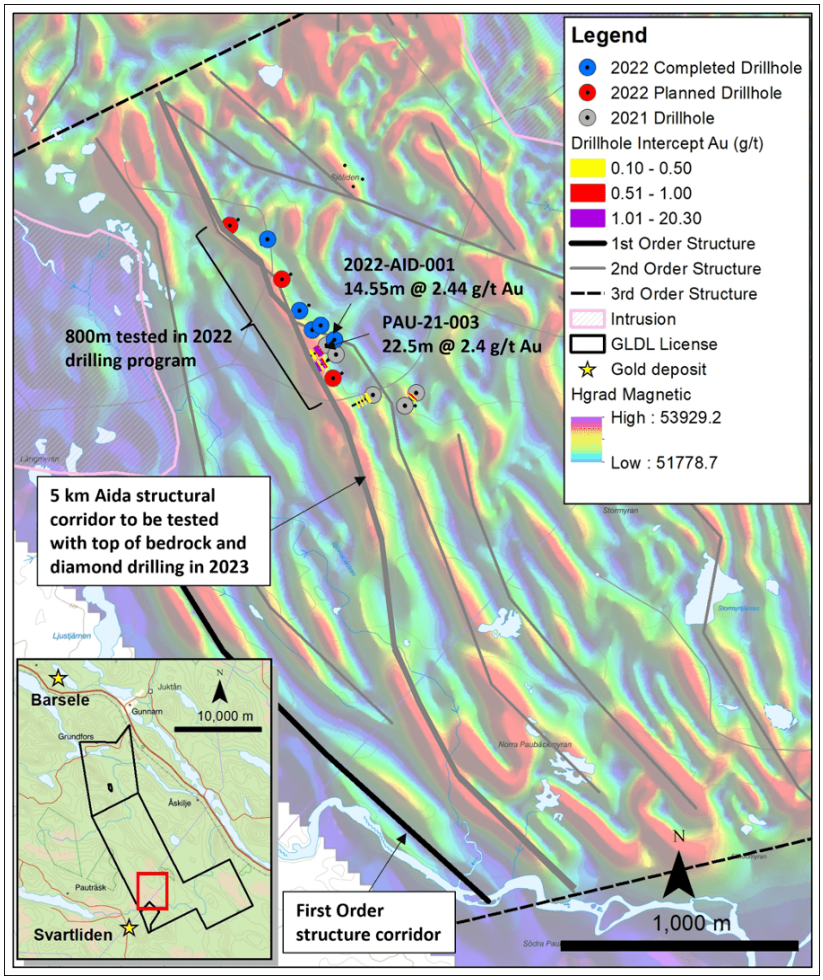
The Paubäcken Project

The Paubäcken project is strategically positioned between the Barsele and Fäboliden developments and consists of three contiguous licenses covering 17,097 hectares located in the central portion of the Gold Line belt. It is located 30 km south of the Barsele project. The project borders the past-producing Svartliden mine with an operating mill located some three kms to the southwest.

The project contains 22 kms of the regionally significant Gold Line structure, which can be traced for over 200 kms in regional geophysics data. All mineralization discovered to date shows a spatial relationship to this structural corridor, occurring mainly on second and third order splay structures.



The Paubäcken project hosts the Aida target, which is located three kilometres northeast of the operating Svartliden plant. The Aida target consists of a >5 km shear corridor identified from magnetic geophysics data.



Geology

The geological context of the Paubäcken project consists of an inverted volcano-sedimentary sequence intruded by small pre- to syn-kinematic granitic intrusions within a broad, anastomosing high strain structural corridor. Lithologies are regionally metamorphosed to upper greenschist and amphibolite grade facies, and gold mineralization is associated with intense sericite, carbonate, biotite, and calc-silicate alteration assemblages and sulphide minerals arsenopyrite, pyrite, and pyrrhotite. These lithological sequences are viewed by the company's team as highly prospective for orogenic gold deposits.

Exploration

The asset was most recently owned by Dragon Mining. Previous operators include Lappland Gold Miners, Dragon Mining, Hansa Resources, and Klippen Guld Aktiebolag.

These groups at various times undertook surface mapping and geochem sampling. They also investigated the boulders (float), outcrops and carried out A- and C-horizon till sampling.

Grab samples registered gold mineralization in multiple boulders and outcrops of up to 60 g/t Au in grab samples. A SkyTEM helimag survey was flown.

A total of 71 DD holes were drilled by previous operators yielding individual DD assays up to 34.5 g/t Au over 1.0 m at the Paubäcken Project (hole DDH97004).

To date, three multi-kilometric, distinct structural targets have been identified along/off the property's main corridor (Aida, Harpsund, and Brokojan).

Regional top of bedrock drilling in 2021 identified gold and path finder anomalism coincident with the structural corridor. This campaign undertaken by EMX and Gold Line consisted of:

- 2,399 surface till/soil samples collected and analyzed
- 270-line kms of ground magnetic geophysical surveys
- 185 rock chip and 17 channel samples collected and analyzed
- 201 BoT/ToB drill holes completed with results including 3m of bedrock at 3.9 g/t Au
- 5,200m historic drill core re-logged with 252 samples analyzed and re-sampled

The geology of the Aida target consists of a sequence of isoclinal folded and sheared metasedimentary and metavolcanic units. The Aida structural corridor forms a 4 km long north-northwest trending second order structure sub-parallel to the regional first order Gold Line belt structure corridor. A maiden drill program of 670m at the Aida target was completed in November 2021. Notably, one hole (PAU-21-003) intercepted 22.5 m of 2.4 g/t Au. This was hosted within a sheared and altered basalt unit within the structural corridor.

In mid-June of 2024, First Nordic reported results from a recent glacial till geochemical survey and top-of-bedrock/base-of-till (BoT) drilling program that was targeting orogenic gold mineral systems at the Paubäcken project.

The highlights of this campaign were:

- Discovery of Brokojan target – a large (2.3 km by 1 km) orogenic gold system multi-element pathfinder till anomaly
- Together with the adjacent Harpsund target, these two targets now form a large, semi-continuous southeast-northwest trending anomaly over a 5.5 km strike
- Extension of bedrock anomalism along the Aida structural target by approximately 1 km, to 1.5 km now tested and confirmed for gold mineralization

The latest BoT drilling tested portions of the structure to the north and south of previous BoT and diamond drilling. Results were deemed positive and extended anomalism along the Aida structural

corridor to >1.5 km, including the highest BoT sample result to date on the project, 5.01 g/t Au in hole PAU-23-BoT-065.

The Aida structural corridor target lies under up to 25 m of glacial till cover and has been identified over 4 km in strike using magnetic geophysical data. Approximately 2.5 km of the target area remains completely untested.

Follow-up exploration programs (target delineation BoT drilling) have been planned, during the rest of 2024, to continue to advance targets to drill testing stage.

The Storjuktan Project

This project is a large, early-stage project strategically positioned 20 km north of the Barsele project. It consists of seven contiguous licenses covering 30,000 hectares and contains over 60 kilometres of the Gold Line structure. All mineralization discovered to date shows a spatial relationship to this structural corridor, occurring mainly on second and third order splay structures.

The first part of this elongated holding that Gold Line acquired was the Långtjärn piece, on which a NI43-101 from July 2020 is extant.

Geology

The specific geology where the Storjuktan project sits consists of an inverted volcano-sedimentary sequence intruded by small pre- to syn-kinematic granitic intrusions within a broad, anastomosing high strain structural corridor. Lithologies are regionally metamorphosed to upper greenschist and

amphibolite grade facies, and gold mineralization is associated with intense sericite, carbonate, biotite, and calc-silicate alteration assemblages and sulphide minerals pyrite, arsenopyrite, and pyrrhotite.

