

Number/Numero:

PR-22-000192

This permit is issued under the authority of section 78.3 of the *Mining Act* and the Exploration Plans and Exploration Permits Regulation (O. Reg. 308/12). It is subject to the provisions of the Act and regulation as well as the terms and conditions included in this permit.

Ce permis est émis conformément aux dispositions de section 78.3 de la *Loi sur les mines* et des règlements et est sujet aux restrictions et dispositions de ce lois et règlements ainsi qu'aux conditions ci-énoncées.

Note: The issuance of this permit does not relieve the applicant from the responsibility of acquiring any other agency, board, government, etc. approval as may be required nor does it relieve the permittee from the requirements of any other legislation or guarantee access to the land.

Remarque : La délivrance de ce permis n'exempte pas le demandeur de l'obligation d'obtenir l'autorisation de tout autre organisme, commission, gouvernement, etc. qui pourrait être exigée, n'exempte pas le titulaire des dispositions de toute autre loi et ne garantit pas l'accès à la terre.

Project Details/ Détails sur le projet

Project Name/ Titre du projet

Crystal Lake

Qualified Supervisor/Superviseur qualifié

Jeff Jurinak

This Permit is issued to: Ce Permis est délivré a:

Name of Permittee:/Nom du détenteur:

Rio Tinto Exploration Canada Inc.

Mailing Address:/Adresse postale:

300-815 West Hastings St, Vancouver, BC, V6C 1B4

To conduct early exploration activities from/ Pour effectuer des activités d'exploration du (yyyy/mm/dd):

2022/09/08

to:

2025/09/07

On claim/lease/licence of occupation number(s):/Sur le numéro(s) du claim/bail/permis d'occupation:

104607, 104608, 104609, 122207, 131292, 156493, 157720, 161399, 163807, 208449, 215577, 223095, 232744, 243264, 269465, 278308, 279075, 279076, 279077, 326337, 338725, 338726

As per the project map(s) and Activity Details Report, all of which are attached hereto and which form part of this permit/
Selon la/les carte(s) du projet et le Rapport Détaillé des Activités, tous qui sont attachés ici et qui forment partie du permis

for the purpose of Permit activities:

- Mechanized Drilling (assembled weight >150kg)/ Forage mécanisé (poids assemblé >150 kg)
- Mechanized Stripping (>100m² in 200m radius)/ Décapage mécanisé (>100 m² dans un rayon de 200 m)
- Pitting and Trenching (>3m³ in 200m radius)/ Creusement de fosses et de tranchées (>3 m³ dans un rayon de 200 m)
- Line Cutting (>1.5m width)/ Découpage des quadrillages (>1,5 m de largeur)
- Other (Early exploration activities for which Director has required a permit)/Autre (Activités d'exploration préliminaires pour laquelle le Directeur a demandé un permis):

for the purpose of Plan activities:

- Ground geophysical survey requiring a generator (Les levés géophysiques au sol qui nécessitent l'utilisation d'une génératrice)
- Mechanized Drilling (assembled weight <150kg)/ Forage mécanisé (poids assemblé <150 kg)

- Mechanized Stripping (<100m² in 200m radius)/ Décapage mécanisé (<100 m² dans un rayon de 200 m)
- Pitting and Trenching (1-3m³ in 200m radius)/ Creusement de fosses et de tranchées (1-3 m³ dans un rayon de 200 m)
- Line Cutting (<1.5m width)/ Découpage des quadrillages (<1,5 m de largeur)

Subject to the following conditions:/Et sous les conditions suivantes:

1. The Permittee shall keep this permit or a true copy thereof on the permit area./Le détenteur conserver ce permis ou une copie conforme sur les lieux des travaux.
2. The person in charge of the operation conducted under this permit shall produce and show this permit or the true copy kept on the exploration permit area to any inspector whenever requested by the officer./Le responsable des travaux couverts par ce permis doit produire le permis ou sa copie conforme si un inspecteur lui demande.
3. The requirements outlined in Schedule 1 of Ontario Regulation 308/12 and applicable Provincial Standards for Early Exploration/ Les exigences générales identifier à l'annexe 1 du Règlement de l'Ontario 308/12 et les normes provinciales relatives à l'exploration préliminaire.
4. Other terms and conditions as listed on this permit./Autres termes et conditions énoncées sur ce permis.

