



PALLADIUM ONE MINING INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2022

April 13, 2023

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GENERAL MATTERS

In this annual information form (the "AIF"), unless otherwise indicated or the context otherwise indicates, the terms "Corporation", "Palladium One", "we", "us" and "our" refer to Palladium One Mining Inc. and its direct and indirect subsidiaries taken as one enterprise.

For reporting purposes, the Corporation prepares its financial statements in Canadian dollars and in conformity with International Financial Reporting Standards ("IFRS"). All dollar amounts in this AIF are expressed in Canadian dollars, except as otherwise indicated.

All capitalized terms used in this AIF but not otherwise defined herein shall have the meanings ascribed to them under the heading "Glossary of Terms" below.

FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities legislation (collectively referred to herein as "**forward-looking statements**"). Forward-looking statements are prospective and by their nature require the Corporation to make certain assumptions and is subject to inherent risks and uncertainties. There can be no assurance that forward-looking statements will prove to be accurate, and readers are cautioned not to place undue reliance on the forward-looking statements contained in this AIF. All statements, other than statements of historical fact, constitute forward-looking statements. Generally, but not always, forward-looking statements are identifiable by use of the words "continue", "expect", "anticipate", "estimate", "forecast", "believe", "intend", "schedule", "budget", "plan" or "project" or the negative or other variations of these words or comparable terminology, or states that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements in this AIF include, but are not limited to, statements with respect to: future financial and operating performance; strategic plans; size and timing of future exploration; cost and production estimates; need for additional financing; estimate of mineral resources and mineral reserves; realization of mineral resources; results of exploration; operational risks associated with mineral exploration; capital expenditures and objectives; evolution and economic performance of development projects; timing and location of future drilling; fluctuations in commodity prices; title matters; possibility of project cost overruns or unanticipated costs and expenses; government regulation of mining operations; environmental liability claims and insurance; reliance on key personnel; the volatility of common share price and volume; the timing, completion, and the expected benefits of the MTC Transaction; the expected benefits of the Glencore Investment; and other reports and filings made in accordance with applicable securities legislation.

In order to give such forward-looking statements, the Corporation has made certain assumptions about the Corporation's business, the economy and the mining industry in general and has also assumed that contracted parties provide goods and services on agreed timeframes, plant and equipment work as anticipated, required regulatory approvals are received, no unusual geological or technical problems occur, no material adverse change to the price of Platinum-Group Elements ("PGE"), nickel, copper and other metals occurs and no significant events transpire outside of the Corporation's normal course of business. Although the assumptions were considered reasonable by management of the Corporation at the time the forward-looking statements were given, there can be no assurance that such assumptions will prove to be accurate. In addition, the following list are material factors that could cause actual results to differ materially from a conclusion, guidance, forecast or projection contained in the forward-looking statements in this AIF: risks normally incidental to the nature of mineral exploration, development and mining; the uncertainty of mineral resource or mineral reserve estimates; mineral resources not having demonstrated economic viability; risks associated with mining projects currently in production; financing risks, debt and liquidity risks; risks associated with inaccurate capital and operational costs estimates; risks related to accounting policies and internal controls; fluctuating commodity prices; tax matters; information technology; labour difficulties; dependence on key personnel; dependence on third parties; dependence on experts outside of Canada; joint ventures; there being no assurance of title to mineral projects; Aboriginal claims and consultation issues; the Corporation's activities being subject to extensive governmental regulation; maintenance or provision of infrastructure; risks associated with the construction and start-up of new mines; personal safety and asset security risks in regions linked to criminal activity; risks associated with obtaining or complying with all required permits and licenses; environmental regulations and potential liabilities; insurance and uninsured risks; competition from other mining businesses; conflicts of interest; risks associated with

conducting business in foreign countries; unexpected disruptions in services provided by smelters or refiners; corruption risks and compliance with anti-corruption laws; fluctuations in the value of the Canadian dollar or the euro; risks associated with recovery of value added taxes; the lack of a guarantee of a positive return on investment; the volatility of the trading price of the common shares of the Corporation (the "**Common Shares**"); dilution and future sales of Common Shares; the Corporation having no record of dividends; risks arising from public opposition to mining activities; litigation risks; reputational risks; the Corporation's failure to select appropriate acquisition targets; undisclosed risks and liabilities relating to the MTC Transaction; not realizing the anticipated benefits of the MTC Transaction; undisclosed risks and liabilities relating to the Glencore Investment and the Investor Rights Agreement; not realizing the anticipated benefits of the Glencore Investment. Although the Corporation has attempted to identify material factors that could cause actual results to differ materially from a conclusion, guidance, forecast or projection contained in the forward-looking statements, there may be other factors that could cause results to differ from what is anticipated, estimated or intended. Such factors are discussed in more detail under the heading "Risk Factors" in this AIF and elsewhere herein. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations. New factors emerge from time to time, and it is not possible for management to predict them all or to assess in advance the impact of each factor on the Corporation's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

All forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements and are made as of the date of this AIF. Except as may be required by applicable securities legislation, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this AIF or reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

TECHNICAL INFORMATION

Where appropriate, certain information contained in this AIF provides non-material updates or expansions upon the information contained in the Technical Report. Any updates or expansions upon the scientific or technical information contained in the Technical Report and any other scientific or technical information contained in this AIF has been reviewed and approved by Neil Pettigrew, M.Sc., P.Geo, Vice President of Exploration and a director of the Corporation. Neil Pettigrew is a "qualified person" ("**QP**") for the purposes of National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

Except where otherwise indicated, the disclosure contained in this AIF that is of a scientific or technical nature with respect to the Corporation's mineral properties is supported by, and in certain cases summarized from, the technical report entitled "Technical Report on the Lantinen Koillismaa Project, Finland", with an effective date of April 25, 2022 and a signing date of May 27, 2022 with Sean Horan, P. Geo, and Brenna J.Y. Scholey, P. Eng., of SLR Consulting (Canada) Ltd. ("**SLR**") being the authors ("**Technical Report**").

The Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Technical Report, which has been filed with securities regulatory authorities pursuant to NI 43-101 and are available for review under the Corporation's profile on SEDAR at www.sedar.com and at the Corporation's website at www.palladiumoneinc.com.

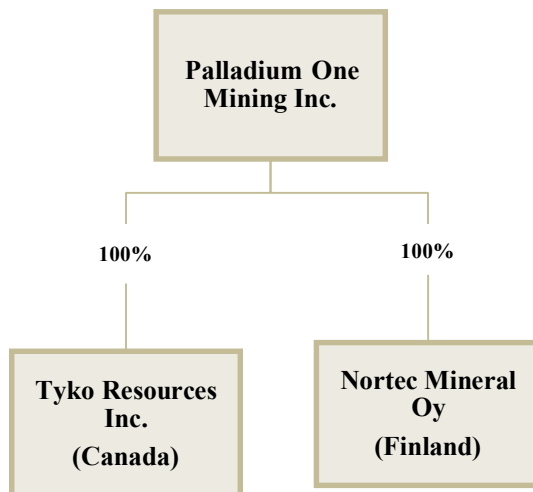
CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated under the *Business Corporations Act* (British Columbia) ("**BCBCA**") under the name Benzai Capital Corp. by articles of incorporation dated January 16, 2007. On January 24, 2013, the Corporation changed its name to Redline Resources Inc. and on February 11, 2016, the Corporation changed its name to Nickel One Resources Inc. and on May 3, 2019, the Corporation changed its name to Palladium One Mining Inc. The Corporation's head office is located at Suite 3704-88 Scott Street, Toronto, ON, M5E 0A9 with the Corporation's registered and records office at 25th floor, 666 Burrard Street, Vancouver, BC, V6C 2X8. The Common Shares are listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "**PDM**".

Inter-corporate Relationships

The following diagram illustrates the corporate structure of the Corporation and the location of the Corporation's principal assets within its corporate structure.



GENERAL DEVELOPMENT OF THE BUSINESS

Palladium One is an exploration stage company and engages principally in the exploration of mineral properties in proven, accessible and safe mining jurisdictions in Canada and Finland. The principal projects in which Palladium One currently holds a 100% interest include: (i) the Lantinen Koillismaa PGE-Copper-Nickel project ("**LK Project**") and Kostonjarvi Cu-Ni-PGE project ("**KS Project**"), located in North-Central Finland, (ii) the Tyko Nickel-Copper-PGE project ("**Tyko Project**") and Disraeli PGE-Nickel-Copper project ("**Disraeli Project**"), located near Thunder Bay, Ontario, Canada, and (iii) the Canalask project ("**Canalask Project**") located northwest of Whitehorse, Yukon, Canada. Further information regarding Palladium One's mineral projects can be found under the heading "*Material Mineral Projects*" below.

Three Year History

The following is a summary of the key events affecting the Corporation during the past three years.

Change of Board and Management

On April 2, 2021, Ms. Giovanna Bee Moscoso was appointed as an independent director to the board of directors of the Corporation. Ms. Bee Moscoso is an experienced mining executive with over 30 years of experience, including progressive responsibilities over 25 years at Barrick Gold Corporation, where previously she was a partner, Vice President and Assistant General Counsel.

On October 5, 2021, Mr. Lawrence Roulston was appointed as Non-Executive Chairman of the Corporation's board of directors.

On October 5, 2021, the Corporation formed the Environmental, Social and Governance Committee ("**ESG Committee**") of the Board of Directors and appointed Giovanna Bee Moscoso as the Chair of the ESG Committee.

On October 5, 2021, Ms. Sara Hills was appointed as Chief Financial Officer and Corporate Secretary. Ms. Hills is a CPA, CA with over 16 years of experience in accounting and finance and has achieved increasingly senior roles in public mining companies including with KGHM International and Teck Resources.

Financing

On May 20, 2020, the Corporation completed the first tranche of its non-brokered private placement of flow through units for gross proceeds of \$1,057,950. The Corporation issued 2,700,000 charity flow-through units at a price of \$0.13 per unit and 7,855,000 flow-through units at a price of \$0.09 per unit. Each unit is comprised of one common share, one-half of one Common Share purchase warrant exercisable at \$0.13 for 12 months, then \$0.22 for the following 12 months. The Corporation incurred finders' fees totaling \$28,975 and issued 67,500 finders' warrants, with a fair value of \$3,894.

On May 26, 2020, the Corporation completed the second tranche of its non-brokered private placement of charity flow through units, for gross proceeds of \$76,440. Each unit is comprised of one common share, one-half of one Common Share purchase warrant exercisable at \$0.13 for 12 months, then \$0.22 for the following 12 months.

On February 24, 2021, the Corporation completed a bought deal, short-form prospectus offering and issued 43,100,000 units at a price of \$0.29 per unit for gross proceeds \$12,499,000. Each unit consists of one common share and one-half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of \$0.45 per share. The warrants were allocated a value of \$nil using the residual value allocation method. The Corporation incurred 6% commission fees totaling \$749,940 and issued 2,586,000 brokers' warrants with a fair value of \$341,040, exercisable at \$0.29 for two years from closing date.

On February 24, 2021, the Corporation also completed a private placement of flow through units for gross proceeds of \$2,510,000. The Corporation issued 5,000,000 charity flow-through units at a price of \$0.40 per unit and 1,500,000 flow-through units at a price of \$0.34 per unit. Each unit consists of one common share and one-half common share purchase warrant. Each whole common share purchase warrant is exercisable into one common share for a period of two years from closing at a price of \$0.45 per share. The warrants were allocated a value of \$nil using the residual value allocation method. The Corporation incurred 6% commission fees totaling \$150,600 and issued 300,000 brokers' warrants with a fair value of \$30,778 exercisable at \$0.40 and 90,000 brokers' warrants with a fair value of \$10,549 exercisable at \$0.34 for two years from closing date.

On December 16, 2021, the Corporation completed a private placement and issued 15,000,000 flow-through shares at a price of \$0.29 per share for gross proceeds of \$4,350,000. The company incurred finder fees of \$261,000 and issued 900,000 finders warrants with a fair value of \$49,234 exercisable at \$0.29 for two years from closing date.

Professional and exchange fees related to the financings in 2021 were \$494,430. These fees were in addition to the commission and finders' fees paid.

On December 23, 2022, the Corporation completed a brokered private placement and issued 21,000,000 units at a price of \$0.20 per unit for gross proceeds of \$4,200,000. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through common share for a period of 36 months from the date of issuance at a price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method. The Corporation paid \$57,510 in agents' expenses and legal fees in relation to the financing. The Corporation also incurred 6% cash financing fees totaling \$252,000 and issued 1,260,000 broker warrants with a fair value of \$58,822. Each broker warrant entitles the holder to acquire one non flow-through common share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Broker Unit Warrant**") for a period of 24 months from the date of issuance at an exercise price of \$0.14. Each Broker Unit Warrant entitles the holder to acquire one common share at an exercise price of \$0.20 for a period of 36 months from the date of issuance thereof.

On December 23, 2022, the Corporation completed a non-brokered private placement and issued 5,000,334 units at a price of \$0.15 per unit for gross proceeds of \$750,050. Each unit consisted of one flow-through share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder thereof to purchase one non flow-through common share for a period of 24 months from the date of issuance at an exercise price of \$0.20. The warrants were allocated a value of \$nil using the residual value allocation method. No fees were paid with respect to this non-brokered private placement.

Professional fees and exchange fees related to the financings in 2022 were \$132,461. These fees were in addition to the agents' expenses and legal fees, and cash financing fees paid.

LK Project

On January 14, 2020, the Corporation announced that it had retained SJ Geophysics Ltd. to conduct an induced polarization survey. Five separate grids would be surveyed totaling 75 line-kilometers; cumulatively representing ~12km of strike length of the highly prospective basal unit of the Koillismaa mafic-ultramafic complex, which hosts the Kaukua deposit.

On January 16, 2020, the Corporation bought back an existing 2% Net Smelter Return ("NSR") royalty in respect of the historic Haukiaho deposit. The terms of the royalty buyback include a cash payment of C\$50,000 and issuance of 375,000 common shares.