These lithological sequences are deemed to be highly prospective for orogenic gold deposits.

Past Exploration

The most expansive work has been undertaken in the Långtjärn area where sulphide mineralisation has been known since 1965 when pyrrhotite and pyrite was observed in greywacke outcrop during the mapping of the Dobblon area by the Swedish Geological Survey (SGU). However, the first dedicated exploration work in the area didn't occur until the mid-1970's when a copper-bearing boulder was discovered in connection with uranium exploration in the area. During the period 1979-1987, Swedish Geological AB, on behalf of the State Mining Property Commission (NSG), completed exploration across the Långtjärn and Dobblonbäcken prospects.

In 1988, diamond drilling was completed at the Långtjärn South anomaly and comprised 20 drillholes for a total of 2,123m. The drilling was designed to test the gold-arsenopyrite mineralised diorite identified during the trenching in 1987. The gold mineralisation is associated primarily within strongly altered zones of the diorite and secondly within arsenopyrite-bearing quartz veins. The highest value returned from the 1988 drilling was 41.6g/t Au over 0.13m (Bh. 88001), but the typical grades averaged between 0.3-2g/t Au over several meters core length.

In 1988, a resource (not compliant with NI43-101) was calculated by Swedish Geological AB at Långtjärn South from seven holes along two section lines roughly 50m apart. The resource is considered historical and was calculated using the polygonal method and comprised 556,150 tonnes at a grade of 0.9g/t Au.

There is a past production site at the Blaiken target where, up until 2007, a Stockholm-listed company, ScanMining AB operated an open-pit Zinc mine, which closed due to the bankruptcy of the master company.

Work in the past on the other parts of the Storjuktan project has consisted of limited amounts of mapping, boulder sampling, stream sediment and till sampling, top of bedrock drilling and diamond drilling. Historic operators (SGU (Swedish Geological Survey) and EMX) have intersected gold mineralization at Dobblonbäcken, Storliden, and Nippas targets. One of the challenges is a layer of glacial till obscuring outcroppings and thus makes prospecting and surface sampling extremely challenging. The known gold mineralisation at Långtjärn was found from boulder train prospecting and to date has only been delineated in drill core and from trenching of outcrop under the till. At Dobblonbäcken however, gold mineralisation was discovered in outcrop on the banks of the Dobblon Creek.

Exploration by FNM

In management's opinion there is a high potential for expansion of known mineralization and new discoveries. Skärfonaset, Kalven, Stabburbäcken, Nymyran, Sikselberget are early-stage exploration

targets that have clearly defined gold-in-till anomalies.

The geological team plans to follow up on this work with a high-resolution UAV magnetic survey and interpretation of magnetic data and systematic till and top of bedrock drilling along identified structural corridors to continue to identify high-priority target areas.

In early June of 2024, the company announced results from a recent belt-scale glacial till geochemical survey targeting orogenic gold mineral systems at the Storjuktan project.

The highlights of this campaign were:

- Surface till sampling identifies a large and cohesive 5.0 km by 1.0 km As-Cu-Mo-Zn pathfinder anomaly coincident with a historic ionic leach gold anomaly
- Anomalies oriented in the down-ice direction and are coincident with favourable geology and a prominent second-order structural corridor

The company plans to follow up with BoT drilling to test the 5 km Nippas target with the aim of delineating drilling targets. In addition, FNM plans to fly detailed magnetic geophysics over the entire Storjuktan project to map the geological and structural architecture and collect an additional 15,000 surface till samples. To date, till sampling has covered less than 10% of the Storjuktan project area.

Follow up exploration programs planned in 2024 to continue to advance targets to drill testing stage and include:

- High resolution airborne UAV magnetic survey over entire project area (5,700-line kms)
- Target structural corridors of interest with systematic mapping and sampling
- Regional B-horizon till sampling over entire greenstone belt area
- Top-of-Bedrock drilling on anomalous target areas identified with till sampling

These are aimed at developing geological and structural framework models to guide exploration.

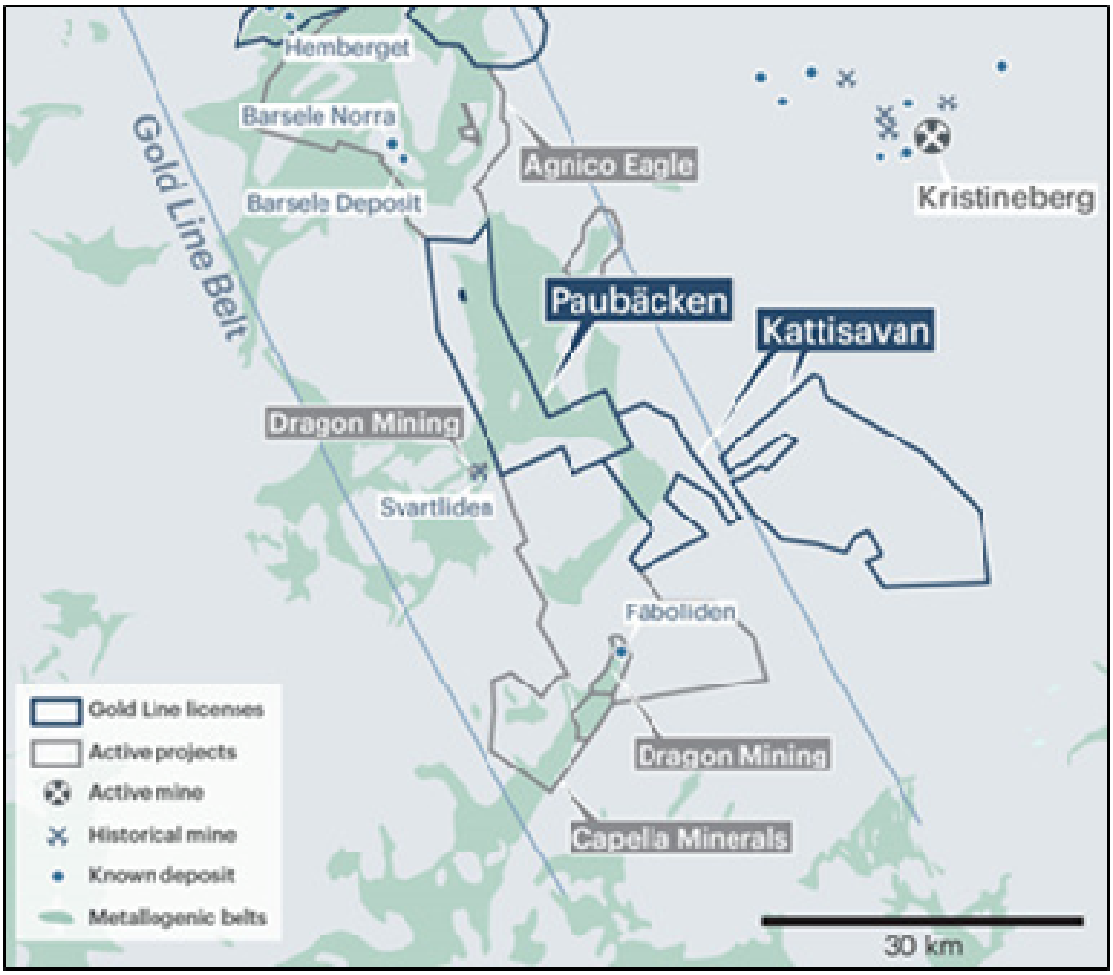
Future Production - Thinking Strategically

There are more interesting dynamics to the area around the Paubäcken project than appears at first glance that could play to First Nordic's advantage.