Place of Issue/Emis a:

Thunder Bay

Issued by/Emis par:

Paula Allen, Director of Exploration

Date of Issue/Date émis (yyyy/mm/dd, aaaa/mm/jj):

2022/09/08

Signature of Director/Signature du directeur:


 Digitally signed by
 Paula Allen
 Date: 2022.09.08
 15:06:12 -04'00'

Additional Terms and Conditions:

Mobilization/Demobilization

Written notice shall be provided to the Ministry of Northern Development and Mines as follows:

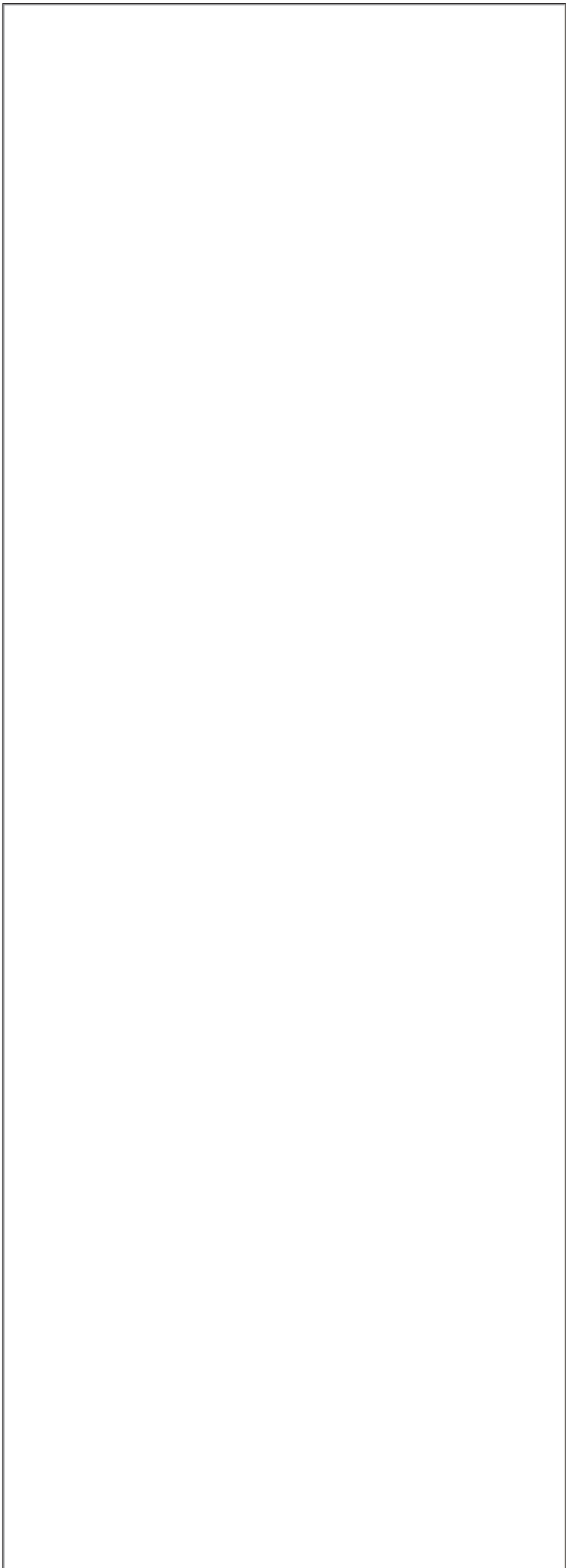
a) not less than two (2) weeks prior to commencing the early exploration activities authorized by this Permit which, for greater certainty, shall include the mobilization of personnel and equipment to the site required for carrying out those activities;

b) after a period of temporary suspension of activities of greater than four (4) weeks, not less than one (1) week prior to recommencing the early exploration activities authorized by this permit;

c) not less than two (2) weeks prior to the anticipated final demobilization of personnel and equipment required for carrying out the early exploration activities authorized by this Permit; and

d) delivered by email to MNDM.PlansAndPermits@ontario.ca

Autre termes et conditions:



Collection of personal information, if any, on this form is authorized by sections 7, 78.2, 78.3, and subsection 178.2(1) of the *Mining Act* for the purpose of creating a public record as described in section 37 of the *Freedom of Information and Protection of Privacy Act*. This information may also be posted in a modified form on the Ministry of Northern Development and Mines website and on the Environmental Registry for public comment. Questions about this collection should be directed to the Mineral Exploration and Development Section, Ministry of Northern Development and Mines, 933 Ramsey Lake Road, Sudbury ON P3E 6B5. Telephone 705-670-5815.

Preferred language of correspondence

English

French

Fields marked with an asterisk (*) are mandatory.

1. Project Details

Project Name *

Crystal Lake - Drilling Permit 01

Name of Early Exploration Proponent *

Rio Tinto Exploration Canada Inc

Is the proposed early exploration area within the project area for an existing filed closure plan? *

Yes No

Are there any mine hazards identified in the Abandoned Mines Information System (AMIS sites) in your project area? *

Yes No

Enter the Universal Transverse Mercator Coordinates (UTM) in North American Datum 83 (NAD 83) Grid for the centre of your project area

Zone (N) *

16N

Easting (m) *

309404

Northing (m) *

5326704

2. Exploration Logistics and Detailed Information

Will explosives be used for any activity/activities? If yes describe in detail which activities require the explosives, where they will be stored, and any other relevant information.

No explosives will be used or stored on the site.

What commodity or commodities are being sought in the work program?

Ni, Co, PGE, Cu

How will you be transporting personnel to the exploration site for all activities? Describe in detail.

Personnel will travel by vehicle from accommodation in Thunder Bay on Hwy 61.

Permit 01 will be accessed from two entry points: Great Lake Nickel Road (GLNR) and an existing trail off Lenore Lake Road. The northern half of Permit 01 has fifteen (15) planned drill pads that will be accessed by four (4) new trails off the GLNR. The north drilling area is about 1.3 km west of the intersection of GLNR and Hwy 61. The southern half of Permit 01 has seven (7) drill pads that will be accessed from the existing trail off of Lake Lenore Road and five (5) new spur trails. The south drilling area is roughly 1.5km northwest of the intersection of Lake Lenore Road and Hwy 61.

The existing trail network may need minor brushing to ensure unobstructed passage to the proposed drill pads.

The exploration team will use fully equipped 4x4 trucks and UTVs to access the site(s). The trails will be UTV accessible.

It is possible that not all of the pads and trails described here will be built. This work is contingent on drilling results.

How will you be mobilizing/demobilizing equipment to and from the exploration site for all activities? Describe in detail. The work program (WP1-WP4) are described in the notes section below. The work will be completed by 3rd Party Contractors (Contractors). The Contractors will transport earthworks and drilling equipment to/from the project area using trucks, typically by either lowbed or gooseneck trailers, as deemed safe and fit by the Contractors. The Contractors will take care to ensure all mob/demob of equipment will meet Ontario transportation requirements and will be mindful of road load ratings. The drilling rig will be offloaded at Great Lakes Nickel Rd or Lake Lenore Rd and skidded to the pad locations.

What type of equipment will you be using for all of the early exploration activities?
WP 1-4 (described below) will use:

- (1) various earthworks equipment (e.g. loader, dozer, etc) to clear trail and build pads,
- (2) diamond drill,
- (3) personnel 1/2 ton trucks,
- (4) UTVs for drill pad access.