On February 13, 2020, the Corporation reported that the Finnish Mining Authority had approved all eight exploration permit renewals and one new exploration permit application, with two key exploration permits clearing the appeals process. Seven remained in the appeals process, however the Corporation applied for an Enforcement Decision, which will allow it to conduct exploration during the appeals process. Exploration permits covering the Kaukua deposit, and the historic Haukiaho deposit, where the bulk of the drill program is planned, were uncontested.

On February 18, 2020, the Corporation retained a local diamond drilling contractor to conduct a drill program, with crews scheduled to mobilize on February 24th.

On February 25, 2020, the Corporation reported initial results from the first Induced Polarization (IP) survey with the discovery of a large chargeability anomaly, representing the eastern extension of the palladium dominant Kaukua South Zone. The Kaukua South Zone anomaly was extended over a two (2) kilometre strike length.

On March 10, 2020, the Corporation reported that the second 2020 Induced Polarization (IP) survey grid, located at Murtolampi, two kilometres northeast of the Kaukua deposit, had successfully outlined a significant untested chargeability anomaly. The core of the Murtolampi chargeability anomaly extends over more than 750m of strike length, with a width ranging from 100 to 300m and extends down to the maximum depth of the 300m IP survey.

On March 24, 2020, the Corporation announced that due to the COVID-19 pandemic, the Corporation was suspending the current exploration program at the palladium dominant, LK Project located in Finland.

On April 2, 2020, the Corporation reported that it has applied for two additional reservations Kaukuanjarvi (9,100 ha) and Haukiaho North (2,140 ha). The Corporation also reported that the Salmivaara 2-11 exploration permit had gained legal force. The Corporation had three permits that have cleared the appeals process, and enforcement decisions have been granted on another five thereby enabling exploration to be conducted on eight permits.

On April 14, 2020, the Corporation reported that the Kaukua South Zone anomaly extends over more than a four (4) km strike length and into a large, overburdened area that has never been drill tested. Final results from the first Induced Polarization (IP) survey grid, Kaukua East and the Infill grid have outlined this large chargeability anomaly, representing the eastern extension of the palladium dominant Kaukua South Zone. This suggests the greater Kaukua area could have a much larger mineral endowment than previously understood.

On May 7, 2020, the Corporation reported that it had identified three new drill targets on the Haukiaho Trend resulting from the Haukiaho Induced Polarization (IP) survey.

On May 26, 2020, the Corporation reported that it had identified a new, large chargeability drill target at the Haukiaho East Induced Polarization (IP) survey grid.

On June 11, 2020, the Corporation reported that it had identified a new chargeability drill target on the Tilsa Induced Polarization (IP) survey grid.

On July 14, 2020, the Corporation reported that it was preparing to resume its drill program in August, after its suspension due to the COVID-19 pandemic. Initial drilling will focus on expanding known mineralization to the east of existing drill intercepts in the Kaukua South zone, which coincides with a greater than four (4) kilometer long Induced Polarization chargeability anomaly.

On July 22, 2020, the Corporation reported that it had intersected 1.82 g/t of total PGE from drill hole LK20-001 with 1.22g/t Pd, 0.46g/t Pt, 0.14 g/t Au, 0.23% Cu and 0.16% Ni, which was the first hole of the Phase 1 program. Holes LK20-001 through LK20-005 targeted previously untested up dip portions of the Kaukua Deposit, with the goal of upgrading the current inferred resources to indicated.

On July 28, 2020, the Corporation reported that it had intersected 41.6m grading of 1.18 g/t of PGE in drill hole LK20-007, including 0.83g/t Pd, 0.28g/t Pt, 0.07g/t Au, 0.16% Cu and 0.17% Ni. Hole LK20-007 targeted the down plunge of a previously unrecognized, southwest trending, higher-grade shoot within the Kaukua deposit. The results of this hole indicate that this higher-grade shoot remains open to the southwest for expansion. Hole LK20-007 is on the lower edge of the 2019 block model and the expansion of this higher-grade shoot has potential to add ounces to a future resource update.

On August 10, 2020, the Corporation reported that the final data from the 2020 winter Induced Polarization (IP) geophysical program, suggest that the newly discovered Kaukua South chargeability anomaly extends for over 5.5 km.

On August 10, 2020, the Corporation reported the post-COVID, resumption of the Phase 1 drilling program in the LK PGE-Cu-Ni Project, located in north-central Finland.

On August 11, 2020, the Corporation reported that it had intersected 166.7m @ 0.58g/t of PGE including 0.39g/t Pd, 0.14 g/t Pt, 0.05 g/t Au, 0.09% Cu and 0.10% Ni in drill hole LK20-006, which confirms the eastern extension of the greater than 4-kilometer long Kaukua South IP anomaly is the result of PGE-Cu-Ni sulphide mineralization. Additionally, LK20-006 is 180m east of and significantly higher grade than the nearest Kaukua South hole. It is also twice as wide as the best historic intercept in Kaukua South. This is the most significant result of the Phase 1 drill program and demonstrates continued strong correlation between IP results and sulphide mineralization.

On August 25, 2020, the Corporation reported that it had intersected 87.2m @ 0.53 g/t PGE in drill hole LK20-011 at the Murtolampi zone. This is the first diamond drill hole results in the Murtolampi zone, located 2.5 kilometers north of the Kaukua Deposit, at the open pit LK PGE-Cu-Ni Project.

On September 15, 2020, the Corporation reported that it had identified the first diamond drill hole assays from the Haukiahö Trend, wherein it had intersected a wide interval of mineralization in a previously untested area thereby increasing the potential of the Haukiahö 2013 historic resource area. Haukiahö is located 12 kilometers southwest of the Kaukua Deposit, in the LK PGE-Cu-Ni Project. Hole LK20-010 intersected a core zone of 34.2m @ 0.77g/t PGE, 0.22% nickel, 0.20% copper.

On September 29, 2020, the Corporation reported that it had 11 successful discovery holes drilled on the Kaukua South extension, each containing a magmatic sulphide mineralization, and are currently waiting for the assay results. These major discovery increases Kaukua South mineralized strike length six-fold from 600m to 4km.

On October 6, 2020, the Corporation reported that it had identified the first assay results from the resumed Phase I drill program at the LK Project in Finland and has returned a wide zone, of shallow, high-grade palladium mineralization in the Kaukua South Extension. Hole LK20-014 returned a core zone of 72.0 m at 0.94 g/t PGE (0.62 g/t Pd, 0.23 g/t Pt, 0.09 g/t Au), 0.17% Cu, 0.17% Ni within a wider zone of 145.5m at 0.53 g/t PGE.

On October 20, 2020, the Corporation reported that it had discovered a further 600m mineralized strike length at Murtolampi, located less than 2km north of the Kaukua Deposit. Discoveries now total 4.6km of strike length in greater Kaukua area.

On October 22, 2020, the Corporation reported that of the 11 discovery holes drilled at Kaukua South, hole LK20-016 is the highest grade drilled to date.

On November 10, 2020, the Corporation reported that it had initiated a 17,500-meter Phase II drilling program in Finland. The Phase II program is primarily designed to support a future inferred resource estimate at Kaukua South, which possesses a drill defined, greater than 4-kilometer mineralized strike length.

On November 16, 2020, the Corporation reported that it had intersected high-grade open pit potential mineralization returning 13m at 1.92 g/t PGE within 79m at 1.07 g/t PGE in drill hole LK20-026. The shallow high-grade results suggest potential for a low-cost satellite open pit at Murtolampi, which is close to the existing Kaukua deposit, located 2km to the south.

On January 15, 2021, the Corporation announced the filing of an updated National Instrument 43-101 Technical Report on the LK project.

On January 18, 2021, the Corporation announced the initial infill drilling results from the 17,500-meter Phase II drill program having delivered superior grades and demonstrates broad zones of continuity with multiple intercepts of high-grade, open-pit resource potential at the Kaukua South zone of the LK PGE-Ni-Cu project. As well as the filing on www.SEDAR.com of the updated 43-101 technical report on the LK project.

On February 10, 2021, the Corporation applied to convert 2,862 hectares of the Kaukuanjarvi reservation to an Exploration Permit.

On March 11, 2021, the Corporation reported that the infill drilling spaced at 100-meter grid spacing has increased continuous mineralization to over 1,300 meters and into the 'gap zone', thereby supporting the thesis of potentially more open-pit resources at the Kaukua South zone of the LK PGE-Ni-Cu project in Finland.

On March 18, 2021, the Corporation reported that it had expanded a high-grade zone at Kaukua South, drills 47 meters at 1.74 g/t PGE, including 12 meters at 2.92 g/t PGE in drill hole LK21-045.

On April 15, 2021, the Corporation reported that it continued to intersect significant widths at Kaukua South, drills 47 meters at 1.43 g/t PGE in drill hole LK21-061.

On May 4, 2021, the Corporation began the process to convert the Haukiaho East and Lipeavaara Exploration Reservations to Exploration Permits.

On May 11, 2021 the Corporation reported a drill intercept of 38m grading 1.24g/t PGE in drill hole LK21-062 at Kaukua South and further discussed the significantly of the upper zone mineralization which returned up to 51m grading 0.21g/t PGE in drill hole LK21-064.

On May 26, 2021, the Corporation reported its first drill results from the 2,000 meters drill program at Haukiaho, a zone approximately 20 kilometers south of the Corporation's primary target area Kaukua South, have returned significant widths and grades, including 72 meters at 0.66 g/t PGE in drill hole LK21-071 on the LK PGE-Ni-Cu project in Finland.

On June 1, 2021, the Corporation reported its first drill results from the 2,000 meters drill program at the Haukiaho Trend, a distinct zone approximately 20 kilometers south of the Corporation's primary target area Kaukua South, have returned significant widths and grades, including 48 meters at 0.74 g/t PGE with a wider 116 meters zone grading 0.39 g/t PGE in drill hole LK21-074, on the LK PGE-Ni-Cu project in Finland.

On July 7, 2021, the Corporation announced that the two additional Induced Polarization ("IP") surveys were carried out in the Greater Kaukua Area to expand the known 4-kilometer long Kaukua South IP anomaly on both eastern and western ends. The results of the new surveys confirm an over 75% increase in length of the Kaukua South IP chargeability anomaly, which is now greater than 7 kilometers in strike length.

On September 7, 2021, the Corporation announced an NI43-101 compliant Pit Constrained Resource Estimate for the Haukiaho zone at the LK Project. The Haukiaho resource estimate includes a shallow deposit with a low 1:1 strip ratio and comprises 3-kilometers of strike length and is part of the 17-kilometer long Haukiaho Trend.

On September 22, 2021, the Corporation announced the highest-grade over width intercept to date at Kaukua South, reporting 2.86 g/t PGE over 24 meters, within 1.36 g/t PGE over 112 meters, starting at 171.5 meters depth in drill hole LK21-081.

On October 5, 2021, the Corporation announced drill results at Kaukua South which returned an intersect of 2.23g/t PGE over 21.3 meters, within 1.72 g/t PGE over 48.5 meters in drill hole LK21-088. In addition, drill results returning 0.26 g/t PGE over 51.0 meters in drill hole LK21-087, has extended the mineralized zone of Kaukua South 200 meters east.

On October 15, 2021, The Corporation began the process to convert the Kostonjarvi Exploration Reservation to an Exploration Permit.

On October 19, 2021, the Corporation announced that the deepest down plunge drill hole to date on the Kaukua South Zone, hole LK21-098, intersected 2.27 g/t PGE over 10.0 meters, within 1.11 g/t PGE over 62.9 meters, starting at 308 meters down hole. These drilling results extend the Kaukua South zone beyond 300 meters vertical depth and confirm that the high-grade core zones identified at surface extend to depth.

On November 23, 2021, the Corporation announced that initial down plunge drilling had extended mineralization 250 meters southwest of the open-pit constrained Mineral Resource Estimate of the Kaukua Deposit, by intersecting 1.19 g/t PGE over 19.6 meters, within 0.72 g/t PGE over 74.5 meters, starting at 273 meters down hole LK21-101.

In December 2021, the Corporation requested to have the Kaukuanjarvi Permit Application split in two to fast-track approval of a smaller portion of the original Permit Application covering the eastern extension of the Kaukua South Zone. The division of the Exploration Permit Application was approved on January 10, 2022.

On January 11, 2022, the Corporation announced that initial down plunge drilling had intersected the widest ore-grade intercept to date. Hole LK21-105 intersected 1.19 g/t PGE over 33.5 meters, within 0.85 g/t PGE over 121.1 meters, starting at a true depth of approximately 260 meters.

On January 20, 2022, the Corporation announced that infill drilling in the 'Gap Zone' resulted in a better understanding and a new geological model for the area. Gap Zone drill results include 1.04 g/t PGE over 4.4 meters, within .66 g/t PGE over 21.7 meters, in hole LK21-109 starting at 138 meters down hole.

In February 2022, the Corporation began the process to convert the Haukiaho North Exploration Reservation to an Exploration Permit.

On February 7, 2022, the Corporation announced that final assay results for Kaukua South had been received, with intersections of up to 3.73 g/t PGE over 7.5 meters, within 2.11 g/t PGE over 49.3 meters in hole LK21-122 starting at 55 meters down hole.

On March 17, 2022, the Corporation announced Drill hole LK21-137 at Murtolampi, Finland, which intersected up to 1.43 g/t PGE over 5.7 meters, within 1.04 g/t PGE over 24.2 meters, starting at a true depth of 6 meters. Murtolampi is located only 2 kilometers north of the 2019 NI43-101 Kaukua Open Pit Mineral Resource Estimate.

On June 8, 2022, the Corporation announced that it had filed the Technical Report.

On July 20, 2022, the Corporation announced that assaying of historic drill core from the Haukiaho Trend included 0.43 g/t Pd, 0.25 g/t Pt, 0.16 g/t Au, 0.34% Cu, 0.32% Ni, 92 g/t Co, over 5 meters in hole M354364R612, from previously un-assayed drill core and has identified new resource expansion targets at the LK Project, north-east of the Haukiaho Trend (the "**Lota Zone**").

