TECHNICAL REPORT

Ferguson Lake Property

Kivalliq Region
Nunavut
NTS: 65I/14-15

CANADIAN NORTH RESOURCES INC.
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Prepared By:

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This report has been prepared by
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on
behalf of
Canadian North Resources Inc.
2021

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1.0 SUMMARY

1.1 Introduction

Trevor Boyd of Toronto, Ontario, Canada was contracted by Canadian North Resources Inc. ("CNRI" or "Company", formerly Canadian North Resources and Development Corp.) of Mississauga, Ontario, Canada, to review the Ni-Cu-Co-Pd-Pt Ferguson Lake Property and prepare an Independent 43-101 Technical Report.

The Ferguson Lake Property consists of 10 contiguous mining leases comprising an area of 9.686 hectares (23,935 acres) between 63°00' and 63°05' North and longitudes 96°45' and 97°10' West in NTS map-areas 65I/14-15 (UTM NAD83 coordinates 6970000–6978000 N and 600000–620000 E – Zone 14). The Property mining leases at Ferguson Lake remain active until 2028 and have a total annual rent of $23,935.00. The mining leases straddle the Inuit Owned Surface Rights parcels RI 24, RI 26 and RI 27 which are held and managed by the Kivalliq Inuit Association.

The ongoing management of the Ferguson Lake Property and Project holdings requires the maintenance of a series of permits and licenses issued by the Kivalliq Inuit Association, Nunavut Water Board and Crown Indigenous Relations and Northern Affairs Canada. The permits need to be kept in good standing in order to operate successfully and retain free ownership of the mineral holdings.

The Property access is primarily achieved by air from Rankin Inlet or Yellowknife, both of which has scheduled commercial airline service and offers facilities and services. A 825 metre gravel airstrip is located south-west of the Ferguson Lake Camp which was constructed during 2008, In previous programs the provision of bulk supplies, equipment and fuel also involved freighting by larger aircraft to a winter airstrip established on Ferguson Lake or the transportation to the property by winter snow cat train from Baker |Lake or Rankin Inlet in Nunavut. The camp consists of a series of buildings capable of providing housing and full room and board service for up to 55 persons and includes a generator and heating facilities for all-year operation. Support structures include heavy equipment work shops and garages for heavy equipment, carpentry shop, electrical equipment and various working vehicles. Fuel barrels are stored within a lined berm at the camp and there is a separate storage area for bottles of propane.

The terrain is typical of the tundra barren grounds and vegetation consisting of moss, lichen, dwarf birch and Labrador tea. Wildlife in the area includes caribou, Arctic foxes, muskoxen, arctic hare, sik sik, wolves, wolverines, barren ground grizzly bears and various species of birds. Caribou migrate through the area in June and July. In order to reduce their disruption, the Nunavut government curtails diamond drilling on the Property from June 1 to July 15.

The project possesses subarctic climate characterized by long winters (October through April) with mean temperatures of -30° C; a short summer season with mean temperatures in the 15° C range that extends from July through mid-September. The Yathkyed - Ferguson - Kaminuriak Lakes area is one of low relief, featuring numerous smaller lakes and a few large river systems, notably Kazan and Ferguson Rivers.

1.2 History

The Ferguson Lake Deposit was originally discovered in 1950 by Canico (predecessor exploration arm of Inco Inc.) and has been intermittently explored by a variety of operators dominated by Starfield Resources Ltd. from 1999 to 2013. The exploration work included prospecting, lithogeochemical sampling and geological mapping, till sampling, ground and airborne electromagnetic and magnetic surveys and diamond drilling. In total, approximately 191,000 metres of drilling in 621 holes have been completed on the Property of which 26,400 metres in 173 holes were by Canico. The remainder were drilled by Starfield Resources. Under the ownership of Starfield Resources, the Ferguson Lake Project has undertook permitting activities, social and community consultations, and environmental and archeological studies.