The Hong Kong-listed Dragon Mining (HKG:1712) has Australian management, but a significant Chinese investor component. It's Fäboliden development project is somewhat stuck in the starting gates.

In late 2017, Dragon was granted a permit for test mining operations at Fäboliden from 11 May 2018. The company commenced pre-stripping activities in August 2018 and extracted and transported the first ore to its mill at the past-producing Svartliden mine in June 2019. In accordance with the conditions of

the Test Mining Permit, test-mining activities concluded at the end of September 2020. Dragon's website states: "The Company continues to work towards obtaining environmental approval for full-scale mining at Fäboliden".



However, the Svartliden mill is some 30 kms by road to the northwest from its proposed new mine and ore must transit to the mill via a road that passes through a village, with local residents unreceptive to the potentially substantial traffic burden that will be created.

Ergo, permitting for the restart is currently going nowhere. This will probably require Dragon to agree to construct a bypass, or alternative route of some sort to get around the objections to heavy local traffic.

The Svartliden plant is a conventional comminution and carbon in leach (CIL) circuit with a design capacity of 300,000 tonnes per annum. It was brought into production in March 2005 and represented the first integrated mine and treatment plant to be developed under the new Swedish Environment and Mining Acts. At the completion of processing ore from the Svartliden mine in 2015, 377,347 ounces of gold had been produced. Subsequent to this, the Svartliden Plant has been utilised to process gold

concentrates from the Dragon's Finnish operation and the processing of ore from test mining at the Fäboliden Gold Mine.

Meanwhile, it throws into contention the possibility of First Nordic advancing Paubäcken to a stage at which it was producing ore that could be sent to the mill owned by Dragon. Paubäcken is up close with the Svartliden mill and a logical choice for processing. Dragon can apparently increase the capacity of its mill to double its current nameplate capacity (i.e. increase to 600k tpa) without significant capex being required.

It then somewhat becomes a question of whether Dragon (with only a market cap of HK$268mn) yields and builds the road (adding substantially to its costs) or First Nordic proves up Paubäcken to the point where it can open a pit to provide Svartliden with ore.

The next logical conclusion would be a combination of First Nordic and Dragon Mining. Time will tell.

Sweden & Mining

Mining is a traditional industry in Sweden, reaching back well over a thousand years. The historic Falun copper mine was for hundreds of years the most important industrial site in the country producing, at times, up to two-thirds of Europe's copper requirements.

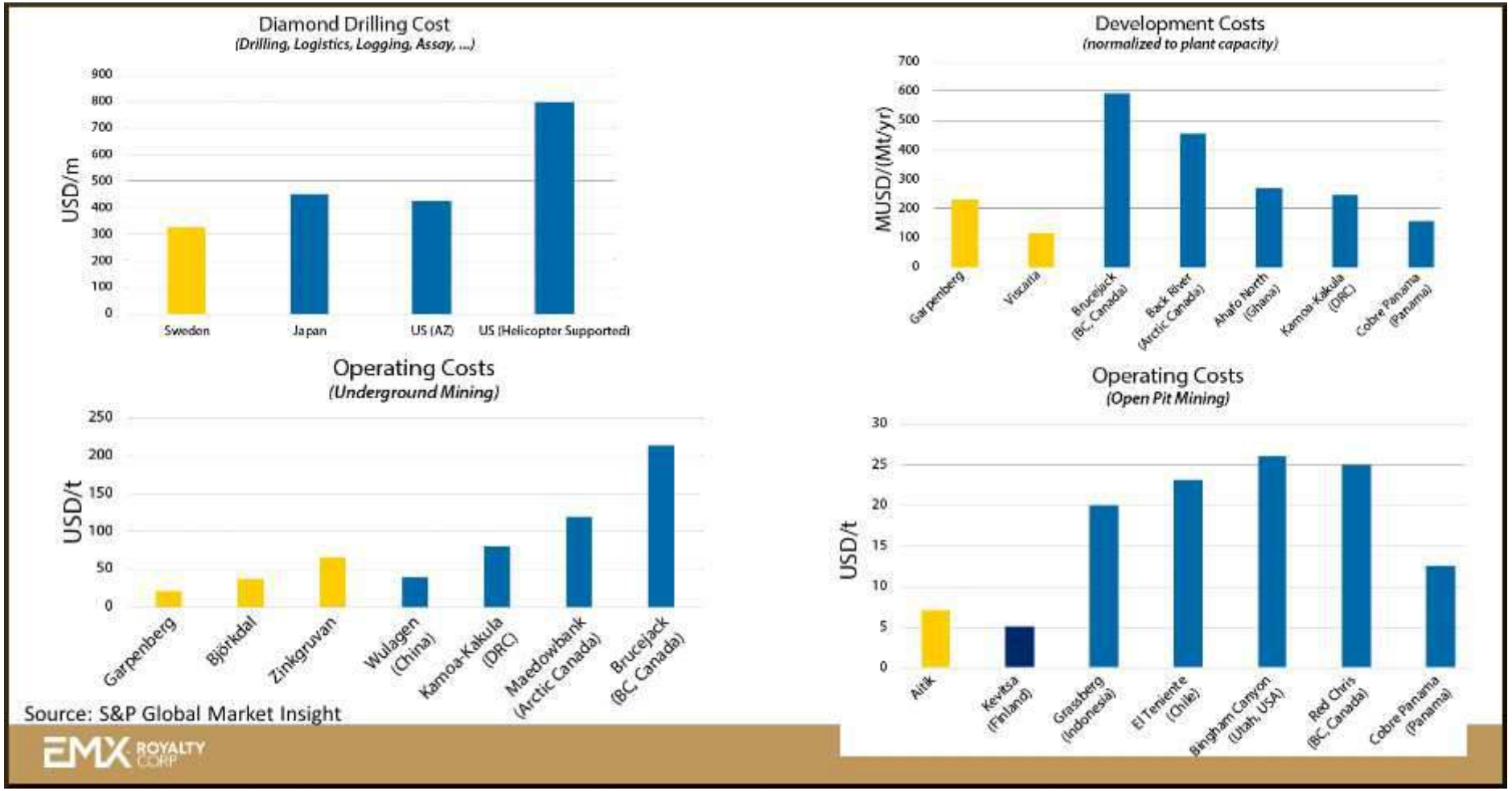
Over the centuries, deposits of base metals, gold, silver and iron ore have been exploited. The giant iron ore mines of Kiirunavaara and Luossavaara were discovered during the 1730's and still operate. In 1924 prospecting in the Skellefte district led to the discovery of the Boliden deposit and the foundation of Boliden (STO:BOL). The country was an important source of iron ore for both sides during World War 2.

Historically, there have been restrictions on foreign participation in Sweden's mining industry resulting in mining being dominated by a small number of large domestic mining companies.

Until recently the State took a major role in the mining industry through State run exploration and the right to acquire a major stake in any new mining venture. In 1991, following a change in government and an application to join the European Union, new policies transformed participation in the mining industry with the lifting of foreign investment restrictions and the abolition of State participation in mining projects. A new mining law was introduced to give effect to these new policies.

On the economic front, Sweden adopted new policies to encourage foreign investment including cuts in the formerly infamous level of taxation, easier business conditions and the privatization of state industrial interests.

These changes resulted in a rise in the number of foreign mining companies that have developed a significant exploration presence in recent years.



Source: EMX Royalty

The normal corporate income tax rate is 20.6%. Apart from this tax, there are no additional special tax regulations which apply to mining. When mining is active, the holder of an exploration concession pays the landowners of the concession area an annual minerals fee of 0.15% of the value of the minerals mined and an additional 0.05% to the State (SGU, 2006).