Specific earthworks equipment requirement will be determined by the Contractor following review of trail/pad area. The Contractor will take all practical measures to minimize the amount of equipment required to complete the work safely.

What type of drilling will take place? (e.g. core drilling, reverse circulation)
KoBold proposes to drill and core with a standard skid-mounted diamond drill. Per industry standards, KoBold will elect to leave the casing in the bore to allow re-entry at a later date. Best-practice will be employed to protect groundwater aquifers and any artesian bores will be remediated per relevant regulations.

Do you anticipate the removal of the drill casing?

Yes No

If yes, when will you be removing it?

Immediately 3 to 6 months 6 to 12 months 1 to 2 years

For the exploration activities you have selected in your early exploration submission please fill in the associated details (required for all activities proposed). *

Geophysical surveys requiring a generator	▶	Type of Survey	<u>Borehole electro-magnetic (BHEM) survey</u>
Line cutting	▶	Estimated total line length	_____ metres
Mechanized Stripping	▶	Planned Number of stripped locations	_____
		Estimated total area of stripping	_____ square metres
Pitting and Trenching of Bedrock	▶	Planned Number of Pits/Trenches	_____
Mechanized Drilling	▶	Planned drill hole diameter	7.6 centimetres
		<input type="checkbox"/> 1 - 5 pads	
		<input type="checkbox"/> 6 - 10 pads	
		<input type="checkbox"/> 11 - 15 pads	
		<input type="checkbox"/> 16 - 20 pads	
		<input checked="" type="checkbox"/> > 20 pads	

Please identify any non-prescribed activity/activities you will be undertaking to support the prescribed early exploration activity/activities

Creating trails for the purposes of early exploration

Creating roads for the purposes of early exploration

Creating/setting up camp(s) to house personnel to perform your prescribed early exploration activities

Number of people in camp _____ Number of camps _____

Ground geophysical surveys without a generator

Airborne geophysical surveys

Are you planning to store fuel or other hazardous materials on the property? *

Yes No

Please provide any other information relevant to this project.

KoBold Metals Co DBA Duffey Lake Holdings Inc will conduct this work under agreement with Rio Tinto Exploration Canada Inc.

This permit application discloses the maximum work program that might be undertaken during the permit period, contingent on successful results. The following Work Packages are proposed for Permit 01:

1. WP1: Build up to nine (9) access trails minimizing disturbance as best as possible to as many as twenty-two (22) diamond drill pads,
2. WP2: Build up to twenty-two (22) diamond drilling pads at prescribed locations during the permit life if initial drilling proves positive,
3. WP3: Complete at least one NQ diamond drillhole per pad to selected exploration targets (collect core, geologic information and complete a borehole EM survey,etc),
4. WP4: Reclaim all access trails, pads and drillholes to meet Industry Best Practice for all completed work.

The construction of trails (3,807m, ~2m wide) and twenty-two (22) drill pads (roughly 30m x 30m each) in WP1 and WP2 will result in estimated disturbance areas of 7,614m² and 19,800m² respectively. Disturbance will be remediated to the extent practical. Pad sizes will be as small as practical. The dimensions given above are estimates based off of previous practice.

Our intent to minimize the impact of our project on the permit area. This extends to the selection of trail routes and pad locations. Care has been taken in project planning to reduce the amount of brushing/tree clearing and to reduce exposure to wetland areas. The final location of pads and access routes will be determined by site inspection prior to the commencement of operations, but will be selected to minimize disturbance created by this project. Not all drill pads and trails will be built in the first year of operation. Rather, ongoing infrastructure development will be contingent on drilling results. It is possible that only one-two of the drill pads and supporting trails contemplated in this application will ever be built.