The Ferguson Lake project had undergone a series of resource estimations which cumulated in 2011 with the completion of a Preliminary Economic Assessment of the Ferguson Lake Property resulting in the filing of a National Instrument 43-101 Independent Technical Report by Roscoe Postle Associates Inc. for Starfield Resources Inc. **Upon filing in 2011, the estimated tonnages and grades in the deposit main West and West Extension zones was calculated as 15.8 Mt of Indicated Resources at 0.65% Ni, 0.99% Cu, 0.07% Co, 1.55 g/t Pd, 0.25 g/t Pt, 38.04% Fe and 20.90% S plus 20.8 Mt of Inferred Resource at 0.67% Ni, 1.11% Cu, 0.08% Co, 1.72 g/t Pd, 0.28 g/t Pt, 40.0% Fe and 22.1% S. For the separate**

East Zone, there was reported 9.4 Mt Inferred Resource at 0.65% Ni, 0.76% Cu, 38.41% Fe and 21.16% S with insufficient analyses of Co, Pd and Pt completed to include those grades.

It is emphasized that these are now historical estimates provided for information only. They were originally filed on SEDAR but are now outdated, no longer valid and not to be relied upon as being 43-101 compliant. A significant re-evaluation at today's gold prices and economic conditions would have to be completed to upgrade this historic estimate as current mineral resources.

The 2011 report describes and discusses the exploration work, mineral processing and metallurgical testing, mining plan and mineral resource estimations completed from 1999 to 2011 for the Ferguson Lake Project and presented a scoping study level economic assessment of the project. The proposed metallurgical process outlined in the report envisioned the implementation of a concentrator producing a bulk sulphide concentrate at the mine site to remove gangue minerals from the massive sulphide mineralization, a 250 kilometre concentrate slurry pipeline between the mine and the hydrometallurgical plant, and a hydrometallurgical plant located in Arviat on the Hudson Bay coast to oxidized the sulphide material and separately extract the Ni, Cu, Co, Fe and S then returning the S to the site to be recycled (and possibly utilized by uranium mining development in the region). The Technical Report for this Preliminary Economic Assessment is available on Sedar for Starfield Resources dated February 21, 2012.

1.3 Geology and Mineralization

The Ferguson Lake Property lies within the western Churchill Province, an Archean craton, that has been divided by previous workers into the lithologically distinct Rae and Hearne domains by the northeast trending Snowbird Tectonic Zone. More precisely the Ferguson Lake Project is located within the north-western part of the Hearne domain which is principally made up of Archean metavolcanic and metasedimentary rocks and an aerially extensive gneissic terrane derived from both Archean supracrustal and plutonic rocks that have been intruded by early Proterozoic plutonic rocks.

Locally, the Ferguson Lake area overlies the most northerly extension of the northeast-trending Yathkyed greenstone belt (Martel and Sandeman, 2004), which consists of strongly deformed, Archean gneissic

supracrustal and intrusive rocks that have been raised to upper amphibolite facies and variably deformed Proterozoic plutons and dykes. The widespread Archean gneissic rocks are intruded by Archean granodiorites, quartz monzonites, and a variety of mafic intrusions including diorite and gabbro. Early Proterozoic gabbro and slightly younger diabase dykes cut all older rocks, as do late Proterozoic syenites and lamprophyres.

Within the Ferguson Lake Property pronounced layering in the Archean supracrustal rocks trends east-northeast to northeast and dips moderately to steeply north. Medium to coarse-grained, massive to weakly foliated gabbro, containing +60% hornblende, and termed hornblendites in earlier reports, mainly occur within, and are conformable with, the layering in amphibolite-hornblende-biotite gneiss sequences. Structural mapping indicated that most of the lithologic units, including the granitic intrusive rocks but excluding the younger gabbro, diabase and mafic dykes and syenite plutons, were subjected to high grade metamorphism and deformation.

The Western Churchill Province, because of its diverse geological environments which span a 1.5 billion-year interval, is host to a variety of mineral deposit types. Known mineral deposits, prospects and occurrences in the region include mafic - ultramafic-related magmatic nickel-copper-cobalt-PGE massive sulphides, orogenic (mesothermal) lode gold, volcanic hosted massive sulphides, syngenetic and epigenetic uranium deposits and prospects, quartz-carbonate veins containing precious metals and diamonds associated with Phanerozoic kimberlite intrusions.

The main gabbro unit, which is host to all of the known sulphide zones including East, Central and West Zones, exhibits a fair degree of continuity and predictability over an east-west strike length of more than 15 km. This linear feature, which significantly trends only slightly north of east as opposed to the dominant northeast structural trend of the surrounding area suggests that the host intrusion post-dates the earliest, most intense, phase of Archean deformation and metamorphism that is evident in the surrounding gneissic rocks.