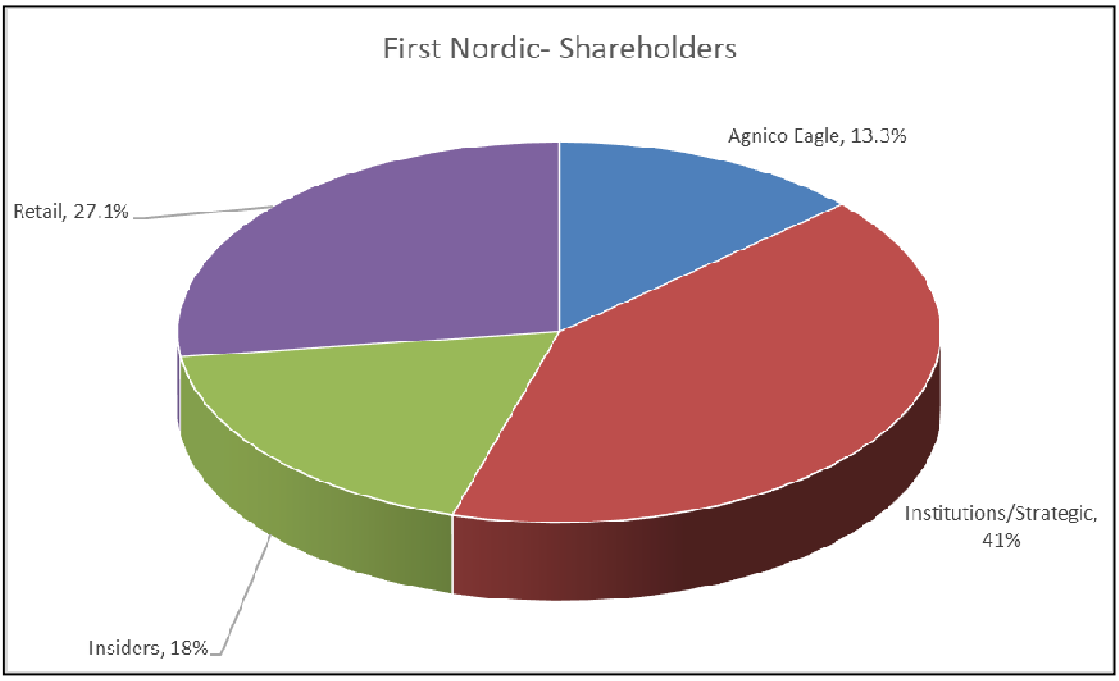
Probably the best-known example of a TSX-listed miner operating in Sweden is Mandalay Resources with its Björkdal operation, which is located within the Boliden mining district, approximately 28 km northwest of the municipality of Skellefteå and approximately 750 km north of Stockholm.

The Björkdal operation has been operational since 1983 and Mandalay acquired the mine in 2014 and has produced gold from both an open pit and underground mine. In 2019, Mandalay suspended the open pit operation and now solely operates the underground mine. The target was to eliminate the associated open pit costs and take advantage of processing higher-margin underground and stockpiled ore. Mandalay Resources to produce 42,148 ozs of gold in 2023 (compared to 41,247 ozs in 2022 at a cash cost of US$1,321 per oz). It has given guidance for 2024 of 43,000 – 47,000 ozs at a cash cost per oz gold produced of $1,270 – $1,390.

Currently, the Björkdal mine produces ore from the Aurora zone underground mine, as well as from a stockpile of low-grade material accumulated over the course of its life of mine. Approximately 75% of the mill feed is attributed to the underground operation and the remining 25% from the stockpiled material. Essentially, Mandalay has had no problems in operating in Sweden over the last nine years.

Shareholders

The pie chart which follows shows the breakdown of the current shareholder base.



The renegotiation in July of 2024 of the Oijärvi Gold Project purchase agreement with Agnico Eagle, inked in July of 2021 with Gold Line, takes Agnico Eagle up to 13.3% of First Nordic.

Financing

The most recent raise was a warrant exercise incentive program, which closed on the 10th of July of 2024. This program, as well as the exercise of additional company warrants and stock options, provided aggregate gross proceeds of $2,703,157 to First Nordic.

A total of 6,301,273 common shares were issued upon the exercise of the same number of share purchase warrants providing gross proceeds of $1,827,369 to the company.

For every warrant exercised, the holders received one-half of one common share purchase warrant as the incentive for early exercise. Each of these incentive warrants allows the holder to acquire a common share at an exercise price of $0.40 for a period of two years following the date of the issuance of the Incentive Warrant. As a result, 3,150,631 Incentive Warrants were issued pursuant to the program.

The holders of 7,689,579 outstanding Warrants were eligible to participate in the Incentive Program so the take-up rate was very high. Those holders that chose not to participate in the program remain outstanding and continue to be exercisable on their current terms (including the amended exercise price of $0.29 per warrant) until their applicable expiry date.

Since mid-May 2024, in addition to this latest Incentive Program, First Nordic has raised $698,500 from stock option exercises and an additional $177,288 from the exercise of other warrants that were not part of the Incentive Program.

Concurrent with the merger transaction, Barsele undertook a financing to raise approximately CAD$1mn in a non-brokered private placement to fund ongoing exploration programs and other corporate and merger costs.

Board & Management

Toby Pierce, Chairman & Director, is currently CEO and Director of TAG Oil Ltd, a TSX-listed oil and gas producer in Australasia. He has 25 years of geological and financial understanding within the resource sector. He has been a founder, CEO or director of numerous private and public mining and natural resource companies including: Benchmark Metals, New Placer Dome Gold, Gold Line Resources, Crest Petroleum, North Country Gold, Brilliant Resources, Red Tail Metals, Kingfisher Metals and numerous shell companies in the Canadian and London markets. He holds an MBA from the Rotman School of Business and a Bachelor of Science degree in Earth Sciences from the University of Victoria.

Taj Singh, President, CEO and executive director, has over 22 years of experience in corporate development, capital markets, finance, project development, engineering, and operations. Most recently he was founding President and CEO of NOA Lithium Brines (TSX-v: NOA) taking the company public, carrying out multiple funding rounds, and achieving exploration success at its flagship Rio Grande

project in Salta, Argentina. Prior to his time at NOA, he was founding President and CEO at Mexico-focused developer, Discovery Silver Corp (TSX: DSV). During his five-year tenure with Discovery, the market capitalization grew to over CAD$800mn. From the 2016 go-public to 2020 he also served as Director / Lead Independent Director of the Board of GT Gold Corp. which was subsequently acquired by Newmont Corporation (CAD$456mn). He is a Professional Engineer (P.Eng), a Chartered Professional Accountant (CPA), a Certified Management Accountant (CMA) and holds a Bachelor of Engineering degree (Metallurgy / Minerals Processing) and a Master of Engineering degree (Metallurgy).

Ross Wilmot, CFO and executive director, is a Chartered Accountant who has provided public companies with senior financial management services for more than 50 years. As CFO, he brings knowledge of reporting practices and requirements for public companies based in Canada and the USA. He has been involved in numerous business valuations and acquisitions, high tech start-ups and international mining operations.

Marc Legault, a non-executive director, is a geologist and was also a licensed professional engineer with over 40 years' experience in the gold and base metals industry including 34 years working with Agnico Eagle Mines, where he held various exploration, operations, and management positions until he retired from Agnico in 2022 as a Senior Vice President. He spent time working on the Barsele project as well as the Oijarvi project, both of which are now in the First Nordic portfolio. His technical knowledge and experience with Agnico will be instrumental for First Nordic as it advances its flagship Barsele Project in Sweden in joint venture with Agnico.

Adam Cegielski, Chief Development Officer, has over 20 years of experience in the venture capital industry ranging from mineral exploration, technology, health care and education. He started his career developing an industrial mineral project in Uganda that he later sold to Rio Tinto. He was the founding director of Cayden Resources, which was sold to Agnico Eagle Mines for CAD$205mn.