Proposed drill pad (center) locations (NAD83 16N) are:

P1: 310358.3997, 5327122.9390
P2: 310089.2707, 5327171.1060
P3: 308832.2235, 5327359.3400
P4: 309349.1610, 5327376.7160
P5: 309111.2882, 5327202.0590
P6: 309203.3316, 5327096.1620
P7: 309554.4156, 5327085.6680
P8: 309673.0711, 5327284.1420
P9: 309866.6400, 5327186.3100
P10: 309626.0918, 5326895.6170
P11: 309998.5910, 5326897.7890
P12: 309244.9047, 5325887.8060
P13: 309430.1595, 5326106.7360
P14: 309102.6383, 5326176.6830
P15: 309449.2333, 5326358.2730
P16: 309126.7174, 5326408.8990
P17: 308843.3336, 5326636.8970
P18: 310394.9822, 5326747.9210
P19: 310047.7900, 5326633.2200
P20: 309711.8861, 5326636.0620
P21: 309502.2875, 5326747.9210

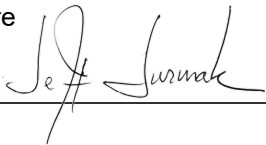
It is possible that more than one bore will be drilled from any given pad, contingent on drilling results. This approach is being taken to minimize disturbance associated with pad construction. The location of drill pads and bores will be verified in the field to ensure they are appropriately distanced from waterways. Care during initial planning has been taken to minimize the pad or proposed trail footprint near known wetlands or known water bodies.

The permit area is composed of claims 232744, 161399, 215577, 131292, 269465, 104609, 223095, 104608, 104607, 156493, 279077, 163807, 279076, 279075, 208449, 243264, 157720, 338725, 278308, 122207, 338726, and 326337. and . All claims are in good standing. The surface rights are held by three private owners. At the time of this application, no access agreements are in place. No work will be conducted on private property in the permit area unless the corresponding access agreement is in place.

KoBold has engaged with communities of interest (COI) in the proposed work area, including the Fort William First Nation. KoBold has consistently communicated its work plans and progress to affected parties, and has addressed questions it has received.

As stated previously, this plan is for the permit life, assuming continued success. The entire work program will not be completed in the first year. A systematic approach will be taken based on the results of key initial targets. Supporting infrastructure (e.g. trails and pads) will be built as required to follow success.

3. Signature

Name (Last Name, First Name) Jurinak, Jeff		Email Address jeff.jurinak@koboldmetals.com
Signature 		Date (yyyy/mm/dd) 2022/05/23