The various mineral zones identified in that part of the Property bordering Ferguson Lake are magmatic type nickel-copper sulphide deposits which also contain cobalt and platinum group metal values. As noted, these zones are spatially related to mafic (and ultramafic) intrusions which are principally in the form of

fine- to coarse-grained gabbros which include hornblendites. This and the other gabbro units hosting the several other mineral zones dip moderately to steeply north and are generally conformable with enclosing hornblende-rich gneisses. Better grades of base and precious metals mineralization are present within massive to semi-massive sulphide lenses, pods and stringers which consist of between 80% and 90% pyrrhotite and lesser chalcopyrite, some pyrite and very fine-grained pentlandite. The sulphide bodies pinch and swell with variable thicknesses of between two and tens of metres.

1.4 Canadian North Resources Inc. Activities

During the summers of 2013, 2015 and 2018, work programs were conducted on the Ferguson Lake Property by Canadian North Resources Inc. with the main purpose of completing surface explorations and technical evaluations. This work included prospecting, lithogeochemcial sampling of outcrop and historic drill core plus ground magnetic and VLF surveys. During the programs, in total 410 rock samples were submitted for analysis at accredited laboratories. Standards and blanks were inserted in most of the batches as well as in-house standards and blanks inserted at the laboratories. Duplicates analyses of selected sample pulps were completed at third party laboratories.

It is the QP's opinion that Canadian North Resources Inc. generally followed proper QA / QC protocols during the programs and the analytical results are adequate for the purposes of these programs and this technical report. Comparisons between original and evaluative rocks analyses showed reasonable agreement in the context of the expected heterogeneity of the collected core samples. Duplicate pulp sample analyses reported good agreement between the primary and third-party analytical laboratories.

During 2013, an independent review was completed by Canadian North Resources Inc. of the Ferguson Lake mineral resource model discussed in the aforementioned 2011 Preliminary Economic Assessment. Within this review, there was a re-examination and re-building of the West and West Extension mineralized zones of the deposit applying five main differences from the as follows:

- Wireframes were constructed using a Pd + Pt cut-off grade 1.0 g/t instead of a cut-off based upon NSR of Ni, Cu and Co (but not Pd and Pt) which has been applied for the 2011 resource estimation.

- A minimum mining width of 3 metres instead of 2.5 metres
- Incorporation into the model of the 2011 drilling results completed by Starfield Resources
- The addition of footwall zones of low-sulphide platinum group metals rich mineralization based upon the 1.0 g/t Pd + Pt cut-off.
- The East Zone was not included in this resource review due to the lack of Pd and Pt analyses in that portion of the deposit. It is noted that based upon its similar mineralization to the West Zone and supported by drilling completed by Starfield, the East Zone is considered to possess similar Pd and Pt grades.

The deposit review demonstrated that the use of a Pt + Pd cut-off grade successfully resulted in the creation of coherent more contiguous wireframe models around the mineralized zones which included enveloping lower sulphide contents resulting in an overall thicker and less variably shaped mineralized bodies. It was concluded that the use of such a cut-off is appropriate for any future resource estimation but must be in conjunction with a demonstration of the viable metallurgical recovery of Pd and Pt from the mineralized material.

During 2013 - 2014, Canadian North Resources Inc. implemented a metallurgical testing program consistent with its change of focus to develop the platinum group metal potential of the deposit. The goal of the testing program was to produce at a bench level concentrate from the secondary residue material that had been created from the development of downstream unit processes (Ni, Cu, and Co) from the hydrometallurgical testing program previously completed for Starfield Resources Inc. Analyses of the materials and liquors created from Starfield Resource's previous program suggested most of the Pd and Pt and to a lesser extent Au, Ag and Rh remained in the final residue material for which metallurgical test results indicated overall recoveries of 99% for Cu, 91% for Co, 50% for Pt, 77% for Pd and 94% for Ni.

During 2015 - 2016, a new series of flotation tests were completed on two massive sulphide composites obtained from the bulk sample material which was stored at the Ferguson Lake camp. The primary objective of the program was to establish flotation conditions suitable to recover most of the copper value into a copper concentrate and the balance of the pay-metals into a bulk Cu / Ni concentrate.