KS Project

On April 2, 2020, the Corporation reported that it had received approval from the Finnish Mining Authority for a ~20,000-hectare Reservation Kostonjarvi (KS), which is adjacent to the Company's Flagship Läntinen Koillismaa (LK) Project in Central Finland. On October 15, 2021, the Corporation applied to the Finnish Mining Authority to convert the KS Reservation to an Exploration Permit for 15,902 hectares.

Permit ID	Name of Permit	Type	Date of Grant	Status	Expiry Date (either set out in the Reservation decision or calculated by the Mining Authority in its respective Mining Register extract)	Size of Area (in Hectares)
VA2019:0079 (ML2021:0114)	Kostonjärvi	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 20 October 2021 but same named Exploration Permit application has been submitted to the Mining Authority.	15,902

None of the KS Project permit area is located on nature conservation areas; however, the Kostonojarvi Exploration Permit Application shares approximately 9 km of common border with a Natura 200 area. Natura 2000 is a nature conservation program established according to Finnish national legislation and in accordance to a directive given by the European Union.

There is no legal requirement to survey the boundaries of exploration permits in Finland; instead, they are assigned Finnish map coordinates by the mining authority.

Also see below under Material Mineral Projects under Exploration Permits and Reservations.

Tyko Project

On January 21, 2020, the Corporation reported prospecting samples with assay results of up to 0.74% Ni, 4.09% Cu and 2.51g/t PGE (1.21 g/t Pt, 1.19 g/t Pd, and 0.11 g/t Au) from the Tyko Project Showing.

On January 27, 2020, the Corporation reported that the Fall 2019 program had returned up to 238 ppm nickel and 108 ppm copper in soils (representing >20 times background) down ice of the untested Smoke Lake airborne electromagnetic (EM) anomaly. A ground-based VLF survey conducted by the Corporation in 2016 traced this EM anomaly over a 300m strike length. Smoke Lake anomaly has become a high priority drill target for the Corporation.

On January 27, 2020, the Corporation reported greater than 20 times background levels for both nickel and copper in soil sampling at the Smoke Lake electromagnetic geophysical anomaly.

On November 18, 2020, the Corporation announced the discovery of up to 0.41% Nickel in Boulders and initiation of a drill program at the Tyko Project. Boulders closely resemble Ni-Cu mineralization at the RJ and Tyko zones which have returned up to 4.71% Ni over 0.87m in diamond drilling. Initial Phase I diamond drill program to begin on November 23, 2020.

On December 7, 2020, the Corporation announced the discovery of a 4-meter and a 2-meter-wide drill intercept of massive magmatic sulphide at the Smoke Lake airborne electromagnetic ("EM") target.

On January 5, 2021, the Corporation announced that it had intersected massive magmatic sulphides grading of 6.6% Ni, 3.7% Cu, 1.5g/t PGE over 3.8 meters at less than 30 meters true-depth in drill hole TK20-016, at the Smoke Lake target of the Tyko Project.

On January 12, 2021, the Corporation reported the results of six additional drill holes containing several massive magmatic sulphide intercepts grading up to 5.8% Ni, 2.7% Cu, 1.3/t PGE over 4.2 meters in drill hole TK20-022, at the Smoke Lake target of the Tyko Project.

On January 19, 2021, the Corporation reported the final results of its 2020 Tyko drill program showing massive magmatic sulphides grading of 8.1% Ni, 2.9% Cu, 1.3/t PGE over 3.8 meters, starting at less than 9 meters true-depth for drill hole TK20-023, located at the Smoke Lake target of the Tyko Project. The intercept is within a broader interval that returned 4.5% Ni, 2.9% Cu, 1.0g/t PGE from 5.3 meters down hole.

On April 6, 2021, the Corporation reported that it had started its 2,000-meter Phase II drilling program at the high-grade Smoke Lake nickel discovery, which returned 8.13% Ni, 2.88% Cu, 0.11% Co, 1.34 g/t PGE over 3.8 meters from surface, on the Tyko Project, Canada. In advance of drilling, in February 2021, detailed ground based Electromagnetic ("EM") and Borehole Electromagnetic ("BHEM") surveys were conducted to better define the conductors hosting the high-grade nickel mineralization.

On April 28, 2021, the Corporation reported that it had intersected multiple massive sulphide intersections in the Phase II Tyko drill program. The Phase II program was designed to test the down dip continuity of the Electromagnetic ("EM") Maxwell Plate "Plate" that was modelled subsequent to the Q4 2020 Phase I drill program.

On June 17, 2021, the Corporation intercepted more high-grade Nickel including, 4.47% Ni, 2.62% Cu, 0.06% Co, 1.06 g/t PGE over 5.0 meters in drill hole TK21-034 at Tyko Project, in Ontario, Canada.

On June 23, 2021, the Corporation drilled 5.89% Ni, 2.70% Cu, 0.08% Co and 1.06 g/t over 4.5 meters including 9.09% Ni, 1.23% Cu, 0.13% Co and 1.34 g/t PGE over 1.7 meters from drill hole TK21-035 at the Tyko Project.

On July 27, 2021, the Corporation entered into two Earn-in agreements to expand the Tyko Project by 950 hectares. In addition, 3,500 hectares were purchased from the original Optionors. The Corporation also reported the completion of a 3,100-kilometer airborne Electro Magnetic (VTEMmax) geophysical survey that covered the entire Tyko project.

On October 25, 2021, the Corporation's team was awarded the 2020 "Bernie Schnieders Discovery of the Year Award" for the discovery of a high-grade copper-nickel zone at its 100% owned Tyko Copper-Nickel Project. The award, presented by the Northwestern Ontario Prospectors Association (NWOPA), recognizes an exceptional discovery in Northwestern Ontario during the previous calendar year. Smoke Lake was discovered in late November 2020 with the first hole of drill program returning 6.6% Ni, 3.7% Cu, 0.09% Co, 0.67 g/t Pd, 0.81 g/t Pt, and 0.03 g/t Au over 3.8 Meters () in hole TK-20-016, (see news release January 5, 2021)

On October 28, 2021, the Corporation reported preliminary results of the VTEMmax airborne survey and four significant multi-line EM anomalies on the Tyko Copper-Nickel Project.

On November 16, 2021, the Corporation provided an update on the Tyko project, reporting that geophysical crews are on-site conducting ground-based Electromagnetic ("EM") surveys on key target areas; three new Exploration Permit applications have been filed for drill testing the newly identified multi-line Electromagnetic ("EM") geophysics anomalies; and a fourth Exploration Permit application has been made to expand upon the existing Smoke Lake Exploration Permit to allow for additional step out drill pad locations.

On November 30, 2021, the Corporation announced that results from soil sampling and diamond drill programs had been received, including soil samples of the four multi-line EM anomalies which returned significant copper, nickel, and cobalt geochemical signatures.

On May 11, 2022, the Corporation announced that three of five Exploration Permits had been received for the Tyko Project. A 15,000-meter diamond drill program was planned and scheduled to begin in May 2022.

On June 9, 2022, the Corporation announced that drilling had begun on the large Bulldozer mafic-ultramafic intrusion at the Tyko Property. The Corporation also announced that IP results had been processed from the winter geophysical program and had returned four significant chargeability anomalies on the Bulldozer and two on the Smoke Lake grids.

On August 31, 2022, the Corporation announced that it had received a new exploration drill permit for the Smoke Lake Zone area of the Tyko Project. The Corporation also announced that it had added a second helicopter-based drill rig as part of a four-week program to test more remote targets on the property.

On September 7, 2022, the Corporation announced the discovery of a massive nickel-copper sulphide on the Tyko project at the West Pickle target. At a true-depth of approximately 140 meters, the Corporation intercepted 5.5 meters of nickel-copper sulphide mineralization, including a 1.75 meter massive to semi-massive zone of nickel-copper sulphide.

On October 4, 2022, the Corporation reported preliminary assay results from the new West Pickle massive sulphide discovery including 8.2% Ni, 1.6% Cu, 1.62 g/t Total Precious Metal ("**TPM**") over 0.6 meters in hole TK-22-059.

On November 21, 2022, the Corporation reported additional assay results from the West Pickle massive sulphide discovery including 3.18% Ni, 0.99% Cu, 0.06% Co, 0.39g/t TPM over 2.4 meters in hole TK-21-60

On November 29, 2022, the Corporation reported additional assay results from the West Pickle massive sulphide discovery including 10.4% Ni, 3.4% Cu, 0.14% Co, 0.92 g/t TPM over 2.3 meters in hole TK-22-070. The Corporation also announced that drilling has resumed and a second drill rig had been added to focus on West Pickle.

Disraeli Project

On February 6, 2020, the Corporation completed the purchase of the Disraeli Property, located near Thunder Bay, Ontario. The Corporation acquired a 100% interest in the property by making a cash payment of \$5,000 to Ursa Major Minerals Inc and incurring \$56,000 in exploration expenditures, which was fulfilled by the end March 2020. The 155-claim unit, ~2,500-hectare project covers the Disraeli mafic-ultramafic intrusion located in the prolific Nipigon Plate of the Proterozoic mid-continent rift. The Disraeli intrusion lies along the West Nipigon lineament that also hosts the Thunder Bay North PGE-Ni-Cu deposit, held by Clean Air Metals Inc.

In late February and early March 2020, the Corporation conducted detailed drone airborne magnetic and lake sediment surveys on the project.

On December 9, 2020, the Corporation discovered a potential significant magnetic signature, a key indicator of mineralization in the Mid-Continental Rift ("**MCR**"), where the Disraeli PGE Project is located. The magnetic survey ("**Mag**") outlined a large, reversely polarized, magnetic body coincident with AeroTEM electromagnetic ("**EM**") anomalies.

On April 6, 2021, the Corporation reported 5 ice-based holes totaling 1,233 meters. One conductor was found to be caused by cobalt bearing massive magnetite skarn mineralization (returning 2.63 meters grading 0.12% Cu, 0.05% Co, and 0.09% Ni), whereas several of the airborne EM conductors proved to be the result of lake sediments. The reversely polarized magnetic body requires additional follow up as it was not adequately explained. Of particular note was an off-hole EM conductor identified at the basement contact. Unseasonably warm conditions in early March resulted in deterioration of the ice road, cutting the drill program short and thus this target was not able to be tested. This target remains a priority for future work.

Canalask Project

On June 10, 2022, the Corporation entered into an asset purchase agreement (the "**Canalask Agreement**") with Victoria Gold Corporation (the "**Vendor**") to purchase the Canalask Project, in Yukon, Canada. Under the terms of the Canalask Agreement, the Corporation paid the Vendor a \$25,000 cash payment and issued to the Vendor \$200,000 worth of Common Shares. The Vendor retained a 2% NSR royalty, which is subject to a buyback right in favour of the Corporation for 50% of the NSR royalty for a one-time payment of \$1,000,000. Contingent consideration includes \$2,000,000 to be paid to the Vendor upon the earlier of (A) the publication of a feasibility study, or (B) the commencement of commercial production, and an additional \$5,000,000 will be paid to the Vendor upon the commencement of commercial production on the Canalask Project.

On November 17, 2022, the Corporation announced sample assay and magnetometer survey results on the Canalask Project. Grab samples collected in September 2022 assayed over 2% nickel, 6% copper, and 1.55 g/t gold.

Subsequent Events

On January 12, 2023, the Corporation reported additional assay results from the West Pickle massive sulphide discovery including 10.3% Ni, 2.9% Cu, 0.15% Co, 0.80 g/t TPM over 1.8 meters in hole TK-22-073.

On January 26, 2023, the Corporation announced that a high-resolution airborne magnetic survey had commenced at the Tyko Project and that the Corporation had acquired an additional 4,520 hectares through staking contiguous with the Tyko Project.

On February 6, 2023, the Corporation reported additional assay results from the West Pickle massive sulphide discovery including 3.9% Ni, 2.5% Cu, 0.05% Co, 0.55 g/t TPM over 2.0 meters in hole TK-22-074.

On February 23, 2023, the Corporation announced drill results from the Smoke Lake Zone and reconnaissance drilling in the RJ Area, where the Corporation had discovered a new mineralized chonolith/feeder dyke on the Tyko Project. The Smoke Lake Zone infill drilling at depth returned assay results including 3.5% Ni, 1.2% Cu, and 0.8g/t TPM over 3.4 meters in hole TK22-082.

On March 27, 2023, the Corporation announced the discovery of a new high-grade nickel-copper zone ("**Ember Zone**") located 3.5 kilometers southwest of the Smoke Lake Zone. The Corporation reported assay results from the Ember Zone including 2.0% Ni, 0.4% Cu over 1.9 meters in hole TK22-104.

On March 3, 2023, the Corporation entered into an arrangement agreement (the "**Arrangement Agreement**") with MetalCorp Limited ("**MetalCorp**") for the acquisition of all of the issued and outstanding common shares (each, an "**MTC Share**") of MetalCorp (the "**MTC Transaction**") by way of a statutory plan of arrangement under the *Business Corporations Act* (Ontario). Pursuant to the MTC Transaction, MetalCorp shareholders ("**MTC Shareholders**") will receive, in exchange for each MTC Share held, 0.30 (the "**Exchange Ratio**") of a Common Share. The Exchange Ratio implies a purchase price of C\$0.026 per MTC Share, or gross consideration of C\$3.3 million. The number of Common Shares to be issued on completion of the MTC Transaction is approximately 38,703,051. Existing shareholders of the Corporation will hold approximately 88% of issued and outstanding Common Shares immediately following completion of the MTC Transaction, and the former MTC Shareholders will hold approximately 12% of issued and outstanding Common Shares immediately following completion of the MTC Transaction.

On April 11, 2023, the Corporation completed, with Glencore Canada Corporation ("**Glencore**"), a wholly-owned subsidiary of Glencore plc, a \$4,252,050 non-brokered private placement financing (the "**Glencore Investment**"). Pursuant to the Glencore Investment, the Corporation issued 28,347,000 Common Shares at C\$0.15 per Common Share. Upon completion of the Glencore Investment, Glencore owns approximately 9.99% of the issued and outstanding Common Shares of the Corporation on a non-diluted basis. In connection with the Glencore Investments, the Corporation and Glencore entered into an investor rights agreement (the "**Investor Rights Agreement**"), pursuant to which Glencore will be entitled to certain customary rights including participation rights on future equity security issuances and a right to nominate an individual to the technical committee of the Corporation. Under the Investor Rights Agreement, Glencore will agree to certain customary transfer and standstill restrictions.