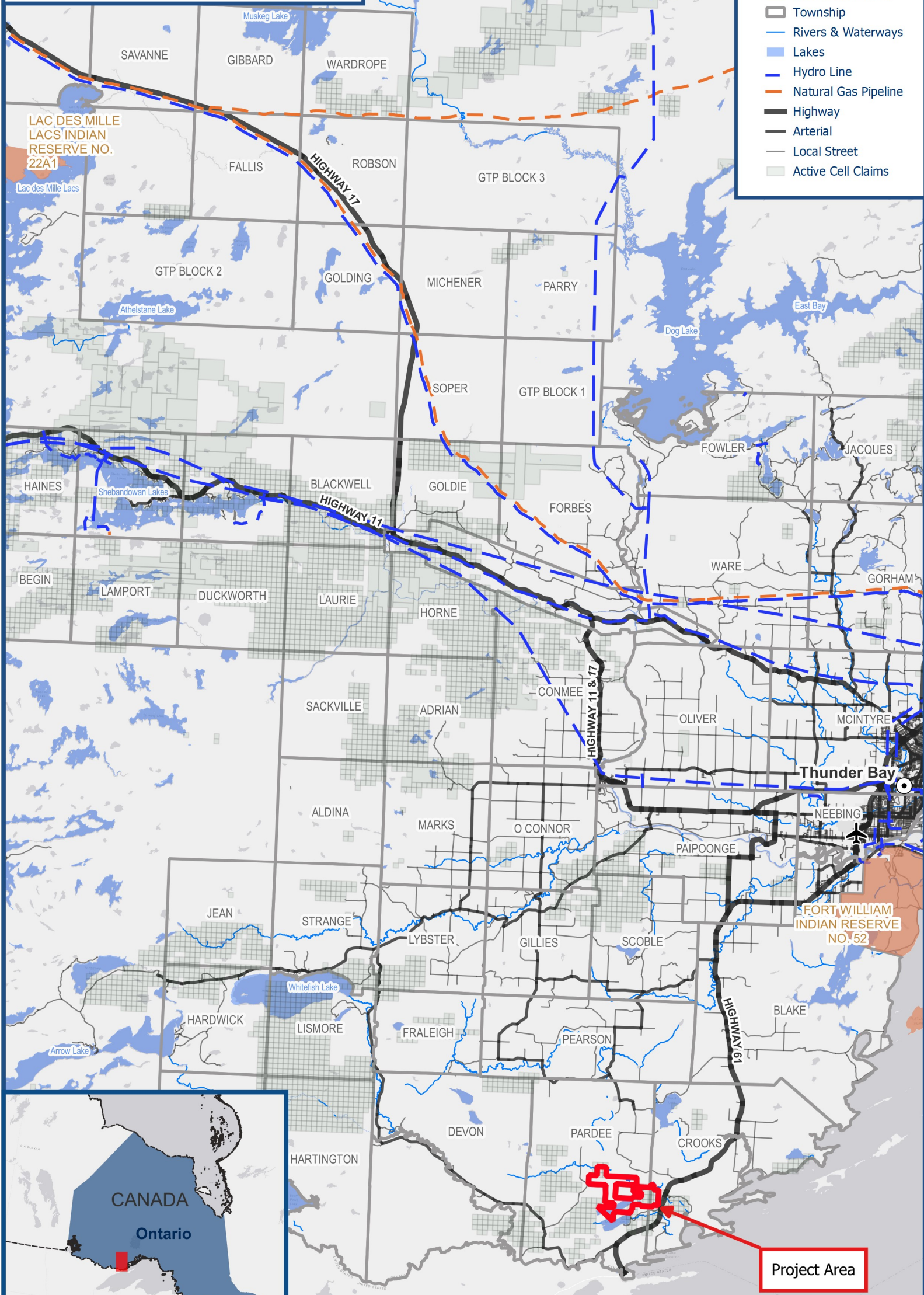


KoBold Metals

Crystal Lake Project: Regional Map

Legend

- City
- Airport
- Project Area
- First Nations Area
- Township
- Rivers & Waterways
- Lakes
- Hydro Line
- Natural Gas Pipeline
- Highway
- Arterial
- Local Street
- Active Cell Claims