The metallurgical testing program identified two possible flowsheet alternatives for the mineralized material which are outlined as follows:

- The generation of a high-grade saleable copper concentrate plus a low-grade bulk concentrate with high overall recoveries of 99% copper, 87% nickel, 90% cobalt, and 90-95% Pd+Pt. The low-grade bulk concentrate would require further upgrading in a hydrometallurgical circuit.

- The second updated flowsheet produces a high grade copper concentrate and a salable bulk Cu/Ni concentrate (10.1% copper + nickel) with much lower overall recoveries of 98% copper, 61% nickel, 55% cobalt, and 35-75% Pd+Pt.

1.5 Interpretation and Recommendations

Based upon the exploration work completed to-date on the Property, including close examination of the deposit model of the Ferguson Lake mineralized zones, it is concluded the West, Central and East mineralized zones remain open for expansion down-plunge to the west, along strike under Ferguson Lake and down dip at multiple locations along its 12 km mineralized horizon.

This review of the Ferguson Lake Project confirms its considerable metalliferous economic potential, but also shows the need for an alternative approach to its management focusing on increasing the amount of exploration with the purpose of building up the metal grade and tonnage throughout the deposit area focusing on its Pd and Pt potential.

In conclusion, the author re-asserts the Ferguson Lake Property as being of Merit. It is recommended that major exploration and development programs be implemented for the project in the near and medium term. Based upon these recommendations, a PHASE 1 budget of approximately 5.8 million dollars is proposed as follows.

Item	Amount	Units	Rate	$(CAN) Cost
PHASE 1				
Geological consulting, independent review and completion of 43-101 compliant Technical Report with updated Resources Estimation	250	hours	200	50,000
Diamond drilling at the East, Central and West zones including mob-demob, support and camp costs, helicopter and fixed wing transportation and analyses.	7,000	metres	700	4,900.000
Geophysical consulting, reprocessing and re-interpretation of ground 1999-2001 UTEM survey data plus exploration 3-D modelling of geophysical and other data,	250	hours	200	50,000
Drone airborne magnetic survey over missing blocks on Ferguson Lake including mob and demob and processing.	200	line-kms	250	50,000
Borehole TDEM surveys of selected drill holes including mob-demob and processing.	15	drill holes	10,000	150,000
Repair, preparation, replace and re-supply of Ferguson Lake camp with equipment and fuels.				600,000
Total				**5,800,000**

2.0 INTRODUCTION

Trevor Boyd of Toronto, Ontario, Canada was contracted by Canadian North Resources Inc. (formerly Canadian North Resources and Development Corp.) (“CNRI” or “Company”) of Mississauga, Ontario, Canada, to review the Ni-Cu-Co-Pd-Pt Ferguson Lake Property (the "Property"), and prepare a National Instrument 43-101 Independent Exploration Technical Report (the "Report"). Within the Report, Trevor provides an update to material changes and activities on the Property following its purchase from Starfield Resources Inc. (Starfield) in June 2013 and recommendations for the further exploration of the Property.

2.1 Terminology

AEM: Airborne Electromagnetic Survey

Asl: above sea level

BHEM: Borehole Electromagnetic Survey

DDH: Diamond Drill Hole

Ga: billion years

GEMS: Integrated geology, mineral deposit resource modeling, mine planning and production software

ICP-AES: Inductively coupled plasma atomic emission spectroscopy; analytical technique for analyzing multi-elements

ICP-MS: Inductively coupled plasma mass spectrometry; analytical technique for analyzing multi-elements

KIM: Kimberlite Indicator Mineral

Mag: Magnetic (survey)

NSR: Net Smelter Royalty

QA / QC: Quality Assurance / Quality Control

QP: Qualified Person according to the definitions of the NI 43-101

PGM: Platinum Group Metals

Sedar: System for Electronic Document Analysis and Retrieval; mandatory document filing and retrieving system for companies trading on Canadian stock exchanges administered by the Canadian Securities Administrators.

TDEM: Time Domain Electromagnetic Survey

UTEM: University of Toronto Time Domain (ground) Electromagnetic Survey

VLF EM: Very Low Frequency (ground) Electromagnetic Survey

VMS: Volcanogenic Massive Sulphide Type Mineral Deposit

VTEM: Versatile Time Domain (airborne) Electromagnetic Survey

2.2 Units

The Metric System is the primary system of measure and length used in this Report and is generally expressed in kilometres (km), metres (m) and centimetres (cm); volume is expressed as cubic metres (m^3), mass expressed as metric tonnes (t), area as hectares (ha), and gold and silver concentrations as grams per tonne (g/t). Conversions from the Metric System to the Imperial System are provided below and quoted where practical. Many of the geologic publications and more recent documents now use the Metric System but older documents almost exclusively refer to the Imperial System. Metals and minerals acronyms in this report conform to mineral industry accepted usage and the reader is directed to www.maden.hacettepe.edu.tr/dmmrt/index.html for a glossary.