DESCRIPTION OF THE BUSINESS

Summary

Palladium One is a mineral exploration and development company and is engaged in the pursuit of PGEs, copper and nickel. Its assets consist of the LK Project and KS Project, located in North-Central Finland, the Tyko Project and Disraeli Project, located near Thunder Bay in Ontario, Canada, and the Canalask Project, located in Yukon, Canada. Additional information regarding Palladium One's mineral projects can be found under the heading "*Material Mineral Projects*" below.

Specialized Skills and Knowledge

All aspects of the Corporation's business require specialized skills and knowledge. Such skills and knowledge include the areas of finance, operations, geology, drilling, logistical planning, implementation of exploration and development programs and mine plans, environmental management, health and safety, community relations, project construction, accounting and finance, and mining operations. The Corporation retains executive officers and consultants with experience in these areas, as well as executive officers and consultants with relevant accounting experience. The Corporation has been successful to date in identifying and retaining personnel with such skills and knowledge. For details regarding the specific skills and knowledge of the Corporation's directors and management, see "*Directors and Officers*".

Competitive Conditions

The mineral exploration and mining business is competitive in all phases of exploration, development and production. Palladium One competes with a number of other mining companies in the search for and acquisition of mineral properties and to retain qualified personnel. See "*Risk Factors*" below. The ability of the Corporation to acquire precious metal mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration.

Changes to Contracts

The Corporation does not anticipate that its business will be materially affected in the current financial year by the renegotiation or termination of any contracts or sub-contracts.

Health, Safety, Social and Environmental Policies and Environmental Protection

Palladium One's exploration, development and production activities are subject to, and any future development and production operations will be subject to, environmental laws and regulations in the jurisdictions in which operations are carried out. See "*Risk Factors*".

Palladium One's operating mineral projects seek to adopt the best environmental practices programs to manage environmental matters and compliance with local and international legislation. In common with other natural resources and mineral processing companies, the Corporation's operations generate hazardous and non-hazardous waste, effluent and emissions into the atmosphere, water and soil in compliance with local and international regulations and standards. There are numerous environmental laws in Finland and Canada that apply to the Corporation's operations, exploration, development projects and land holdings. These laws address matters such as protection of the natural environment, air and water quality, emissions standards and disposal of waste.

Cognizant of its responsibility to the environment, Palladium One strives to conform with all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Employees are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. Specifically, employees are expected to support Palladium One's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.

Employees

As of December 31, 2022, the Corporation had five employees.

Domestic and Foreign Operations

The Corporation's mineral projects are in Canada and Finland. See "*Material Mineral Projects*" for a summary of the Corporation's projects. Any changes in regulations or shifts in political attitudes in any of these jurisdictions, or other jurisdictions in which Palladium One has projects from time to time, are beyond the control of the Corporation and may adversely affect its business. Future development and operations may be affected in varying degrees by such

factors as government regulations (or changes thereto) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people and receipt of necessary permits. The effect of these factors cannot be accurately predicted. See "Risk Factors".

MATERIAL MINERAL PROJECTS

LK Project

The LK Project is an exploration stage property being developed by Palladium One through its 100% owned Finnish entity Nortec Minerals Oy. The LK Project comprises the Kaukua, Kaukua South, Haukiahho, and Murtolampi deposit areas that have been shown to be prospective for PGEs and base metals including nickel and copper.

Where appropriate, certain information contained in this AIF updates information derived from the Technical Report. Any updates to the scientific or technical information derived from such Technical Report and any other scientific or technical information contained in this AIF have been prepared by or under the supervision of Neil Pettigrew, M.Sc., P.Geol, Vice President of Exploration and a director of the Corporation. Neil Pettigrew is a "qualified person" for the purposes of NI 43-101. The majority of information in this section is extracted from the Technical Report and is modified to conform to this AIF.

The Technical Report is subject to certain assumptions, qualifications and procedures described therein, and their conclusions are based upon information provided by Palladium One throughout the course of investigations, which in turn reflect various technical and economic conditions existing at the time of preparing the Technical Report. Given the nature of the mining exploration, these conditions can change significantly over relatively short periods of time. The summary of the Technical Report set forth in this AIF is qualified in its entirety by reference to the full text of the Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to NI 43-101 and is available for review under the Corporation's profile on SEDAR at www.sedar.com. The Technical Report is deemed to be incorporated by reference in this AIF, except of the sections in the Technical Report titled "1.1.2 - Recommendations" and "26.0 - Recommendations".

In this AIF, the terms Mineral Resources and Inferred and Indicated Mineral Resources have the meanings ascribed to those terms by the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by the CIM Council, as amended.

A summary of the LK Project Mineral Resources, effective April 25, 2022, is provided in Table 1-1.

Table 1-1: Summary of Mineral Resources – April 25, 2022 Palladium One Mining Inc. – L ntinen Koillismaa Project

Category	Tonnage (Mt)	Grade							Contained Metal						
		Pd (g/t)	Pt (g/t)	Au (g/t)	TPM (g/t)	Cu (%)	Ni (%)	Co (g/t)	Pd (koz)	Pt (koz)	Au (koz)	TPM (koz)	Cu (Mlb)	Ni (Mlb)	Co (Mlb)
Indicated	38.2	0.61	0.22	0.07	0.89	0.13	0.11	65	740	260	80	1,090	110.7	91.6	5.4
Inferred	49.7	0.43	0.17	0.09	0.68	0.16	0.14	74	680	260	140	1,080	172.9	151.5	8.1

Notes:

- CIM (2014) definitions were followed for Mineral Resources.
- The Mineral Resources have been reported above a preliminary open pit constraining surface using a net smelter return (NSR) pit discard cut-off of US\$12.5/t (which, for comparison purposes, equates to an approximately 0.65 g/t palladium equivalent (PdEq) in-situ cut-off grade, based on metal prices only).
- The NSR used for reporting is based on the following:
 - Long term metal prices of US\$1,700/oz Pd, US\$1,100/oz Pt, US\$1,800/oz Au, US\$4.25/lb Cu, US\$8.50/lb Ni, and US\$25/lb Co.
 - Variable metallurgical recoveries for each metal were used at Kaukua and Murtolampi and fixed recoveries of 79.8% Pd, 80.1% Pt, 65% Au, 89% Cu, 64% Ni, and 0% Co at Haukiahho.

- c. Commercial terms for a Cu and Ni concentrate based on indicative quotations from smelters.
4. Total Precious Metals (TPM) equals palladium plus platinum plus gold.
5. Bulk densities range between 1.8 t/m³ and 3.23 t/m³.
6. Numbers may not add up due to rounding.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
8. The quantity and grade of reported Inferred Mineral Resources in this estimation are conceptual in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category.

The Qualified Person (QP) is not aware of any environmental, permitting, legal, title, taxation, socio- economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Conclusions

SLR's conclusions by area are summarized as follows.

Geology and Mineral Resources

- The geological setting of the deposit is well understood, informed through geological mapping, sampling, geophysical surveying, and regional exploration drilling. The LK Project in north-central Finland is hosted within the Paleoproterozoic, rift-related Koillismaa Layered Igneous Complex (Koillismaa Complex) of the regional Tornio-Näränkäväära intrusion belt (TNB) of north-central Finland consisting of the Näränkäväära Intrusion in the east and the Koillismaa Complex in the west. The Kaukua deposit is hosted within the northern part of the Koillismaa Complex and the Haukiaho deposit is situated 12 km south-southwest from Kaukua, also in the Koillismaa Complex.
- The main sulphide minerals are pyrrhotite, chalcopyrite, and pentlandite. The sulphide assemblage occurs as fine to medium grained dissemination, disseminated aggregations, and blebs. Haukiaho mineralization resembles Kaukua geologically and mineralogically and is likely to have the same origin, however, it is more sulphide Cu-Ni rich than Kaukua and includes local narrow massive sulphide veins.
- Mineral Resources at the LK Project conform to CIM (2014) definitions.
- As at April 25, 2022, Indicated Mineral Resources are estimated to total 38.2 Mt comprising 1,090 koz TPM (0.89 g/t), 111 million pounds (Mlb) copper (0.13%), 92 Mlb nickel (0.11%) and 5 Mlb cobalt (65 g/t). In addition, Inferred Mineral Resources are estimated to total 49.7 Mt comprising 1,080 koz TPM (0.68 g/t), 173 Mlb copper (0.16%), 152 Mlb nickel (0.14%) and 8 Mlb cobalt (74 g/t).
- The sample preparation, analysis, and security procedures at the LK Project are adequate, and the quality assurance/quality control (QA/QC) results are sufficient to support Mineral Resource estimation.
 - Nickel within the deposits is known to be distributed in both sulphides and mafic silicates and control samples have been found to perform variably in both historical and Palladium One QA/QC programs. Investigations into the proportion of Ni as sulphide versus silicates have been undertaken historically and continue to be refined by Palladium One.
 - While SLR tested the impact of analytical methods and laboratory performance and is of the opinion that the proportion of unrecoverable nickel is not material, there is an opportunity to add some additional value from the Ni concentrate by re-sampling the drill holes previously assayed using aqua regia with a more aggressive/effective digest method, e.g., four-acid digest, to more accurately determine the proportions of nickel silicate and nickel sulphide in the mineralization.
- The drill hole database is of good quality and suitable for use in a Mineral Resource estimate.

- The QP is not aware of any limitations on data verification and is of the opinion that database verification procedures for the LK Project are consistent with industry standards and are adequate for the purposes of Mineral Resource estimation.
- The QP has reviewed and adopted the estimates completed by David Thomas, P.Ge., on behalf of Palladium One, and is of the opinion that the estimates are suitable to support disclosure of Mineral Resources for the Project and for inclusion in future studies.
- The QP is of the opinion that the block modelling methodologies are consistent with industry standard practices, and that the selected block sizes are suitable for the style of mineralization and proposed mining method.
- The deposits remain open to additional exploration and further technical study, which are warranted.
- Despite higher metal prices and a lower relative cut-off, the conceptual pit for Haukiaho decreased in size due to zero recovery of Co and the use of smelter payables for each metal in a bulk concentrate.

Mineral Processing and Metallurgical Testing

- A significant metallurgical program using material from both the Kaukua and Kaukua South deposits was undertaken by SGS Canada Inc. in Lakefield, Ontario (SGS Lakefield) in 2021-2022, returning calculated bulk concentrate (copper + nickel concentrate) recoveries of 73.5% palladium, 56.1% platinum, 73.0% gold, 88.6% copper, 30.3% nickel, and 18.6% cobalt in locked cycle tests.
- Results largely confirmed earlier testing in 2011, with the exception of nickel which returned lower recoveries due to a higher percentage of silicate nickel in lower grade 2022 Lower Zone composite sample, 2.38 g/t PdEq (2011) versus 1.66 g/t PdEq (2022).
- Locked cycle testing confirmed the following:
 - Concentration by conventional flotation produces a saleable bulk concentrate with no deleterious elements, irrespective of lithology.
 - A clean, high value saleable copper concentrate can be produced.
 - A clean, high value saleable nickel-PGE concentrate can be produced.
 - Recovery rates from the Kaukua/Kaukua South mineralization are consistent and reproducible.
- Variability testing on the four lithologies that comprise the Lower Zone composite sample returned consistent results irrespective of lithology.
- Additional metallurgical testing including further locked cycle tests should be undertaken to refine the flowsheet on the Kaukua Area deposits. New test work, including variability testing, needs to be undertaken on the Haukiaho Zone for which historical work dates from 2001 and was conducted on a higher grade sample than the current resource estimate.

Information Concerning the LK Project

Property Description and Location

The LK Project is located in north-central Finland, approximately 40 km north of Palladium One's exploration office in the village of Taivalkoski. The property is 160 km by road east-southeast of the city of Rovaniemi and 190 km by

road northeast of the port city of Oulu. The central point of the LK Project is at longitude 28°07'42.00'' E, latitude 65°54'20.61'' N.

Land Tenure

The LK Project is 100% owned by Palladium One through its wholly owned Finnish subsidiary Nortec Minerals Oy.

The LK Project area is covered by nine Exploration Permits and six Exploration Permit Applications. The nine Exploration Permits cover a total aggregated area of 2,484 hectares (ha), with an additional 21,409 ha covered by the six Exploration Permit Applications.

Surface rights remain under governance of the property owner, and as such Exploration Reservations and Exploration Permits do not limit the extent of the property owner's rights to use the area.

Based on the Title Opinion provided by Kalliolaw Asianajotoimisto Oy (Kalliolaw Attorneys Ltd.) of Helsinki, Finland, all Exploration Permits are in good standing.

None of the LK Project permit areas are entirely located within nature conservation areas, however, the Exploration Permit for Salmivaara 2-11 and the Kostonjärvi Exploration Permit Application (KS Project) share approximately 2.3 km and 9.8 km of boundary with a Natura 2000 area, respectively.

Natura 2000 is a nature conservation program established according to Finnish national legislation and in accordance with a European Union directive.

As of the date of the AIF, April 13, 2023, the Exploration Permits cover 2,484 hectares, while the Exploration Permit Applications (including the KS Project Permit Application) cover 21,409 hectares. Table 1-2 below has been updated from the Technical Report.