LAC DES MILLE
LACS INDIAN
RESERVE NO.
22A1

FORT WILLIAM
INDIAN RESERVE
NO. 52



Project Area

CRS - EPSG:26916
NAD83 / UTM zone 16N

1:400,000





KoBold Metals

Crystal Lake Project: Permit 1 - Local Map

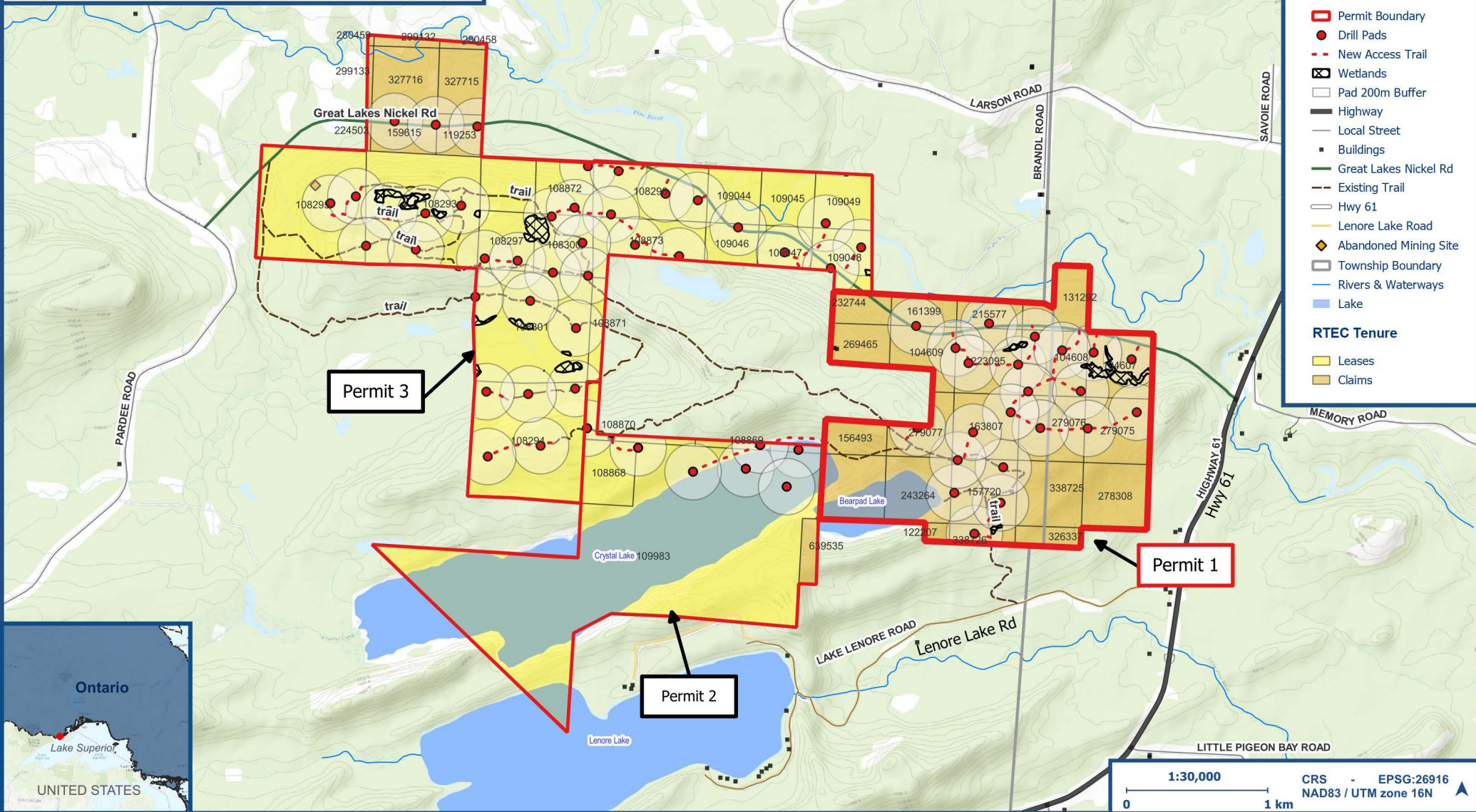
Legend

Project

- Permit Boundary
- Drill Pads
- - - New Access Trail
- Wetlands
- Pad 200m Buffer
- Highway
- Local Street
- Buildings
- Great Lakes Nickel Rd
- Existing Trail
- Hwy 61
- Lenore Lake Road
- Abandoned Mining Site
- Township Boundary
- Rivers & Waterways
- Lake