He is the founder, CEO & director of Binovi Technology Corp, a neurotechnology company driving higher levels of human performance through the use of Binovi technology.

Gary Cope, non-executive director, has over 35 years of experience in corporate management & strategy, with a specific emphasis on public company finance. He arranged financing for the South Kemess project, and later became heavily involved with the negotiations on selling the deposit to Royal Oak Mines. In the past 15 years, he has acted as a Senior Officer and Director for various publicly-held companies, such as St. Phillips Resources. He served as the President, CEO & Director of Orko Silver and was instrumental in negotiating and arranging the sale of Orko to Coeur Mining Inc. in 2012. He served as President, CEO of Barsele Minerals Corp.

Benjamin Gelber, VP of Exploration, is a geologist with over 17 years industry experience specializing in orogenic gold systems, garnering a deep understanding of geological and structural controls on mineralization in orogenic systems at all scales, including developing and managing large and complex district to camp scale exploration programs. He was previously with Barrick Gold Corporation as Exploration Manager, Guyana. Prior to Barrick, he held the positions of Generative Exploration Manager,

and Group Geology Manager with Asanko Gold, now named Galiano Gold.

Risks

The risks for First Nordic might be summarised as:

- Gold price risk
- The risk of a swing away from a pro-mining policy stance in either Finland or Sweden (or both)
- Exploration risk is a perennial in mining
- Financing Risk

To posit gold price weakness is almost to be branded a heretic in some mining circles. However, we were surprised to see gold shoot over $2,000 per oz so rapidly, and then were not surprised when it surrendered that level almost as quickly and retreated $300 from its highs. This has dashed the hopes of those for whom Gold is destined to rise unerringly to $4,000. Gold's price over the last 12 months has consolidated above the $2,000 level, then breaking to the upside and moving closer to $2,500. We do not, however, see a context where there would be a major retreat in gold.

Gold is now above $2,300 per oz and projects that are not viable at these levels (or indeed above US$1,900) should not even be taken into consideration, as this is an excellent gold price.

Finland's and Sweden's governments are both pro-mining (with northern regions of both countries being especially & historically mining-oriented).

Proving up a viable project to development stage is the main imponderable for most explorers. The presence of substantial resources to the near north and near south of Paubäcken, which is on trend would seem to reduce discovery risk substantially.

Financing conditions rise and fall with sentiment towards gold… and with other dynamics. The last year has been a quantum better on the financing front for junior explorers. Despite the gold price retreat from recent highs, markets have still been very forthcoming in supporting placings and other financings despite competition from other resurgent metals (e.g. Copper or battery metals).

Conclusion

While not exactly new as a precious mining camp the Gold Line district in Sweden (and the Oijarvi greenstone belt in Finland) are relatively untrammelled territory with only a few players having explored (or exploited) this territory. The gold prospectivity of both countries is now coming into focus and First Nordic now holds sizeable positions in the most promising territory in these jurisdictions. Additionally, being in the most mining friendly parts of these nations, the old shibboleths about Scandi NIMBYism have less traction or even relevance.

If First Nordic can follow in the footsteps of Rupert Resources, then shareholders will be happy campers indeed.

Gold, in particular, has experienced several years of the highest annual average price in history. And yet looking at the charts of companies such as the constituents of this merger we can see the reasons that drove their synergistic merger. It certainly helps that the gold price has caught a tailwind in 2024 and added over 10% to its trading range. However, as we well know, the swings and roundabouts of precious metals prices are fast and furious and always come back into favour at some point.

The task now for First Nordic is twofold. Firstly, it must project a development plan for Barsele while continuing to generate a flow of exploration results from the projects it inherited from Gold Line. This includes firming up its existing historic resource at Långtjärn South and adding further areas covered by resource estimates. The goal of the company is to build a district on the Gold Line belt with Barsele as the first priority, then Paubacken and after that Storjuktan. In total management feels that, conservatively, there is potential for over 6mn ozs. This would definitively make it "of interest" to Agnico Eagle and potentially make it the proxy for Agnico's actions across the region.

Therefore, we are initiating First Nordic with a **LONG** rating with a 12-month target price of CAD$1.02.


CA:FNM Daily
7/29/24
0.45
0.40
0.35
0.30
0.25
0.20
0.15
0.10
Volume
©BigCharts.com
5
4
3
2
1
0
Millions
Sep
Oct
Nov
Dec
24
Feb
Mar
Apr
May
Jun
Jul

Appendix I: Other Swedish Projects

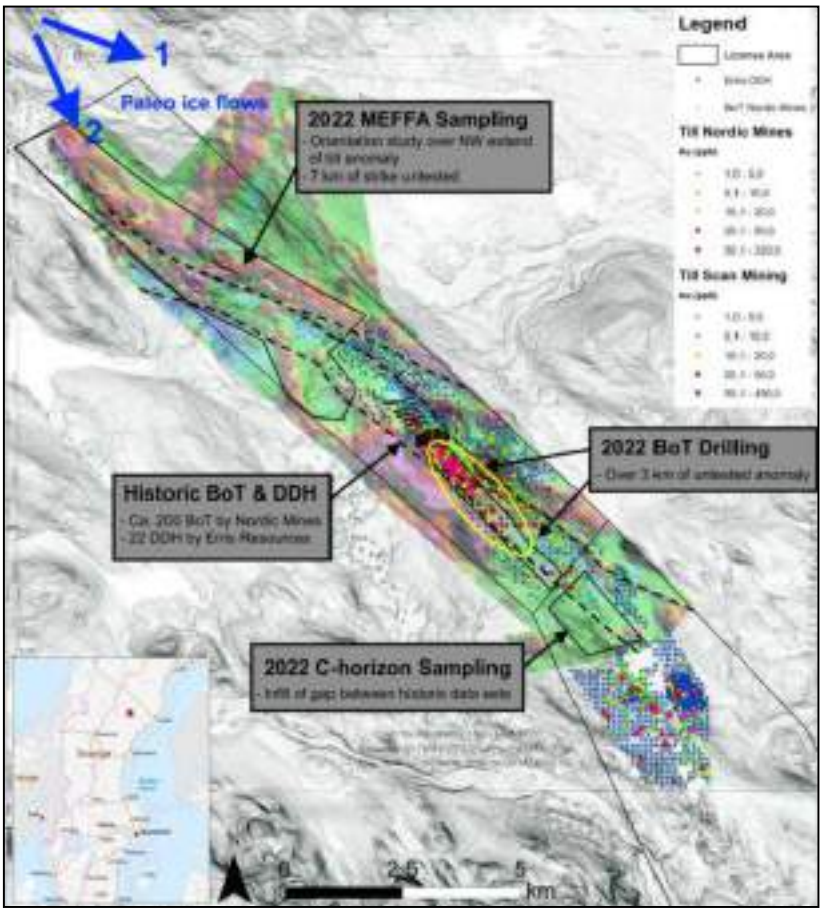
The Klippen Project

This project consists of two contiguous licenses covering 10,400 hectares located in the southern portion of the Gold Line belt. The company regards this as a potentially interesting target and shall be upping the work effort on the tenement during the 2023 season.

Geology

The Klippen Project is regarded as part of the greenstone assemblage. It contains >15 km of an interpreted second-order splay structure off the main Gold Line structural corridor.

The underlying geology of the Klippen project consists of an inverted volcano-sedimentary sequence intruded by several pre- to syn-kinematic granitic intrusions within a broad, anastomosing high strain structural corridor. Mineralization on the project has been identified along high strain corridors along the margins of and within a highly deformed and altered granodiorite intrusion.