Conversion factors utilized in this report include:

- 1 troy ounce/ton = 34.285714 grams/tonne
- 1 gram/tonne = 0.029167 troy ounces/ton
- 1 troy ounce = 31.103477 grams
- 1 gram = 0.032151 troy ounces

The term gram/tonne or g/t is expressed as "gram per tonne" where 1 gram/tonne = 1 ppm (part per million) = 1000 ppb (part per billion). The mineral industry accepted terms Au g/t and g/t Au are substituted for "grams gold per metric tonne" or "g Au/t". Other abbreviations include ppb = parts per billion; ppm = parts per million; oz/t = troy ounce per short ton; Moz = million ounces; Mt = million tonne; t = tonne (1000 kilograms); SG = specific gravity; lb/t = pound/ton; and, st = short ton (2000 pounds).

Dollars are expressed in Canadian currency (CAD$) unless otherwise noted. Zinc (Zn), copper (Cu) and lead (Pb) are reported in US$ per pound (US$/lb) or US$ per metric tonne (US$/t). Gold (Au) and silver (Ag) are stated in US$ per troy ounce (US$/oz). Where quoted, Universal Transverse Mercator (UTM) coordinates are provided in the datum of Canada, WGS84, Zone 11U North.

2.3 Qualifications

The primary Qualified Person and author for this Report is Trevor Boyd, Ph.D., P.Geo., a geologist in good standing with the Professional Geoscientists Ontario (PGO) and Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (NAPEG). Trevor Boyd has 35 years experience in the mineral exploration industry and in academia, and since 2006 has authored and co-authored multiple Technical Reports including those containing 43-101 compliant resource estimations and PEAs. The Certificate of Qualification are provided in Appendix I.

3.0 RELIANCE ON OTHER EXPERTS

Trevor Boyd has completed this Report in accordance with the methodology and format outlined in National Instrument 43-101, companion policy NI43-101CP and Form 43-101F1. This Report was prepared and is directed solely for the development and presentation of data with recommendations to allow the Company and current or potential partners to reach informed decisions.

The information, conclusions and recommendations contained herein are based on a review of digital and hard copy data and information supplied to Trevor Boyd by the Kaihui Yang P.Geo. and other Directors of the Company, as well as various published geological reports, plus former contractors and employees of Starfield, the previous owners of the Property, who are familiar with the Property and the area in general.

More specifically, the author consulted Mr. Jamie Lavigne, P.Geo of Francis Minerals Ltd who was a co-author and responsible for the resources estimation statement for the document entitled “Preliminary Economic Assessment (“PEA”) of the Ferguson Lake Project, Nunavut, Canada, National Instrument 43-101 Independent Technical Report by Roscoe Postle Associates Inc for Starfield Resources Inc.” which was completed on November, 2011 and filed on Sedar February, 2012 (Clow et al. 2011). Jamie Lavique provided guidance on the discussion of the outdated and disclosed historic resource stated in the PEA and the QA/QC for the Property when it was held and operated by Starfield. Trevor Boyd has assumed that the reports and other data listed in the “References” section of this report are substantially accurate and complete.

Trevor Boyd has relied exclusively on information provided by the Company regarding land tenure and underlying agreements not in the public domain, and all of these sources appear to be of sound quality. The non-public source of information regarding land tenure is the Purchase Agreement between the Company and Starfield which was provided to the author by the Company. The public source of information regarding land tenure is the Nunavut Map Viewer website (within the Crown Indigenous Relations and Northern Affairs website: http://www.aadnc-aandc.gc.ca). The title ownership and status of claims as outlined in this Report was obtained from the Mining Recorder's Office for Nunavut. While title documents and option/purchase agreements were reviewed for this study, it does not constitute, nor is it intended to represent, a legal, or any other opinion as to title.