RTEC Tenure

- Leases
- Claims

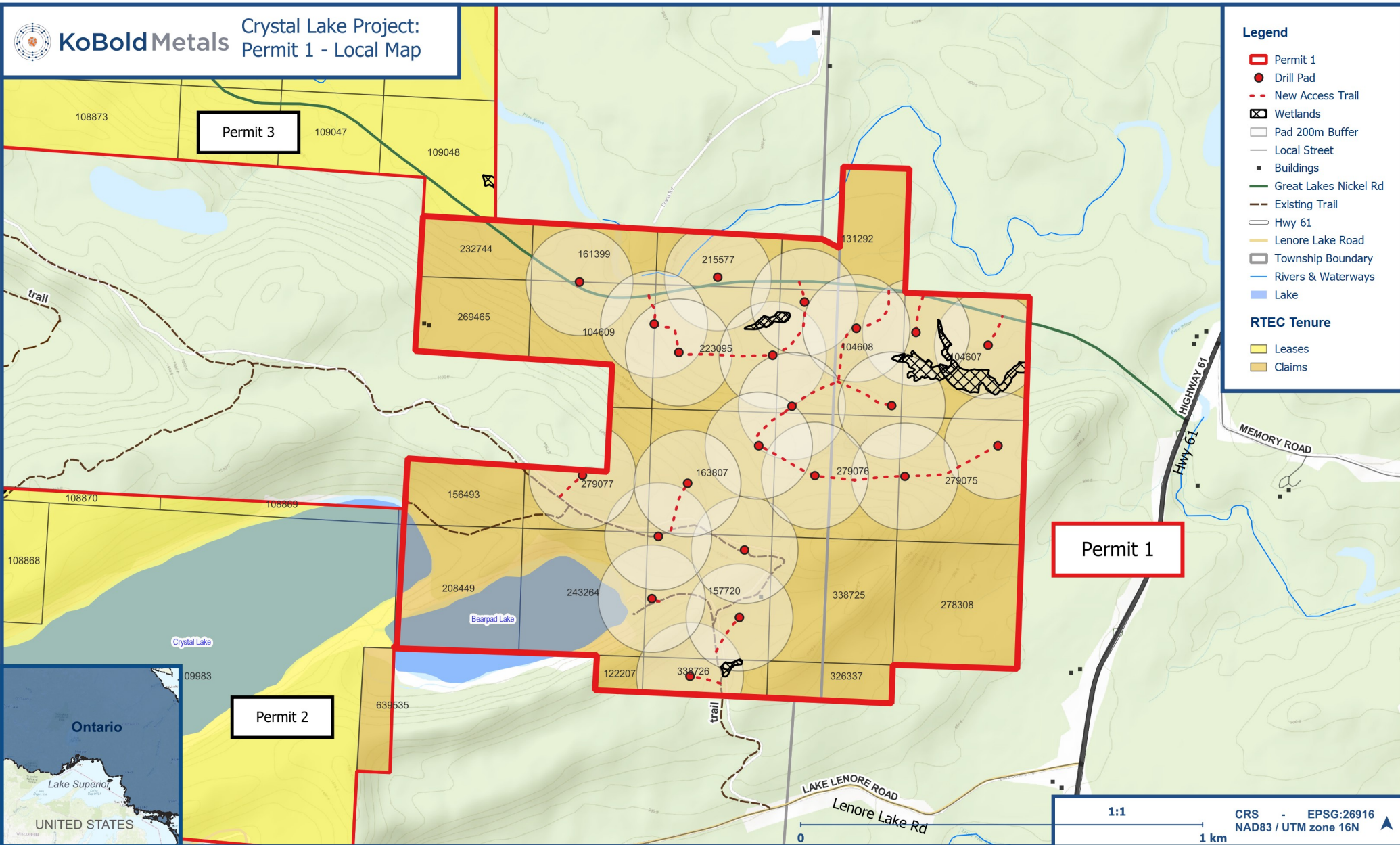


1:30,000
 0 ————— 1 km
 CRS - EPSG:26916
 NAD83 / UTM zone 16N



KoBold Metals Crystal Lake Project:
Permit 1 - Local Map

- Legend**
- Permit 1
 - Drill Pad
 - - - New Access Trail
 - Wetlands
 - Pad 200m Buffer
 - Local Street
 - Buildings
 - Great Lakes Nickel Rd
 - - - Existing Trail
 - Hwy 61
 - Lenore Lake Road
 - Township Boundary
 - Rivers & Waterways
 - Lake
- RTEC Tenure**
- Leases
 - Claims



1:1

0 1 km

CRS - EPSG:26916
NAD83 / UTM zone 16N