Exploration

Historic work by Gold Line identified a 5 km-long Au, As, Cu, Zn anomaly in shallow glacial till coincident with the structural corridor identified from airborne magnetic data. Follow-up top-of-bedrock and diamond drilling have confirmed *in situ* mineralization under a small portion of the anomaly with several kilometres of structural corridor so far untested.

In light of the anomaly being insufficiently tested thus far the strategy during the 2023 summer season (with permits running until the end of October) is to undertake further geophysics and a campaign of top-of-bedrock drilling. This will penetrate through the till layer and around 4 metres into the underlying bedrock to gain knowledge on the bedrock's composition and its relation to (or not) the overlying till.

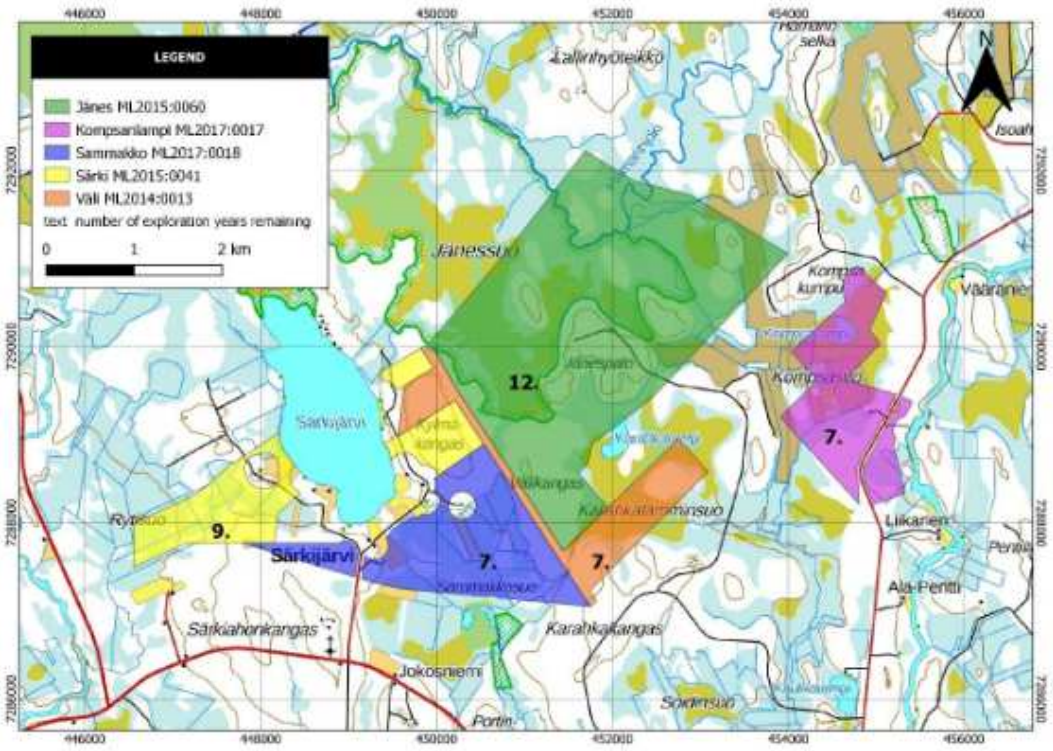
Appendix II: Finland

The main asset held by First Nordic (and formerly by Gold Line) in Finland is the Kylmäkangas property which encompasses 1,641 ha and is located 85 km east of the town of Kemi within the North Ostrobothnia District in the Kuivaniemi Parish in northern Finland. Management feels the property is prospective for gold and silver mineralization within the Oijärvi Greenstone Belt, approximately 10 km north of the Oijärvi village.

Background

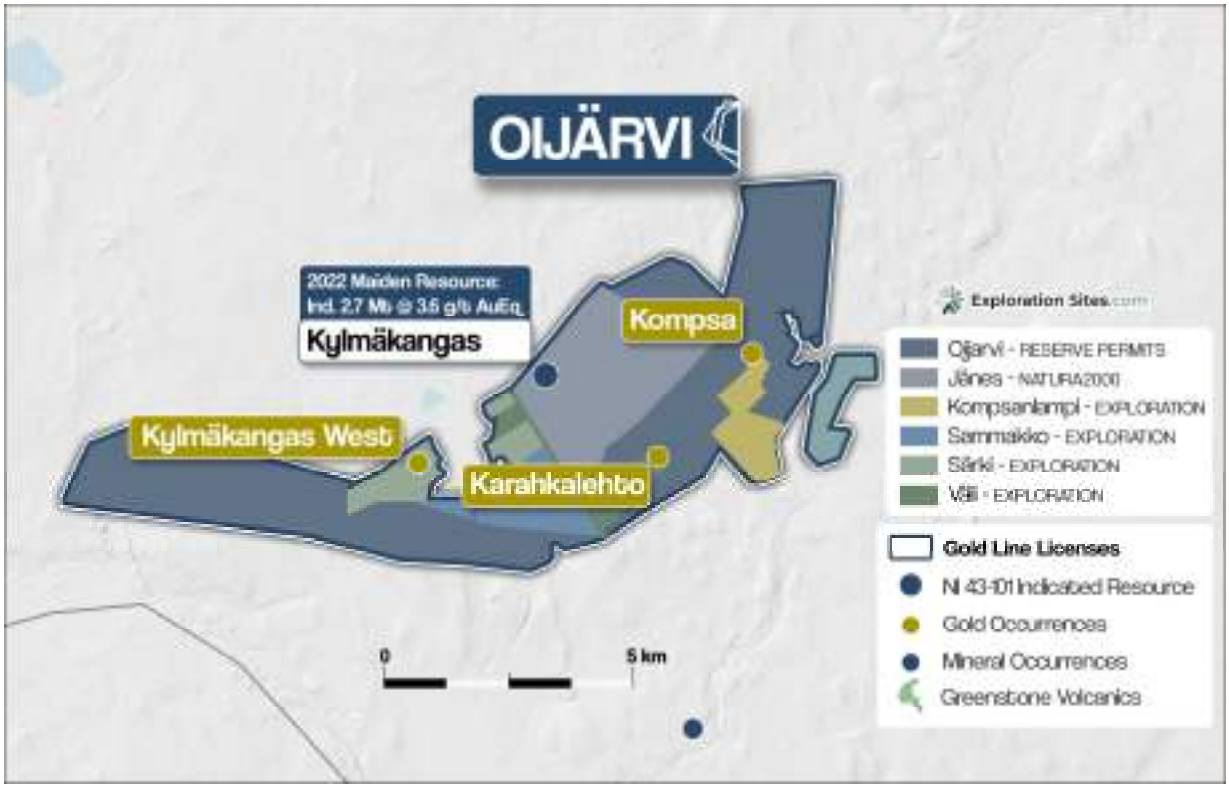
The Kylmäkangas Au-Ag occurrence was first discovered in 1999 by the Geological Survey of Finland (GTK) in the central portion of the Oijärvi greenstone belt using regional magnetic geophysics. Initial exploration by the GTK involved mapping, till geochemistry surveys and diamond drilling which led to the discovery of the Kylmäkangas deposit.

The Oijärvi Project was originally acquired by Agnico Eagle in 2006, with which Gold Line, in June 2021, entered into a share purchase agreement to gain control of the five exploration permits (shown in the following map) covering the Kylmäkangas deposit.



Note the Särkijärvi lake that divides the central part of the concession.

Following this, the company applied for and received an Exploration Reserve permit over the rest of the 17,600 ha Oijärvi greenstone belt (the dark grey areas in the following map), bringing the entire belt into its portfolio.