The dates, titles and authors of all reports that were used as a source of information for this Technical Report are listed in the "References" section of this report. The dates and authors of these reports also appear in the text of this Report where relevant, indicating the extent of the reliance on these reports.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Ferguson Lake Property is in the Kivalliq region of southern Nunavut Territory some 250 kilometres west of Rankin Inlet and 170 kilometres south-southwest of Baker Lake. Ferguson Lake, central to the large Property area, is midway between Yathkyed and Qamanirjuaq Lakes. The Property currently encompasses an area measures approximately 15 kilometres in an east-west direction and 6 kilometres north-south. The Property is located between Latitudes 63° 00' and 63°05' North and Longitudes 96°45' and 97°10' West in NTS map-areas 65I/14-15. The location of the Property is shown on Figure 4-1.

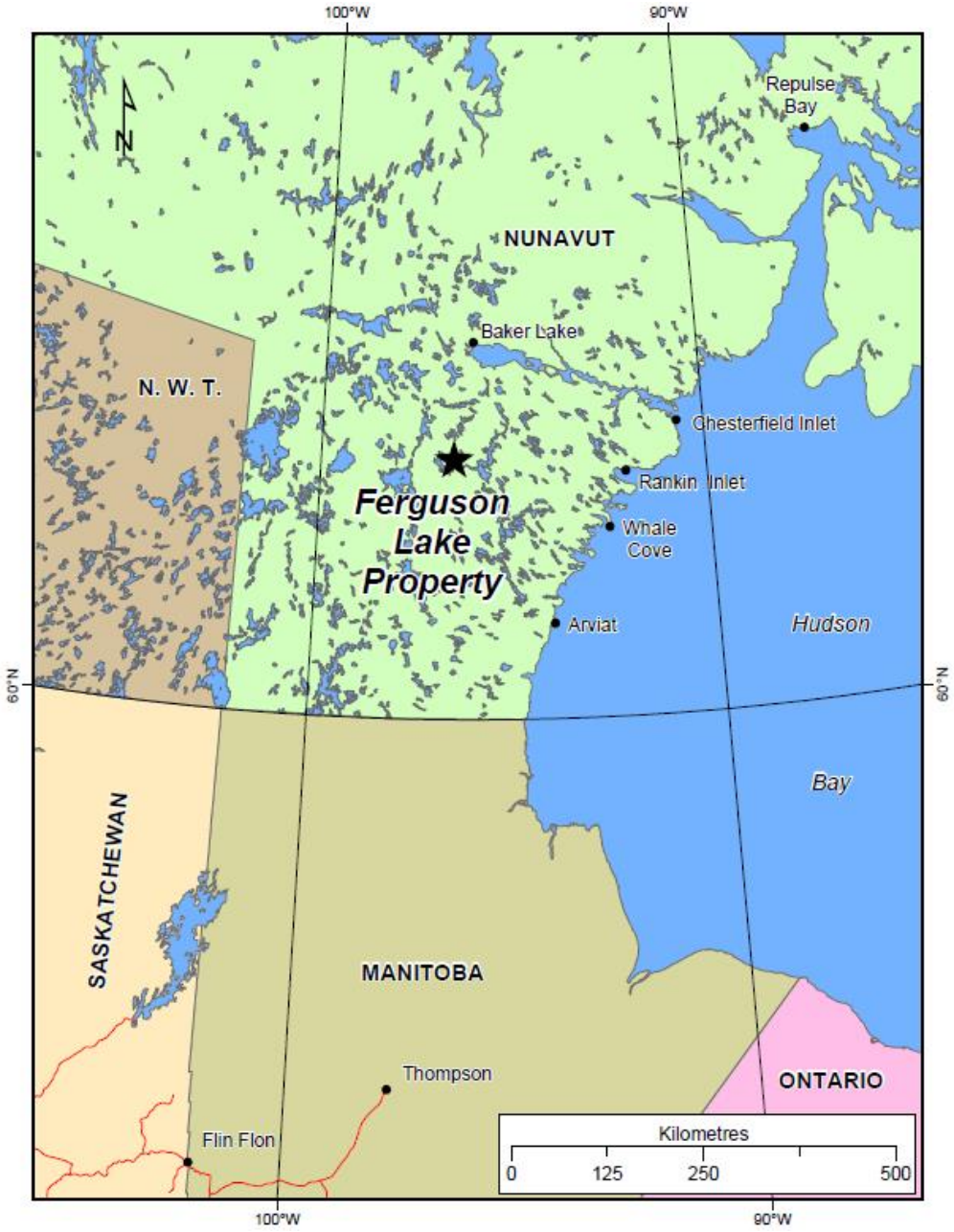

Figure 4-1. Location of Ferguson Lake Property in Region of Kivalliq, Nunavut.