Table 1-2 – Exploration Permits, Reservations and Exploration Permit applications

Permit ID	Name of Permit	Type	Date of Grant	Status	Expiry Date (either set out in the Reservation decision or calculated by the Mining Authority in its respective Mining Register extract)	Size of Area (in Hectares)
VA2020:0008 (ML2022:0006)	Haukiaho North	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation Expired on 23 February 2022. but same named Exploration Permit application has been submitted to the Mining Authority.	1,537
VA2019:0053 (ML2021:0062)	Haukiaho East	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 28 June 2021 but same named Exploration Permit application has been submitted to the Mining Authority.	478
VA2019:0052 (ML2021:0061)	Lipeävaara	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 28 June 2021 but same named Exploration Permit application have been submitted to the Mining Authority.	630
VA2019:0079 (ML2021:0114)	Kostonjärvi	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 20 October 2021 but same named Exploration Permit application has been submitted to the Mining Authority.	15,902

Permit ID	Name of Permit	Type	Date of Grant	Status	Expiry Date (either set out in the Reservation decision or calculated by the Mining Authority in its respective Mining Register extract)	Size of Area (in Hectares)
VA2020:0012 (ML2021:0015)	Kaukuanjärvi I	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 23 February 2021 but same named Exploration Permit application has been submitted to the Mining Authority.	165
VA2020:0012 (ML2021:0131)	Kaukuanjärvi II	Pending Application (Exploration Permit application, formerly a Reservation)	-	Pending Application	The Reservation expired on 23 February 2021 but same named Exploration Permit application has been submitted to the Mining Authority	2,697
ML2012:0198	Kaukua 1-3	Exploration Permit	7 November 2019	Pending renewal	This Exploration Permit expired on 9 December 2022 but a renewal has been submitted to the Mining Authority	229
ML2012:0199	Haukiaho 1-2	Exploration Permit	11 December 2019	Pending renewal	This Exploration Permit expired on 10 January 2023 but a renewal has been submitted to the Mining Authority.	185
ML2014:0012	Haukiaho 3-4	Exploration Permit	11 December 2019	Pending renewal	This Exploration Permit expired on 25 March 2023 but a renewal has been submitted to the Mining Authority.	187
ML2016:0021	Salmivaara 2-11	Exploration Permit	10 February 2020	Valid	11 March 2024	989
ML2017:0016	Haukiaho 11	Exploration Permit	11 December 2019	Pending renewal	This Exploration Permit expired on 10 January 2023 but a renewal has been submitted to the Mining Authority.	93
ML2017:0024	Kaukua East 1-2	Exploration Permit	11 December 2019	Pending renewal	This Exploration Permit expired on 10 January 2023 but a renewal has been submitted to the Mining Authority.	158
ML2017:0025	Kaukua North 1-2	Exploration Permit	7 November 2019	Pending renewal	This Exploration Permit expired on 20 February 2023 but a renewal has been submitted to the Mining Authority.	123
ML2017:0026	Kaukua West 1-2	Exploration Permit	19 February 2020	Pending renewal	This Exploration Permit expired on 23 March 2023 but a renewal has been submitted to the Mining Authority.	135
ML2017:0039	Kaukua 4 and 6-15	Exploration Permit	7 November 2019	Pending renewal	This Exploration Permit expired on 10 December 2022 but a renewal has been submitted to the Mining Authority.	385

Existing Infrastructure

The LK Project is an exploration stage project and therefore there is no existing mining related infrastructure.

All target areas are accessible by public and private roads, and the property is accessible year-round from airports in Oulu, Rovaniemi, and Kuusamo, which are approximately 190 km, 160 km, and 90 km by road from the property areas, respectively. There are regular flights to these airports from the Finnish capital, Helsinki.

Sources of power, water, and personnel are available locally and are sufficient for proposed exploration activities. Water is readily available from sources in proximity to the properties, however, permission must be obtained to use it. High voltage power lines cross the Haukiaho and Lipeävaara properties and run 4.5 km from the western side of the Kaukua mineralized body.

History

Copper and nickel mineralization was first documented by the Geological Survey of Finland (GTK) and Outokumpu Oy (Outokumpu) in the early 1960s when Outokumpu completed exploration by diamond drilling. PGE-focused exploration by GTK and Outokumpu started in the early 1980s, followed by detailed mapping, surface sampling, re-sampling of old drill core for PGE, and geophysical surveys. In 1990, Outokumpu carried out a trenching and sampling program.

In 1996, GTK initiated an extensive research and exploration programs over the entire Koillismaa Complex, including the current LK Project areas. Research and exploration by GTK and North Atlantic Natural Resources AB (NAN) in 1996 to 2002 resulted in the delineation of highly mineralized areas in the Marginal Series host. In two of the areas, Haukiaho and Kaukua, GTK carried out further exploration in 2004 and 2005 including diamond drilling.

In 2000, NAN conducted geophysical ground surveys on Palladium One's present Haukiaho, Murtolampi, and Kaukua areas, and completed diamond drilling in the Haukiaho area.

In 2002, Fugro Ltd flew a low-altitude aerial geophysical survey and detailed magnetic surveys were subsequently undertaken by GTK and NAN to determine continuity and offsets in mineralization. IP surveys outlined a consistent chargeable unit correlating with the mineralization intersected by the later drilling.

Between 2007 and 2009, Nortec Minerals Corp. carried out four separate exploration programs. Following acquisition of the Project from Nortec Minerals Corp. in 2011, Finore Mining Inc. (Finore) conducted diamond drilling in 2011 and 2012 across both the Haukiaho and Kaukua areas.

A total of 212 diamond drill holes for approximately 37.5 km have been completed historically across the property.

Geology and Mineralization

The Kaukua and Haukiaho deposits are hosted in the Paleoproterozoic rift related Koillismaa Complex, which forms the easternmost portion of the TNB and consists of two main sectors, the Näränkäväära Intrusion in the east and the Koillismaa Complex in the west. Several mineralization types typical of layered mafic intrusions can be found in the Koillismaa Intrusion. These include layered accumulations of PGE enriched base metal sulphides in the lowest parts of the intrusions (contact type PGE deposits), stratiform PGE, and vanadium enriched magnetite layer (reefs) higher in the cumulate sequences.

The Kaukua Block has an area of approximately eight square kilometres and is situated in the northern part of the Koillismaa Intrusion. The block is divided into three fault bounded zones, namely (i) the Kaukua Main Zone (the historic Kaukua deposit), (ii) the Gap Zone, and (iii) the Kaukua South Zone, the last one referring to the discovered southern extension of the mineralization. The stratigraphy consists of gabbroic and ultramafic rocks (referred to as the Marginal Series), overlain by thick gabbroic cumulates (the Layered Series). The Kaukua deposit is mainly hosted within the Marginal Series following the intrusion- basement contact, but locally extending tens of metres into the Archean granitoid footwall.

The Haukiaho property is situated 12 km south-southwest of Kaukua and is hosted by the Kuusijärvi intrusive block, which itself is part of the Koillismaa Intrusion. The igneous stratigraphy of Haukiaho is similar to that of Kaukua, although the repetition of pyroxenite and peridotite is less common. The stratigraphic units correspond to the metamorphic alteration of primary igneous minerals. The Haukiaho mineralization resembles Kaukua geologically and mineralogically and is likely to have the same origin. The Haukiaho mineralization is hosted mainly by gabbroic cumulate lithologies and is more Cu-Ni rich than Kaukua. It is steeply dipping to the north-northeast and is generally 15 m to 40 m thick. The mineralization is disseminated, with a few narrow massive sulphide veins.

Four principal types of PGE-base metal mineralization have been identified within the Kaukua block:

1. Hanging wall type mineralization (reef type, in the Main Zone).

2. Marginal Series type mineralization (contact type, termed Lower Zone).
3. Mixed basement type mineralization (contact type, Lower Zone).
4. Reef type mineralization (termed Upper Zone).

The Main Zone mineralization dips at 30° to 40° to the south. The northern edge is slightly steeper dipping while the slope becomes more gentle at depth. In the Gap Zone, the deposit dips at 30° to the southwest and in the South Zone at 55° to 60° to the south. The thickness of the contact type mineralization ranges from several tens of metres in the Gap Zone to 40 m to 80 m in the Main and Kaukua blocks. The Marginal Series, and the contact mineralization within it, thins eastwards of the South Block.

The main sulphide minerals are pyrrhotite, chalcopyrite, and pentlandite. The sulphide assemblage occurs as fine to medium grained dissemination, disseminated aggregations, and blebs. Accessory sulphides include pyrite, sphalerite, galena, and molybdenite.

Palladium One's Kostonjarvi Exploration Permit Application area (KS Project) covers a large, buried gravity and magnetic anomaly, interpreted to represent a buried feeder dike to the Koillismaa Complex which hosts the palladium dominant, PGE-Ni-Cu LK Project. While the LK and KS projects are contiguous, the targets are very different. The KS Project target is an assumed high grade massive sulphide, but remains untested at the time of writing.

Exploration Status

Following acquisition of the Project in February 2018, Palladium One completed reconnaissance prospecting of the Haukiaho and Murtolampi deposit areas including outcrop sampling, followed up with a two-phase diamond drilling program, from February to September 2020 and from November 2020 to September 2021. Overall, Palladium One has drilled 137 drill holes for 28.8 km of diamond core, including 2.5 km from 15 drill holes at Haukiaho.

Geophysical work completed by Palladium One included 143.3 line-km of three dimensional (3D) IP and 385 line-km of drone-based magnetic surveys completed in January 2020 and used to inform the 2020- 2021 drilling program. A second 3D IP survey was conducted in spring 2021.

In addition, Palladium One collected 334 bedrock and boulder samples of which 169 were assayed.

Mineral Processing and Metallurgical Testing

The 2022 conceptual process flowsheet developed by SGS Canada includes the key unit operations of crushing, grinding, and flotation to produce separate copper and nickel concentrates. Recent flotation test results for Kaukua demonstrated that copper-nickel separation is achievable and consistent with the 2011 test work. The 2022 test work produced high value concentrates with high sulphur and iron contents with low level of deleterious elements. Additional test work will help refine the flowsheet moving forward. New testing should be carried out on Haukiaho as historic test work was limited in scope and undertaken on a higher grade sample than the current resource estimate.

The results of the 2022 locked cycle tests and concentrate grades are provided in Table 1-3 and Table 1-4.

Table 1-3: Locked Cycle Tests - Metallurgical Projection (Cycles D-F) Palladium One Mining Inc. – Läntinen Koillismaa Project

Product	Weight %	Assays, %, g/t							% Distribution						
		Cu	Ni	Co	Au	Pt	Pd	Mg O	Cu	Ni	Co	Au	Pt	Pd	Mg O
Cu															
Cleaner Conc	0.35	30.0	1.43	0.1	11.2	13.1	38.3	0.6	67.9	3.4	2.0	45.2	18.8	21.0	0.0
Ni 3rd															

Product	Weight %	Assays, %, g/t							% Distribution						
		Cu	Ni	Co	Au	Pt	Pd	Mg O	Cu	Ni	Co	Au	Pt	Pd	Mg O
Cleaner Conc.	0.82	3.90	4.85	0.2	2.93	11.0	40.8	5.84	20.7	27.0	16.6	27.8	37.3	52.5	0.3
Calculated Bulk Conc.	1.17	11.70	3.83	0.2	5.40	11.60	40.06	4.27	88.6	30.4	18.6	73.0	56.1	73.5	0.3
Ni Rougher Tails	98.8	0.02	0.1	0.0	0.02	0.11	0.17	14.43	11.4	69.7	81.5	27.0	43.9	26.5	99.7
Head (calc.)	100.0	0.15	0.15	0.0	0.09	0.24	0.63	14.3	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Table 1-4: Concentrate Grades Palladium One Mining Inc. – Läntinen Koillismaa Project

	Unit of Measure	Bulk Concentrate Grade (1)	Copper Concentrate Grade (2)	Nickel Concentrate Grade (3)	Bulk Concentrate Value (1)	Copper Concentrate Value (2)	Nickel Concentrate Value (3)
Palladium	g/t	40.1	38.3	40.8	45%	33%	53%
Platinum	g/t	11.6	13.1	11	9%	7%	9%
Gold	g/t	5.4	11.2	2.9	6%	10%	4%
Copper	%	11.7	30	3.9	23%	44%	9%
Nickel	%	3.83	1.43	4.85	15%	4%	22%
Cobalt	g/t	0.2	0.1	0.2	2%	1%	3%
Rhodium (4)	g/t	1.5	1.0	1.7	---	---	---
\$ Value (5)					\$4,819	\$6,338	\$4,173

Notes:

1. Represents aggregate concentrate produced.
2. Represents preferential copper segregation from the Bulk Concentrate.
3. Represents the remaining Bulk concentrate less the Copper Concentrate extracted.
4. Rhodium was not consistently analyzed for; these values represent select analysis of nickel and copper concentrates.
5. PdEq and Concentrate Value is calculated using metal price only for information purposes, it **does not include Rhodium** and is calculated using the current resource price deck of US\$1,700/oz Pd, US\$1,100/oz Pt, US\$1,800/oz Au, US\$4.25/lb Cu, US\$8.50/lb Ni, and US\$25/lb Co.

Mineral Resources

The LK Project Mineral Resource estimate was completed by David Thomas, P.Geo., on behalf of Palladium One. The SLR QP has reviewed and adopted the estimates and is of the opinion that it is suitable to support disclosure of Mineral Resources for the Project. The Mineral Resource estimate is summarized in Table 1-1.

The Mineral Resource estimation comprises block models for three areas, Kaukua, Murtolampi (part of the Greater Kaukua Area), and Haukiaho.

The wireframes were completed in Leapfrog Geo. The block sizes for the model, measuring 6.0 m in all directions for Kaukua and Murtolampi, and 10 m in all directions for Haukiaho, were selected based on the style of mineralization and envisaging a bulk open pit mining scenario. Grades were capped prior to compositing and interpolated into blocks using ordinary kriging (OK). Grades estimates were validated using a number of validation techniques including visual validation, global bias checks, and swath plots. CIM (2014) definitions were used for Mineral Resource classification. Mineral Resources were constrained within a preliminary open pit using an NSR cut-off value of US\$12.5/t calculated based on metallurgical recoveries and contract terms for Cu and Ni concentrates.

The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

DESCRIPTION OF CAPITAL STRUCTURE

As at the date of this AIF, the following common shares, options, and share purchase warrants were outstanding:

	Number of Shares	Exercise Price	Expiry Date/Term
Issued and outstanding common shares	312,100,807		
Share purchase warrants	900,000	\$0.29	12-16-23
Share purchase warrants	10,500,000	0.20	12-23-25
Share purchase warrants	2,500,167	0.20	12-23-24
Share purchase warrants ⁽¹⁾	1,260,000	0.14	12-23-24
Stock options	1,875,000	0.08	06-07-24
Stock options	925,000	0.08	09-30-24
Stock options	4,100,000	0.15	12-29-24
Stock options	700,000	0.29	03-15-26
Stock options	4,075,000	0.22	11-15-26
Restricted share units	1,120,690	n/a	03-15-24
Restricted share units	1,022,900	n/a	11-15-24
Fully diluted	341,079,564		

(1) Broker warrants which entitle the holder to acquire one common share and one-half of one common share purchase warrant with an exercise price of \$0.20 and expiry of December 23, 2025.