Above: the expanded Kylmakangas exploration concession

Consolidating the Area

In mid-July 2024, First Nordic agreed a deal with Agnico Eagle Mines and EMX Royalty to exchange amounts that remained due under the Oijärvi Gold Project asset purchase agreement. As a result, Agnico Eagle ends up with 13.3% of the issued and outstanding common shares of FNM.

The transaction involves Agnico receiving 27,954,872 shares in First Nordic and is being effected by way of a subscription agreement between FNM and Agnico Eagle.

Regional Geology

The Oijärvi greenstone belt is located in northwest Finland, in the Meso- to Neoarchean Pudasjärvi complex. Discovered in the early 1990s by the Finland Geological Survey (GTK) using regional magnetic geophysics it is one of the least studied greenstone belts in the region. Initial exploration by the GTK involving mapping, till geochemistry surveys and diamond drilling led to the discovery of the Kylmäkangas Au-Ag deposit.

Geology

The gold mineralization at Kylmäkangas is closely associated with a 1.8 km NE-SW striking sheared fault zone. Massive quartz-veins containing gold, silver, and base metals occur along this shear/fault zone. This zone is termed the Main Mineralized Zone and consists of a dense, white to grey quartz-sericite-breccia and milky to grey-coloured quartz veins, both of which are enveloped by strongly sheared and altered mafic schist.

Higher-grade ore shoots appear to be controlled by primary shear with interpreted trans-pressive deformation along the structural corridor which displays rheological contrast between lithologies. Intense hydrothermal alteration is closely associated with structural corridors and gold-silver mineralization, extending up to several metres into the hanging wall and foot wall lithologies.

Most of the native gold is fine grained and occurs intergrown or as inclusions in tellurides, sulphides and sulphosalts. Free native gold occurs between quartz grains (7%). Electrum occurs as inclusions in tellurides, galena (3%) and tetrahedrite (3%). The major silver carriers are hessite and petzite.

Exploration

While no mining has been undertaken at Kylmäkangas, exploration efforts by several parties have included several generations of diamond drilling.

During the early 1980s and 1990s, the Geological Survey of Finland (GTK) completed regional geologic mapping, regional till mapping, and airborne geophysical surveys in the Kylmäkangas area. Other non-drilling exploration work between 1996 and 2007 consisted of additional geophysical ground measurements, mapping, and trenching. Between 1998 and 2000, the GTK undertook a reconnaissance drilling program consisting of 24 diamond drillholes totalling 4,726 m, resulting in the discovery of gold-silver mineralization in 1999.

In 2001, Troy Resources NL, in a JV with Riddarhyttan, completed a detailed field geology program which included ground geophysics and bedrock mapping. From 2001 to 2002, Troy Resources completed a reconnaissance drill program of nine diamond drillholes.

Then, between 2006 and 2009, Agnico-Eagle Finland completed an additional 66 diamond drill holes on the deposit totalling 18,069 m and 34 regional diamond drill holes totalling 7,207 m.

In its initial work, Gold Line flew phase 1 of two Unmanned Aerial Vehicle (UAV) magnetic surveys over the two areas of the Oijärvi Greenstone Belt. Work completed by Gold Line on the Kylmäkangas deposit has included re-logging and sampling core that was previously unsampled. The newly sampled material is located adjacent to mineralized intercepts drilled and sampled by Agnico-Eagle.

In total, 75 holes have been drilled to date on the Kylmäkangas Project for a total of 19,580 m. Historical drill intercepts include 22.6 g/t of gold and 126.3 g/t of silver over 11.0 m (estimated true width) at 102 m depth. Across the rest of the belt, 32,274 m in 217 holes have been drilled.

Resource

In July of 2020, a Mineral Resource estimate (compiled in accordance with NI 43-101) was published on the Kylmäkangas project. The report was prepared by the consultants Eemeli Rantala & Ove Klavér.

The resource (shown in the table that follows) was calculated as being, in the Indicated and Inferred categories, some 2.7 million tonnes grading at 3.6 g/t AuEq for a contained total of 311,000 AuEq equivalent ounces.

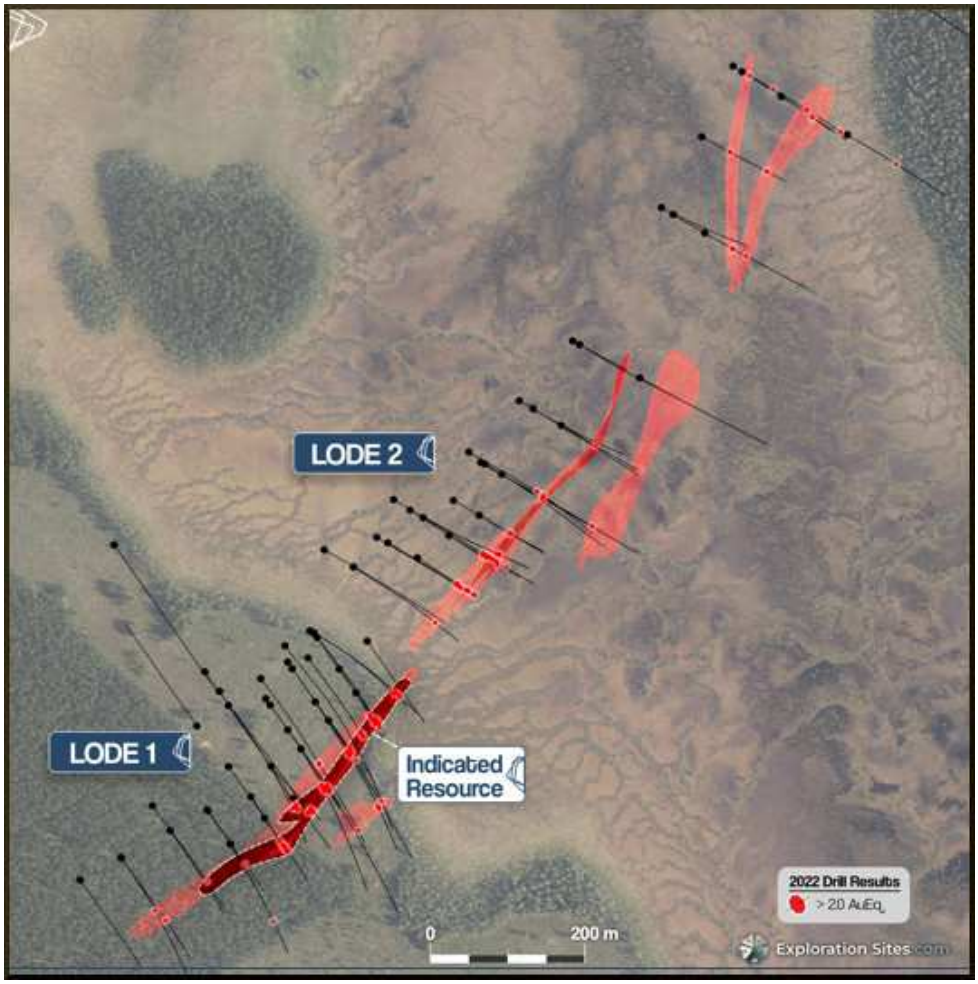
Kylmäkangas Resource Estimate

@1.5 g/t Au

					Contained Metal		
Category	**Tonnes mns**	**Au g/t**	**Ag g/t**	**AuEq g/t**	**Au ozs**	**Ag ozs**	**AuEq ozs**
Indicated	1.07	4.1	35.4	4.6	143,000	1,220,000	159,000
Inferred	1.63	2.7	15.2	2.9	142,000	795,000	152,000