4.2 Property Description and Ownership

The Ferguson Lake Property consists of 10 contiguous mining leases comprising an area of 9.686 hectares (23,935 acres) between 63°00' and 63°05' North and longitudes 96°45' and 97°10' West in NTS map-areas 65I/14-15 (UTM NAD83 coordinates 6970000–6978000 N and 600000–620000 E – Zone 14). The table and map in figures 4-2 and 4-3 present the claims and mining leases with their required rents and annual work to retain the Property.

Mineral claims in Nunavut are valid for two years from the recording date and may be renewed for an additional year by completing representation (assessment) work in the amount of $4.00/acre within the initial two-year period. Annual work in the amount of $2.00/acre is required to renew the claims beyond the third year. After ten years the claims must be applied for mining lease which once accepted have an annual rent payable every anniversary date of $1.00/acre, but can be held for 20 years, after which the lease must be applied for renewal.

The Nunavut claims management regulations were revised on January 30, 2021 allowing the acquisition of mineral claims online. Claims are staked and managed based upon four sided polygon cell units with an average size of 18 hectares. The annual work charges to maintain a claim in good standing have been revised per cell unit to as follows:

- Year 1: $45
- Year 2: $90
- Year 3: $90
- Year 4: $90
- Year 5 to 7: $135
- Year 8 to 10: $180
- Year 11 to 20: $225
- Year 21 to 30: $270

As shown in Table 4-1, the Property mining leases at Ferguson Lake remain active until 2028 and have a total annual rent of $23,935.00. The mining leases straddle the Inuit Owned Surface Rights parcels RI 24, RI 26 and RI 27 which are held and managed by the Kivalliq Inuit Association.

Table 4-1. List of mining leases for Ferguson Lake Property, Kivalliq, Nunavut.

DISP'N #	DISP'N NAME	AC	REC DATE	ANNIV DATE	DISPN TERM END	ANNUAL RENTALS
4922	4922	2,534.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,534.00
4923	4923	2,695.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,695.00
4924	4924	1,527.00	07-Sep-07	07-Sep-21	07-Sep-28	$1,527.00
4925	4925	2,640.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,640.00
4926	4926	2,425.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,425.00
4927	4927	1,732.00	07-Sep-07	07-Sep-21	07-Sep-28	$1,732.00
4928	4928	2,616.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,616.00
4929	4929	2,401.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,401.00
4930	4930	2,592.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,592.00
4931	4931	2,773.00	07-Sep-07	07-Sep-21	07-Sep-28	$2,773.00
10 leases		23,935.00				$23,935.00