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without par value of which 312,100,807 were outstanding as of the date of this AIF and 38,703,051 Common Shares are reserved for issuance pursuant to the MTC Transaction. The holders of Common Shares are entitled to one vote for each Common Share on all matters to be voted on by the shareholders. Each Share is equal to every other Common Share and all Common Shares participate equally on liquidation, dissolution or winding up of our Corporation, whether voluntary or involuntary, or any other distribution of our assets among our shareholders for the purpose of winding up our affairs after the Corporation has paid out its liabilities. The shareholders are entitled to receive pro rata such dividends as may be declared by the board of directors out of funds legally available for such purpose and to receive pro rata the remaining property of the Corporation upon dissolution. No Common Shares have been issued subject to call or assessment.

Pursuant to the Investor Rights Agreement entered into by the Corporation and Glencore in connection with the Glencore Investment, Glencore holds certain equity-related rights, including a participation right to maintain its pro rata equity position in the Corporation, certain other anti-dilution protections and nomination rights in respect of the Corporation's technical committee. See "*General Development of the Business – Three Year History – Subsequent Events*".

RSUs

The Corporation has established a Restricted Share Unit ("**RSU**") Plan that provides for the issuance of RSUs enabling the directors to grant RSUs to employees, officers, directors, and consultants of the Corporation. From time to time, shares may be reserved by the Board, in its discretion, for Stock Options and/or RSUs provided that the total number of shares reserved for issuance by the Board shall not exceed 23,300,000. RSUs are non-assignable and may be granted for a term not exceeding three years. As of the date of this AIF, there are 2,143,590 Common Shares reserved for issuance pursuant to RSUs granted by the Corporation.

Stock Options

The Corporation has established a Stock Option Plan that provides for the issuance of stock options (the "Options") enabling the directors to grant Options to employees, officers, directors, and consultants of the Corporation. From time to time, shares may be reserved by the Board, in its discretion, for Options and/or RSUs provided that the total number of shares reserved for issuance by the Board shall not exceed 23,300,000. Options are non-assignable and may be granted for a term not exceeding that permitted by the Exchange, currently ten years. Options issued are subject to vesting terms determined by the Board of Directors. As of the date of this AIF, there are 11,675,000 Common Shares reserved for issuance pursuant to Options granted by the Corporation.

Warrants

As of the date of this AIF, there are 15,160,167 Common Shares reserved for issuance pursuant to common share purchase warrants of the Corporation.

DIVIDENDS AND DISTRIBUTIONS

The Corporation has not declared any cash dividends or distributions since the Corporation's formation and currently intends to retain future earnings, if any, to finance further business development. The payment of any cash dividend or distributions to shareholders of the Corporation in the future will be at the discretion of the directors of the Corporation and will depend on, among other things, the financial condition, capital requirements and earnings of the Corporation, and any other factors that the directors may consider relevant. The BCBCA provides that a company may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would be after the payment of the dividend, unable to pay its liabilities as they become due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

TRADING PRICE AND VOLUME OF SECURITIES

From January 1, 2022 to December 31, 2022, the Common Shares traded on the TSX-V under the symbol "PDM". The following table sets forth the price range and volume of trading of the Common Shares on the TSX for each month during that period.

2022	High (\$)	Low (\$)	Volume (Number of Shares)
January	0.255	0.180	8,456,615
February	0.245	0.190	4,271,296
March	0.315	0.215	16,563,525
April	0.260	0.190	6,470,312
May	0.210	0.160	4,169,788
June	0.175	0.105	6,168,764
July	0.165	0.105	2,182,651
August	0.160	0.120	2,676,500
September	0.170	0.110	4,212,017
October	0.150	0.125	1,921,940
November	0.150	0.120	2,912,235
December	0.125	0.105	6,183,152

PRIOR SALES OF UNLISTED SECURITIES

The Corporation granted the following securities which are not listed on a marketplace during the year ended December 31, 2022:

Security	Date of Grant	Exercise Price per Share	Number of Shares Under Warrants
Warrants	December 23, 2022	0.20	10,500,000
Warrants	December 23, 2022	0.20	2,500,167
Warrants ⁽¹⁾	December 23, 2022	0.14	1,260,000
		TOTAL	14,260,167

(1) 1,260,000 broker warrants which entitles the holder to acquire one common share and one-half of one common share purchase warrant with an exercise price of \$0.20.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, there were no escrowed securities or securities subject to contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets forth, for each of the directors and executive officers of the Corporation as of the date hereof, the person's name, province and country of residence, position and office held with the Corporation, principal occupation during the last five years and, if a director, the period or periods during which the person has served as a director of the Corporation. Each of the directors of the Corporation has been appointed to serve until the next annual meeting of the shareholders of the Corporation.

Name and Residence	Position	Principal Occupation During Last Five Years	Date First Became a Director
Derrick Weyrauch ⁽²⁾⁽³⁾ <i>Ontario, Canada</i>	President, Chief Executive Officer and Director	President and CEO of the Corporation since March 2019, CFO Cardinal Resources Ltd from July 2017 to November 2018, CEO of Magna Mining Corp from Dec 2016 to July 2018, and a director of Banro Corporation from December 2013 to May 2018. Mr. Weyrauch also currently serves as Chief Financial Officer and director of Magna Mining Corp.	March 28, 2019
Peter C. Lightfoot ⁽¹⁾⁽²⁾ <i>Ontario, Canada</i>	Director	Independent consultant to the global minerals industry and founder and owner of Lightfoot Geoscience Inc, a consulting company providing services to companies exploring for magmatic nickel-cobalt-copper and precious metal ore deposits since 2016. Adjunct Professor at the University of Western Ontario since 2017.	September 10, 2019

Name and Residence	Position	Principal Occupation During Last Five Years	Date First Became a Director
Lawrence Roulston ⁽¹⁾⁽²⁾⁽³⁾ <i>British Columbia, Canada</i>	Director	President and CEO of MTB Metals Corp. since 2019; Managing Director of WestBay Capital Advisors since 2016; President of Quintana Resources Capital, from 2014-2016.	March 28, 2019
Giovanna Bee Moscoso ⁽¹⁾⁽³⁾ <i>Utah, USA</i>	Director	Chief Legal Officer for Boart Longyear Group since February 2022; Director of Calipuy Resources Inc. from August 2021 until June 2022; Mining consultant from 2019 - 2022; Progressive in-house counsel responsibilities over 25 years for Barrick Gold Corporation, including Vice President and Assistant General Counsel previous to April 2019.	April 2, 2021
Neil Pettigrew <i>Ontario, Canada</i>	Vice President of Exploration and Director	Director and Vice President of Exploration of the Corporation since September 2019; Founding partner of Fladgate Exploration Consulting Corporation since 2007	September 5, 2019
Sara Hills <i>British Columbia, Canada</i>	CFO	CFO and Corporate Secretary for the Corporation since October 2021; CFO and Corporate Secretary for Nortec Minerals Corp. since June 2022; Finance consultant since 2020; self-employed managing and investing in residential real-estate since 2015; Financial Controller at KGHM International 2010-2015	N/A

Notes:

- (1) Member of the audit committee of the board (the "**Audit Committee**").
- (2) Member of the compensation committee of the board (the "**Compensation Committee**")
- (3) Member of the Environmental, Social and Governance committee of the board (the "**ESG Committee**")

As of April 13, 2023 the directors and officers of the Corporation as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 2,532,835 Common Shares, representing approximately 0.81% of the then outstanding Common Shares.

Director and Management Biographies

The following are brief biographies of the executive officers and directors of Palladium One:

Derrick Weyrauch – President/CEO and Director

Derrick Weyrauch, CPA CA is an experienced mining executive and corporate director. Mr. Weyrauch's background includes finance, risk management, corporate restructuring and turnarounds, coupled with M&A strategy development, execution and post transaction integration. He is the co-founder of Magna Mining Corp. and is a former

corporate director of a number of companies including Eco Oro Minerals Corp., Jaguar Mining Inc. and Banro Corp. and is a former CFO of Jaguar Mining Inc. and Andina Minerals Inc. Currently he is a non-executive director and at Cabral Gold Inc. Mr. Weyrauch obtained his CPA CA designation with KPMG LLP and is a member of CPA Canada and the Institute of Corporate Directors. He holds an Honours B.A. in Economics from York University.

Lawrence Roulston – Independent Director

Lawrence Roulston is a mining professional with over 35 years of diverse hands-on experience. He heads WestBay Capital Advisors, providing business advisory and capital markets expertise to the junior and mid-tier sectors of the mining industry. From 2014 to 2016, he was President of Quintana Resources Capital, which provided resource advisory services for US private investors. Before Quintana, he was a mining analyst and consultant, as well as the editor of "Resource Opportunities", an independent investment publication focused on the mining industry. Prior to this, Lawrence was an analyst or executive with various companies in the resources industry, both majors and juniors. He has graduate-level training in business and holds a B.Sc. in geology and is presently a director of Metalla Royalty and Streaming Ltd, MTB Metals Corp., Thunderstruck Resources Ltd and Enduro Metals Corp.

Neil Pettigrew – VP, Exploration and Director

Neil Pettigrew M.Sc., P.Geo. is geologist with over 20 years of experience in the mineral exploration industry. Neil is a founding partner of Fladgate Exploration Consulting Corporation and has been employed as a Senior Precambrian Geoscientist with the Ontario Geological Survey. He has worked for several junior and major companies in gold and Cu-Ni-PGE exploration. He has held officer and director positions at several TSX and TSX-V listed junior companies and is presently also a director of Elment79 Gold Corp. He received his B.Sc. (hons.) from the University of New Brunswick in 1999 and his M.Sc. from the University of Ottawa in 2004.

Giovanna Bee Moscoso – Independent Director

Ms. Bee Moscoso is an experienced mining executive with over 30 years of experience, including progressive responsibilities over 25 years at Barrick Gold Corporation, where previously she was a partner, Vice President and Assistant General Counsel. Giovanna has managed legal, regulatory, permitting and contractual matters for various mines in the Americas during exploration, development, operations and mine closures, and held responsibilities for coordinating government and public relations, and developing social outreach programs to foster positive relations with stakeholders, including long-term agreements with indigenous communities and private landowners. Her background also includes providing legal and governance oversight to major mining operations. Ms. Bee Moscoso graduated *summa cum laude* with the highest GPA of the Law School at the University of Lima, Peru (1992) and obtained her Masters in Law degree at Duke University, U.S.A. (2007). She has been a speaker at various international conferences, sharing her experiences in the resource sector.

Peter Lightfoot – Independent Director

Dr. Peter C. Lightfoot, P.Geo. has over 30 years of experience in the nickel industry, including 20 years with Inco/Vale, and is an expert on magmatic nickel-cobalt-copper and precious metal ore deposits. Currently, Dr. Lightfoot is a consultant to the global mining industry. In 2016, Peter published the first comprehensive textbook on the Ni-Cu-precious metal ore deposits of the Sudbury Igneous Complex. Also in 2016, he compiled and edited a special volume on gold deposits of China, published in *Ore Geology Reviews*. In 2017, Dr. Lightfoot was appointed as the Hutchinson Visiting Industry Professor at the University of Western Ontario. Peter received his B.A. in Earth Sciences from Oxford in 1980, his M.Sc. degree from the University of Toronto in 1982 and his Ph.D from the Open University (U.K.) in 1985. He completed post-doctoral studies at the University of Toronto and undertook extensive research on the geology and geochemistry of the Noril'sk ore deposits during his tenure as an Adjunct Professor.

Sara Hills – CFO/Corporate Secretary

Ms. Hills is a CPA, CA with over 18 years of experience in accounting and finance and has achieved increasingly senior roles in public mining companies including with KGHM International and Teck Resources. At KGHM International she led the accounting and financial reporting functions for Quadra Mining and Quadra FNX as well as

the international reporting for KGHM International. At Teck Resources she worked closely with the exploration group, leading their accounting, reporting and budgeting functions. She started her career in public practice and holds a BBA.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

Except as disclosed herein, to the knowledge of the Corporation:

- (a) none of the directors or executive officers of the Corporation is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any corporation that was subject to a cease trade order, an order similar to cease trade order or an order that denied such corporation access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity;
- (b) none of the directors or executive officers of the Corporation, is, or was within the ten years prior to the date hereof, a director or executive officer of any corporation that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) none of the directors or executive officers of the Corporation has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; and
- (d) none of the directors or executive officers of the Corporation has been subject to any penalties or sanctions imposed by, or entered into a settlement agreement before, a court or regulatory body, including any securities regulatory authority.

Derrick Weyrauch was elected to the board of directors of Jaguar Mining Inc. ("**Jaguar**") in June 2013. As part of a corporate turnaround and restructuring process, Jaguar declared insolvency and commenced a voluntary proceeding under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") on December 23, 2013 in the Ontario Superior Court of Justice. This proceeding was commenced to implement a debt restructuring and financing transaction (the "**Jaguar CCAA Plan**") that was negotiated prior to the commencement of the CCAA proceeding. On April 22, 2014, Jaguar implemented the Jaguar CCAA Plan and emerged from court protection under the CCAA. On May 2, 2014, the shares of Jaguar began trading on the TSX-V. Following the voluntary proceeding under the CCAA, the Toronto Stock Exchange advised that it is reviewing the common shares of Jaguar with respect to meeting the requirements for continued listing pursuant to the Expedited Review Process. The common shares were subsequently suspended from trading on the Toronto Stock Exchange. In 2013, NYSE Regulations, Inc. ("**NYSE Regulation**") reached a decision to delist Jaguar's common shares in view of the fact that Jaguar's common shares had fallen below the New York Stock Exchange's (the "**NYSE**") continued listing standard for an average closing price of less than USD\$1.00 over a consecutive 30 trading day period. As a result, on June 3, 2013, NYSE Regulation commenced proceedings to delist the common shares of Jaguar from the NYSE and trading of Jaguar's common shares was suspended prior to the opening on June 7, 2013.