Filling in the Gaps

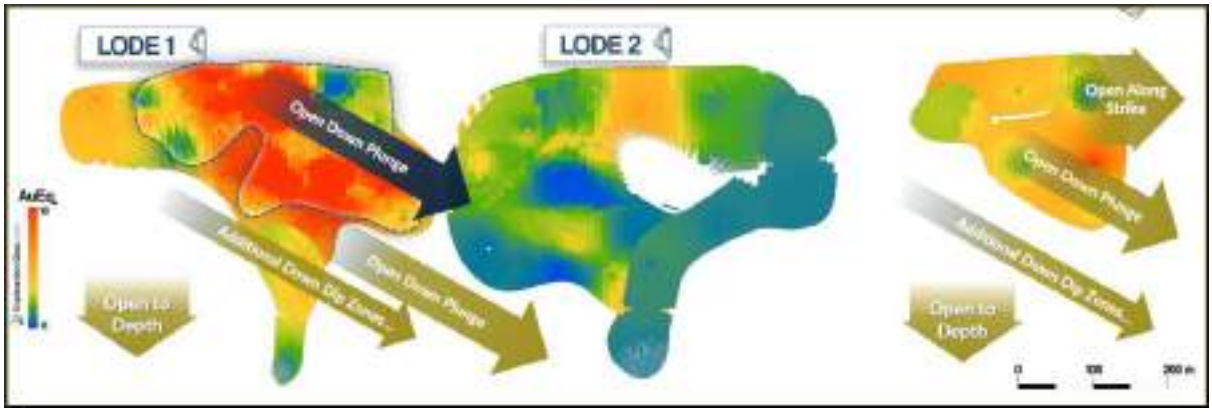
The first obvious gap to be filled is the 150-metre space between the so-called Lodes I & II as shown in the map below:



It is important to note that Lode II is within the Natura 2000 wetlands reserve, which somewhat complicates things. It does not preclude exploration by any means but does require that drilling is undertaken in winter only and that special membranes are put in place for transport and special care taken with drill pads etc.

The mineralized vein at Kylmäkangas is around five-metres wide. The eventual logic here would be that a mine would be underground and would consist of a portal to the southwest with the decline working its way to the north-east through Lode I, and then into Lode II, with no surface expression in the wetlands area.

The graphic below shows the down plunge of the mineralisation from Lode I to areas at depth under Lode II that potentially offer further extension to the resource.



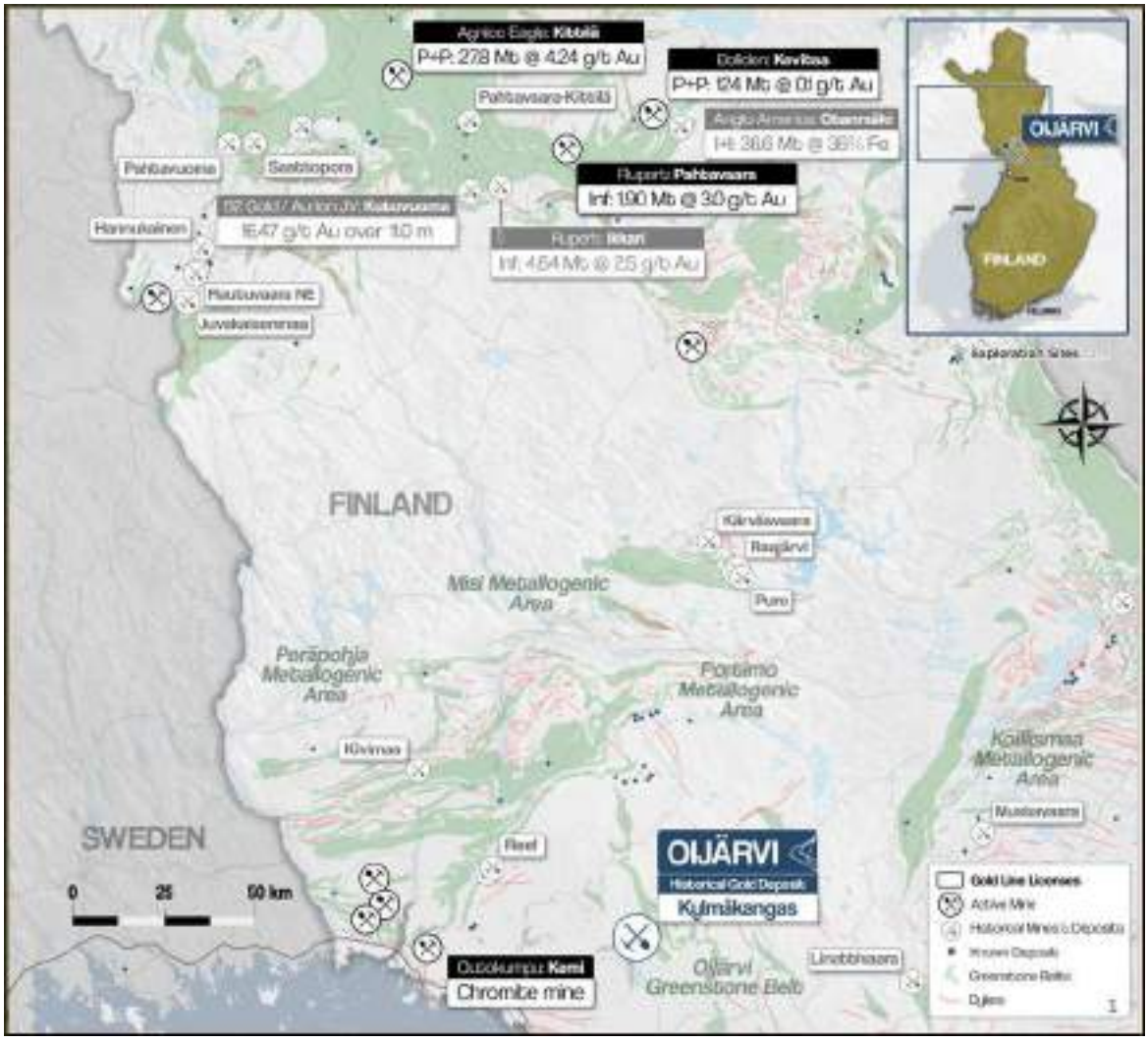
The second gap opportunity is to the southwest under the Särkijärvi lake as evidenced in the map on page 17. The lake at its deepest is only around three-metres deep and is around one kilometre wide (upon trend). The lake separates the existing resource at Kylmäkangas from the target at Kylmäkangas West (as shown in the map on page 20). Exploration work is envisioned for Kylmäkangas West and ice platform drilling on the lake to prove up an extension of the resource further to the southwest.

Analogs in Finland

It might be wishful thinking to draw parallels between FNM and Rupert Resources (TSX:RUP), which has a market cap of just over CAD$800mn. Rupert's principal asset is the Pahtavaara gold mine in Sodankylä, Finland. The gold mine is located on a 297 km^2 land package with an open pit and underground mine with cumulative gold production of 350,000 oz, with peak annual production of 37,000 oz.

The Ikkari project of Rupert Resources is located within the Central Lapland Greenstone Belt (CLGB), part of the Fennoscandian shield, which hosts 1700 known incidences of mineralisation in Finland, Sweden, Norway and Russia including around 80 mines.

The following map shows Kylmäkangas in relation to the CLGB, that runs east-west to the north of the Oijärvi greenstone belt:



The CLGB has two gold mines of significance. Agnico Eagle's Kittilä mine (the largest gold mine in Europe), which produced over 216,947 oz of gold in 2022 and Pahtavaara which mined almost 450,000 oz of gold over 16 years in three periods of ownership. Boliden's copper-nickel Kevitsa mine and Anglo American's Sakatti project are located within 30km of Rupert's Pahtavaara mine.

Important disclosures

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