Additionally, Derrick Weyrauch was a director of Banro Corporation ("**Banro**"). On November 20, 2017, Banro became subject to a general cease trade order issued by the Ontario Securities Commission for failure to file its interim financial statements and management's discussion and analysis for the period ended September 30, 2017, and the certifications of such filings as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. The filings were not made due to significant uncertainty concerning Banro's ability to continue its operations. As part of a corporate turnaround and restructuring process, Banro declared insolvency and commenced a voluntary proceeding under the CCAA on December 22, 2017 in the Ontario Superior Court of Justice. This proceeding was commenced to implement a debt restructuring and sale and investment solicitation process (the

"**Banro CCAA Plan**"). On May 3, 2018 Banro implemented the Banro CCAA Plan and emerged from court protection under the CCAA.

Mr. Roulston became a director of KBL Mining Ltd. ("**KBL**") in March 2015, a company listed on the Australian Stock Exchange at the time, as a result of being the director nominee of Quintana Resources Capital ULC (an investor in KBL by way of a streaming transaction which was secured by KBL's Mineral Hill mine). On September 7, 2016, Mr. Roulston resigned his position as director and on September 8, 2016, KBL was placed into voluntary administration and on September 19, 2016, receivers were appointed and the company is now in liquidation.

Conflicts of Interest

The directors of the Corporation are required by law to act honestly and in good faith with a view to the best interest of the Corporation and to disclose any interests which they may have in any project or opportunity of the Corporation. However, the Corporation's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Corporation, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Corporation may participate or enter into contracts with the Corporation, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Corporation, such conflict of interest must be declared and the declaring parties must abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Corporation's constating documents, a transaction would not be void or voidable because it was made between the Corporation and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Corporation will participate in any such project or opportunity.

To the knowledge of the Corporation, other than as set forth in this AIF, there are no known existing or potential conflicts of interest among the Corporation, its directors, its officers or other members of management of the Corporation as a result of their outside business interests.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

AUDIT COMMITTEE DISCLOSURE

Composition of the Audit Committee

The Audit Committee consists of three directors, being Lawrence Roulston (chair), Giovanna Bee Moscoso and Peter Lightfoot. The directors of the Corporation have determined that each member of the Audit Committee is "financially literate" for the purpose of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators ("**NI 52-110**"). Each member of the Audit Committee is "independent" from the Corporation. Further, each member of the Audit Committee has the ability to perform his responsibilities as an Audit Committee member based on his education and/or experience as summarized below.

In addition to each member's general business experience, each of the Audit Committee members has the ability to read and understand financial statements and has held director and/or officer positions with other reporting issuers in the mineral exploration and mining sector where he has been actively involved in financing and fundraising activities. See "*Directors and Officers – Name, Occupation and Security Holding*" above.

Audit Committee Charter

The responsibilities and duties of the members of the Audit Committee are set out in the Audit Committee's charter, the text of which is set forth in Schedule "A" hereto.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption set out in section 2.4 (De Minimis Non-audit Services) of NI 52-110 or any exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the directors of the Corporation.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies or procedures for the engagement of the Corporation's auditor to perform non-audit services, as described further in the Audit Committee's charter, a text of which is attached as Schedule "A" hereto.

External Auditor Service Fees (By Category)

The aggregate fees billed by the external auditor of the Corporation, Davidson & Corporation LLP, during the two most recently completed financial years of the Corporation are as follows:

Financial Year	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2020	\$37,450	\$5,061	\$nil	\$nil
2021	\$42,500	\$nil	\$nil	\$15,183
2022	\$42,500 ⁽⁵⁾	\$7,500	\$nil	\$nil

Notes:

- (1) "Audit Fees" refers to the aggregate fees billed for audit services.
- (2) "Audit-Related Fees" refers to the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".
- (3) "Tax Fees" refers to the aggregate fees billed for professional services for tax compliance, tax advice and tax planning.
- (4) "All Other Fees" refers to the aggregate fees billed for products and services, other than the services comprising the fees disclosed under "Audit Fees", "Audit-Related Fees" or "Tax Fees".
- (5) Estimated for 2022.

RISK FACTORS

An investment in the securities of the Corporation is subject to various risks and uncertainties, including those set out below, under the heading "Cautionary Note Regarding Forward-Looking Information" and elsewhere in this AIF. Such risks and uncertainties should be carefully considered before making any investment decision. Additional risks and uncertainties not presently known to the Corporation or that the Corporation currently deems immaterial may also impair the Corporation's business operations. If any of the possibilities described in such risks actually occurs, the business, financial condition and operating results of the Corporation could be materially adversely harmed.

Risks Related to the Corporation's Securities

The Common Shares may be subject to significant price and volume fluctuations.

The Common Shares are listed on the TSX-V. Securities of small cap companies, particularly mineral exploration and development companies, have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in gold, silver, nickel, copper, or other mineral prices. Other factors unrelated to Corporation performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Corporation's business may be limited if investment banks with research capabilities do not follow the Corporation; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Corporation's public float may limit the ability of some institutions to invest in the Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares to be delisted from the TSX-V, or any exchange the Common Shares are trading on, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Corporation's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

The Corporation may need to sell additional Common Shares to finance its operations and such future sales may dilute shareholders' equity position in the Corporation.

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Corporation may sell additional equity securities in subsequent offerings and may issue additional equity securities to finance operations, development, exploration, acquisitions or other projects. The Corporation cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in earnings per share.

The trading market for the Common Shares could be influenced by research and reports that industry and/or securities analysts may publish about the Corporation, its business, the market or its competitors.

The Corporation does not have any control over these research analysts and cannot assure that such analysts will cover the Corporation or provide favourable coverage. If any of the analysts who may cover the Corporation's business change their recommendation regarding the Corporation's stock adversely, or provide more favourable relative recommendations about its competitors, the stock price would likely decline. If any analysts who may cover the Corporation's business were to cease coverage or fail to regularly publish reports on the Corporation, it could lose visibility in the financial markets, which in turn could cause the stock price or trading volume to decline.

The Corporation has never paid, and does not currently anticipate paying, dividends.

The Corporation has paid no dividends on the Common Shares since incorporation and does not anticipate paying dividends in the immediate future. The payment of future dividends, if any, will be reviewed periodically by the board of directors of the Corporation (the "Board") and will depend upon, among other things, conditions then existing including earnings, financial conditions, cash on hand, financial requirements to fund its commercial activities, development and growth, and other factors that the Board may consider appropriate in the circumstances.

The Investor Rights Agreement contains provisions that could transaction proposals, which may adversely affect the market price of the Common Shares.

Subject to minimum share ownership, the Investor Rights Agreement provides Glencore with nomination rights in respect of the Corporation's technical committee and certain participation rights for future equity offerings by the Corporation, which may make it more difficult and expensive for the Corporation to raise additional capital in the future and may result in further dilution to current shareholders.

This control could have the effect of delaying or preventing a change of control of the Corporation or changes in management and will make the approval of certain transactions impractical without the support of Glencore.

The Corporation's outstanding common share purchase warrants are not listed on any exchange and the Corporation does not intend to list the warrants on any exchange.

Holders of the Corporation's common share purchase warrants may be unable to sell the warrants at the prices desired or at all. There is no existing trading market for the warrants and there can be no assurance that a liquid market will develop or be maintained for the warrants, or that an investor will be able to sell any of the warrants at a particular time (if at all). The liquidity of the trading market in the warrants and the sale price, if any, for the warrants, may be adversely affected by, among other things:

- changes in the overall market for the warrants;
- changes in the Corporation's financial performance or prospects;
- changes or perceived changes in the Corporation's creditworthiness;
- the prospects for companies in the industry generally;
- the number of holders of the warrants; and
- the interest of securities dealers in making a market for the warrants.

U.S. and foreign investors may find it difficult to enforce U.S. or foreign judgments against the Corporation.

The Corporation is incorporated under the laws of British Columbia, Canada and the majority of the Corporation's directors and officers are not residents of the United States or foreign countries. Because all or a substantial portion of the Corporation's assets are abroad and the assets of certain directors are located in Canada, it may be difficult for U.S. or foreign investors to effect service of process within their jurisdiction upon the Corporation or upon such persons who are not residents of the United States or the foreign jurisdiction, or to realize in the United States or foreign jurisdictions upon judgments of U.S. or foreign courts predicated upon civil liabilities under U.S. or foreign securities laws. A judgment of a U.S. or foreign court predicated solely upon such civil liabilities may be enforceable in Canada by a Canadian court if the U.S. or foreign court in which the judgment was obtained had jurisdiction, as determined by the Canadian court, in the matter. There is substantial doubt whether an original action could be brought successfully in Canada against any of such persons or the Corporation predicated solely upon such civil liabilities.

The Corporation has no history of earnings.

As at December 31, 2022, the Corporation had working capital of \$8,953,624 and cash of \$11,388,062. In addition, the Corporation had an operating loss of \$8,009,886 during the year ended December 31, 2022. The Corporation is an exploration stage company with no history of profitability. There can be no assurance that the operations of the Corporation will be profitable in the future. The Corporation may require additional financing to further explore, develop, acquire, and achieve commercial production on its property interests and, if financing is unavailable for any reason, the Company may become unable to acquire and retain its property interests and carry out its business plan.

There is no guarantee of a positive return on investment on any of the Corporation's securities.

There is no guarantee that an investment in the securities of the Corporation will earn any positive return in the short-term or long-term. The mineral exploration and development business is subject to numerous inherent risks and uncertainties, and any investment in the securities of the Corporation should be considered a speculative investment. Past successful performance provides no assurance of any future success. The purchase of securities of the Corporation involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. An investment in the securities of the Corporation is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment.

Risks Related to the Corporation's Operations

The estimation of mineral resources may be imprecise and depends upon subjective factors. Estimated mineral resources may not be realized in actual production. The Corporation's results of operations and financial position may be adversely affected by inaccurate estimates.

The Mineral Resource estimates on the LK Project are estimates only. No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified Mineral Resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated Mineral Resources on the LK Project should not be interpreted as assurances of commercial viability or of the profitability of any future operations. Moreover, most of the Mineral Resources are reported at an "inferred" level. Inferred Mineral Resources have a substantial degree of uncertainty as to their existence, and economic and legal feasibility. Accordingly, there is no assurance that Inferred Mineral Resources reported herein will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.

Mining operations are inherently dangerous and various factors could result in a prolonged interruption of the Corporation's operations and negatively impact its business and financial condition.

Mining operations are inherently dangerous and generally involve a high degree of risk. The Corporation's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of gold and silver, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, pit wall failure, mining voids and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, personal injury or loss of life, damage to property and environmental damage, all of which may result in possible legal liability. Although the Corporation expects that adequate precautions to minimize risk will be taken, mining operations are subject to hazards such as fire, rock falls, geomechanical issues, equipment failure, failure of retaining dams around tailings disposal areas and instability of historical tailings, which may result in environmental pollution and consequent liability. The occurrence of any of these events could result in a prolonged interruption of the Corporation's operations that would have a material adverse effect on its business, financial condition, results of operations and prospects.

The Corporation is a junior resource company focused primarily on the acquisition, exploration, and development of mineral properties. Few properties that are explored are ultimately developed into producing mines, and the exploration and development of mineral deposits involves a high degree of financial risk over a significant period that even a combination of management's careful evaluation, experience and knowledge may not eliminate.

The Corporation's current and proposed exploration programs may not result in profitable commercial mining operations and, due to factors beyond its control, may result in the Corporation not receiving an adequate return on invested capital. Development of any of the Corporation's mineral projects will only follow upon, among other things, obtaining satisfactory exploration results and the completion of feasibility or other economic studies. The exploration and development of mineral deposits involve significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on exploration properties in which the Corporation has an interest will result in a profitable commercial mining operation.

Fluctuating commodity prices may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

Historically, gold, silver, nickel, copper, and other mineral prices have fluctuated widely and are affected by numerous external factors beyond the Corporation's control, including industrial and retail demand, central bank lending, sales and purchases of minerals, forward sales of minerals by producers and speculators, production and cost levels in major

producing regions, short-term changes in supply and demand because of speculative hedging activities, confidence in the global monetary system, expectations of the future rate of inflation, the strength of the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates, terrorism and war (including, but not limited to, the current conflict in Ukraine), the spread of communicable diseases (including, but not limited to, the COVID-19 outbreak) and other global or regional political or economic events. Resource prices have fluctuated widely and are sometimes subject to rapid short-term changes because of speculative activities. The exact effect of these factors cannot be accurately predicted, but any one of, or any combination of, these factors may result in the Corporation not receiving an adequate return on invested capital and a loss of all or part of an investment in securities of the Corporation may result.

The Corporation's activities are subject to extensive governmental regulation. The costs and delays associated with obtaining necessary licences and permits from governmental bodies could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project, which in turn could have a material adverse effect on its business.

The Corporation's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. The operations of the Corporation will require permits from various governmental authorities, and such operations will be governed by laws and regulations governing exploration, development, production, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety and other matters. Companies engaged in the exploration and development of mineral properties generally experience increased costs and delays in exploration and development and other schedules as a result of the need to comply with applicable laws, regulations and permits. The costs and delays associated with obtaining necessary licences and permits and complying with these licences and permits and applicable laws and regulations could stop or materially delay or restrict the Corporation from proceeding with the development of an exploration project. Any failure to comply with applicable laws and regulations or licences and permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities. The Corporation may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

There can be no assurance that all permits which the Corporation may require for the conduct of exploration and development operations will be obtainable on reasonable terms or at all, or that applicable laws and regulations, either now or in the future will not have an adverse effect on any exploration or development project which the Corporation might undertake.

There may be undisclosed risks and liabilities relating to the Corporation's acquisitions.

While the Corporation conducted substantial due diligence of the acquisitions of its various projects and the proposed MTC Transaction, there are risks inherent in any acquisition. Specifically, there could be unknown or undisclosed risks or liabilities relating to these projects for which the Corporation is not indemnified pursuant to the provisions of the Arrangement Agreement. Any such unknown or undisclosed risks or liabilities could have a material adverse effect on its business, results of operations and financial position. The Corporation could encounter additional transaction and integration related costs or other factors, such as the failure to realize all of the benefits anticipated in MTC Transaction. All of these factors could cause a material adverse effect on the Corporation's business, results of operations and financial condition.

The Corporation is dependent on a small number of key employees. The loss of one or more of these key employees, if not replaced, could have a material adverse effect on the Corporation's business, results of operations and financial condition.

The success of the Corporation will be largely dependent upon the performance of the directors and officers, as well as the Corporation's ability to attract and retain key personnel. The loss of the services of any of these individuals may have a material adverse effect on the Corporation's business and prospects. The Corporation competes with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Corporation will be able to continue to retain the services of its directors, officers or other qualified personnel

required to operate its business. Failure to do so could have a material adverse effect on the Corporation and its prospects.

There can be no assurance that management of the Corporation will be able to fully realize the expected benefits of the MTC Transaction. There is a risk that some or all of the expected benefits will fail to materialize, or may not occur within the time periods anticipated by management of the Corporation. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Corporation.

The Corporation relies on third parties for important relationships and services. Any loss of one or more of these key business alliances or contracts could adversely impact the Corporation and its business, operating results and prospects.

The Corporation relies significantly on strategic relationships with other entities. The Corporation also relies on good relationships with regulatory and governmental departments and upon third parties to provide essential contracting services. There can be no assurance that the Corporation's existing relationships will continue to be maintained or that new ones will be successfully formed and the Corporation could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key business alliances or contracts could adversely impact the Corporation, its business, operating results and prospects.

There can be no assurance that the Corporation's title to mineral projects will be secured or that it will not be affected by an unknown title defect.

Transaction of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. Although the Corporation has taken precautions to ensure that legal title to its property interests is properly recorded in the name of the Corporation where possible, there can be no assurance that such title will ultimately be secured. The Corporation may have to negotiate with third parties to secure its title, rights-of-way or surface rights. The Corporation cannot give any assurance that title to its properties or surface rights will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that Corporation, as the case may be, does not have title to its properties could cause the Corporation to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures.

The Corporation's business is subject to a number of risks and hazards generally, such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, fires, floods, earthquakes and other environmental occurrences. It is not always possible to obtain insurance against all such risks. Although the Corporation intends to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, any such insurance may not cover all the potential risks associated with its operations. The Corporation may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry on acceptable terms. The Corporation might also become subject to liability for pollution or other hazards which may not be insured against or which the Corporation may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Corporation to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

The Corporation's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects.

Various international and national laws, codes, resolutions, conventions, guidelines, and other materials relate to the rights of indigenous peoples. The Corporation operates in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate that government consult with indigenous people regarding government actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to indigenous people continue to evolve and be defined. The Corporation's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of the Corporation's projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against the Corporation's activities. Opposition by indigenous people to the Corporation's operations may require modification of or preclude operation or development of the Corporation's projects or may require the Corporation to enter into agreements with indigenous people with respect to the Corporation's projects. Such agreements may have a material adverse effect on the Corporation's business, financial condition and results of operations.

On June 26, 2014, the Supreme Court of Canada issued a decision in the case *Tsilhqot'in Nation v. British Columbia* (the "**Tsilhqot'in Decision**") that may affect the Tyko Property and Disraeli Property, located in Ontario. In the *Tsilhqot'in Decision*, the Court issued the first declaration of aboriginal title in Canadian history. The Court confirmed that the *Tsilhqot'in* held aboriginal title to an area in northern British Columbia within their traditional territory. While the Tyko Property and Disraeli Property are not located within the areas involved in the *Tsilhqot'in Decision*, the decision has legal precedent implications for all areas in Canada where indigenous peoples claim aboriginal title. While an aboriginal title claim remains unsettled either by a treaty or court ruling, there is a potential for aboriginal title to be established along with the inherent rights associated with aboriginal title, which includes the exclusive right to decide how the land is used and the right to benefit from those uses.

In areas where indigenous people claim treaty rights, or aboriginal rights (including aboriginal title), the Crown (federal and provincial government agencies) must act honorably in its actions that may affect treaty or aboriginal rights (proven or asserted). When a Crown action – such as granting a permit – may adversely affect those rights, then the Crown has a duty to consult with the affected indigenous group before deciding on the permit. The Crown must then consider the potential impacts and how any impact may be avoided, mitigated or accommodated.

The Corporation relies on the Crown to adequately discharge its duty of consultation before issuing any permit or right to the Corporation, including the grant of mineral titles and associated rights. To assist in managing the risk associated with any adverse impact on treaty or aboriginal rights, the Corporation works to establish good relations and relationship agreements with affected indigenous groups to confirm their support or consent for the Corporation's rights and permits.

The Corporation cannot accurately predict whether aboriginal rights and title claims will have a material adverse effect on the Corporation's ability to carry out its intended exploration and work programs on its properties located in Canada. The legal basis for and the strength of an aboriginal rights or title claim is complex issue, and the prospect and impact of any resolution of any such claim through court decision or settlement with the government is beyond the control of the Corporation and cannot be predicted with certainty.

Since the LK Project and KS Project are located in Finland and the *Tsilhqot'in Decision* relates to aboriginal title in Canada, the Corporation does not expect the *Tsilhqot'in Decision* to have any affect its title to the LK Project and KS Project.

On December 16, 2020, the Ministry of Energy, Northern Development and Mines issued a Notice of Caution covering approximately 40,000 square kilometres along the northern shore of Lake Superior and includes both the Tyko and Disraeli Projects. This notification serves to inform mineral claim landowners in the area that ongoing litigation to which Ontario is a defendant, known as the Michano litigation, in which First Nations have asserted Aboriginal rights and title to their traditional lands. While the Notice of Caution does not prevent new mining claim registrations or the submission of exploration plans or exploration permit applications, it is intended to alert the mineral exploration and

mining industry to the presence of Aboriginal Title claims in the area and ensure proponents are aware that there may be heightened Crown consultation and accommodation obligations for future exploration, development and related activities in this area.

Additionally, on December 16, 2020, the Ministry of Energy, Northern Development and Mines issued a notice that Canada and Ontario have commenced Aboriginal Title claim settlement negotiations with each of Biigtigong Nishnaabeg and Pic Mobert First Nations. To support the ongoing negotiations, the Ministry of Energy, Northern Development and Mines (ENDM) has made orders to withdraw certain areas from being open for new mining claim registrations. The withdrawal area is located to the south of the Tyko Project and does not cover any of the claims that comprise the Tyko Project.

On January 5, 2021, the Corporation received notice that GBFN had filed on December 30, 2021 an application for judicial review of the MENDM decision dated November 30th, 2020 to issue Exploration Permit PR-20-000255 to Tyko Resources Inc. Pursuant to the judicial review, the GBFN seeks to quash and set aside the MENDM's decision to issue the Exploration Permit and require MENDM to consult further with the GBFN about the Corporation's proposed mining exploration activities. The GBFN asserts Aboriginal Rights within the Disraeli Lake area where the Corporation's mining claims are located and the exploration activities will occur. The MENDM and the Corporation have filed appearances to defend the judicial review. The initial case management conference was convened on January 21, 2021. No schedule has yet been set for the review.

Existing or future competition in the mining industry could materially adversely affect the Corporation's prospects for mineral exploration and success in the future.

There is significant competition in the precious metals mining industry for mineral rich properties that can be explored and developed economically, the technical expertise to find and develop such properties, the labour to operate the properties and the capital for the purpose of funding such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a global basis. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Corporation, the Corporation may be unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its projects. Existing or future competition in the mining industry could materially adversely affect the Corporation's prospects for mineral exploration and success in the future. Increased competition can result in increased costs and lower prices for metal and minerals produced and reduced profitability. Consequently, the revenues of the Corporation, its operations and financial condition could be materially adversely affected.

From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties, thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

The Corporation may fail to select appropriate acquisition targets and may not be able to integrate any acquired businesses and their workforce into the Corporation.

The Corporation will continue to seek new resource property and exploration opportunities in the mining industry. In pursuit of such opportunities, the Corporation may fail to select appropriate acquisition targets or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their workforce into the Corporation. Ultimately, any acquisitions would be accompanied by risks, which could include changes in commodity prices, difficulty with integration, failure to realize anticipated synergies, significant unknown liabilities, delays in regulating approvals and exposure to litigation. Any material issues that the Corporation encounters in connection with an acquisition could have a material adverse effect on its business, results or operations and financial position.

The Corporation's directors and officers may be subject to conflicts of interest in their capacities as directors and officers of other public resource companies.

The directors and officers of the Corporation may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies. Situations may arise in connection with potential acquisitions and investments where the other interests of these directors and officers may conflict with the interests of the Corporation.

The Corporation is subject to the effects that historically high inflation rate may have on its results.

Recent inflation, including increases in prices for energy and other costs, has adversely impacted the Corporation. Sustained inflation could result in higher costs for transportation, energy, materials, supplies and labour. In addition, the Bank of Canada increased interest rates multiple times in 2022 and has indicated its intention to continue to raise benchmark interest rates throughout 2023 in an effort to curb the upward inflationary pressure on the cost of goods and services across Canada. As the Bank of Canada continues to increase interest rates, the result could be a recession, which may affect the Corporation's ability to raise additional financing. Accordingly, substantial inflation and the interest rate increases in response may have a material adverse impact on the Corporation's business, financial condition and results of operations.

Health epidemics and outbreaks of communicable diseases, such as COVID-19, may have a material adverse effect on the Corporation's business, financial condition and results of operations.

The Corporation faces risks related to COVID-19, which may disrupt its operations and may materially and adversely affect its business and financial conditions. The Corporation cannot accurately predict the impact COVID-19 will have on third parties' ability to meet their obligations with the Corporation, including due to uncertainties relating to the severity of the disease, the duration of the outbreak, and the extent of travel and quarantine restrictions imposed by governments of affected countries. COVID-19 and efforts to contain it may continue to have broad impacts on the Corporation's supply chain and the global economy, which could have a material adverse effect on the Corporation's financial position. In particular, COVID-19, and any future emergence and spread of contagious disease, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Corporation's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, the volatility of interest rates that could make financing more challenging and expensive, and the operations of the Corporation's suppliers, contractors and service providers.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Palladium One to which Palladium One or its subsidiaries is a party or to which any of the Palladium One's properties is subject, and no such proceedings are known by Palladium One to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, except as otherwise disclosed herein, no director, executive officer or insider of the Corporation, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the last three most recently completed financial years of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is TSX Trust Company, 2700 - 650 West Georgia Street, Vancouver, British Columbia, V6B 4N9.

MATERIAL CONTRACTS

There are no material contracts the Corporation has entered into since the beginning of the last financial year of the Corporation or before the last financial year that are still in effect.

INTEREST OF EXPERTS

The auditors of the Corporation are Davidson & Corporation LLP, Chartered Professional Accountants. Davidson & Corporation LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

Information of a scientific or technical nature regarding the LK Project included in this AIF is based upon the Technical Report, which was prepared by Sean Horan, P. Geo and Brenna J.Y. Scholey, P. Eng of SLR Consulting (Canada). The authors of the Technical Report separately own, directly or indirectly, less than 1% of the outstanding securities of the Corporation.

All scientific and technical information in this AIF has been reviewed and approved by Neil Pettigrew, M.Sc., P. Geo, Vice President of Exploration and a director of the Corporation. Neil Pettigrew is a "qualified person" for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**") NI 43-101. As of the date of this report, Neil holds directly or indirectly, 262,167 common shares, 2,450,000 stock options and 168,965 restricted share units. If all the stock options and restricted share units held by Mr. Pettigrew were exercised, he would hold less than 1% of the Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of securities of the Corporation and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Corporation for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the financial statements of the Corporation and related management's discussion and analysis for the most recently completed financial year of the Corporation.

GLOSSARY OF TERMS

Various terms are defined throughout this AIF and indicated where applicable. While not exhaustive, the following is a glossary of some of the commonly used terms in this AIF.

"**Au**" is the chemical symbol for Gold.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**Cu**" is the chemical symbol for copper.

"**Co**" is the chemical symbol for cobalt.

"**Exploration Permit**" means a permit that gives the recipient full rights to conduct exploration activities including test mining and construction of temporary roads and buildings, provided however that such activities are specified in the underlying Exploration Permit. Holding Costs range between €20-50 per ha per annum. The longer a claim is in place, the higher the annual fee. An exploration permit may only be held for a period of 15 years before being converted to a mining permit. Converting exploration permits to mining permits requires the project to reach an advanced stage such as pre-feasibility/feasibility studies.

"**Exploration Reservation**" means a reservation that gives the recipient up to 2 years to prepare an exploration permit application. During this 2-year period the recipient can conduct low impact exploration such as prospecting and mapping. There are no holding costs during the exploration reservation stage.

"Exploration Target Potential" means a statement or estimation of the exploration of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade, relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource.

"g/t" is grams per metric tonne.

"Indicated Mineral Resource" means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"Inferred Mineral Resource" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to indicated Mineral Resources with continued exploration.

"m" means metre.

"Measured Mineral Resource" is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"Mineral Resource" means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

"Ni" is the chemical symbol for nickel.

"Pd" is the chemical symbol for palladium.

"ppm" means parts per million.

"Pt" is the chemical symbol for platinum.

"PGE" is platinum group element.

"qualified person" has the meaning ascribed to it in NI 43-101.

"SEDAR" means the System for Electronic Document Analysis and Retrieval.

"t" means tonne.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the "**Committee**") is to assist the board of directors (the "**Board**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Corporation's financial reporting and internal control systems and review the Corporation's financial statements;
- review and appraise the performance of the Corporation's external auditors; and
- provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board.

Composition

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate must work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

- (c) Confirm that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Corporation, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each yearly audit meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- (g) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of fees paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.

- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related-party transactions.