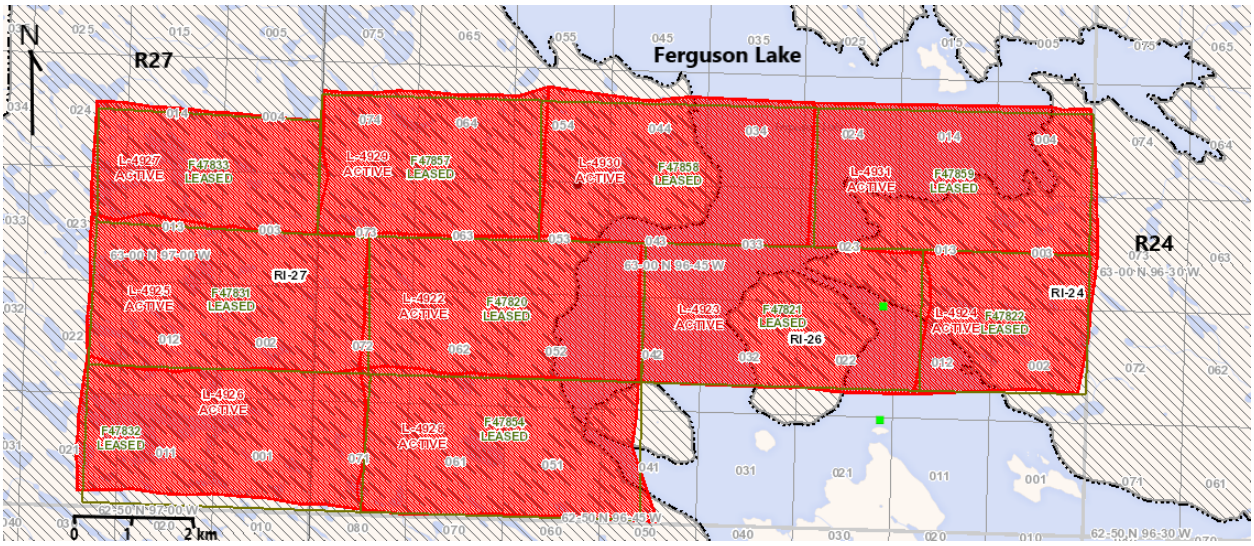

Figure 4-2. Ferguson Lake Mining Lease and Claim Holdings.

4.3 Permits

The ongoing management of the Ferguson Lake Property and Project holdings requires the maintenance of careful attention to the care of the environment, historical artifacts, and local community and socio-economic relationships. A series of permits and licenses need to be kept in good standing in order to operate successfully and retain free ownership of the holdings. Canadian North Resources Inc. is a registered incorporated extra-territorial corporation with the Nunavut government and holds a prospecting license in good standing with Crown Indigenous Relations and Northern Affairs Canada ("CIRNAC").

The Ferguson Lake Project does not yet hold any permits required to operate a mine. The primary area being explored on is situated on Inuit Owned Land (IOL) under the Nunavut Land Claim Agreement. As such, the negotiated Commercial Lease was entered into in 2009 with the Kivalliq Inuit Association ("KIA"). The purpose of the lease agreement was for access to the land as well as environmental protection and socio-economic considerations.

The following Commercial, Land Use and Right of Way permits, enabling work, water use, and travel to be conducted over the mining leases, claims, and Prospecting Permit areas, are issued to the Company by the KIA, Nunavut Water Board ("NWB"), and by CIRNAC:

- KVCL305H27 Expires July 22, 2022
  Commercial License for Ferguson Lake Camp on Inuit Owned Lands issued by KIA

- KVCA08Q17 Expires September 11, 2021
  Quarry License for Ferguson Lake Camp Airfield on Inuit Owned Lands issued by KIA

- KVRW06F09 Expires October 17, 2021
  Right of Way overland transport licence over Inuit Owned Lands issued by KIA.

- 2BE-FER1318 TYPE "B" Expires December 11, 2023
  Type "B" Water License issued by the NWB.

- N2013X0023 Expires March 17, 2022
  Right of Way overland transport licence over Crown Lands issued by CIRNAC.

On April 8, 2013, a letter was sent by Duboff Edwards Haight & Schachter, legal counsel for the Kivalliq Inuit Association (KIA), to Pricewaterhouse Coopers Inc., Trustees in Bankruptcy for Starfield stating that Starfield is indebted to KIA for a total of approximately $2,150,187.50. Based upon discussions with Kimberley Gilson of Duboff Edwards Haight & Schachter, and Luis Manzo and Stephen Hartman of KIA; it is concluded that this sum represented an estimate based predominantly on the cost for the dismantling, removal, clean-up and disposal of the Ferguson Lake Project exploration camp and site including the airstrip in the event the project becomes abandoned. Therefore, any purchaser who takes ownership of the Ferguson Lake Property and project does not carry this debt unless it takes the extraordinary subsequent action of abandoning the camp and site (Boyd 2013).

It is important that one maintain a good working relationship and open communication with the KIA so as to not allow miss-understandings to arise that may result in time delays and extra costs to the advancement of the project. It is noted that inspections of the Ferguson Lake camp and area completed by the KIA and by the Water Use Inspector for CIRNAC during the summer of 2013 were largely positive in its findings and discussion.

Bearing in mind, the KIA's estimated cost for the dismantling, removal, clean-up and disposal of the Ferguson Lake Project exploration camp and site suggested in the aforementioned April 8th letter; it is likely that the remediation deposit of $240,000 for the camp, presently held by the KIA, may be raised in the future. During the summer of 2012, Starfield cleaned up all scrap material at the old camp site and removed surface soil material from the old camp area. The waste material was consolidated safely during the clean-up in preparation for removal and disposal overland by snow-cat train. KIA officials have positively acknowledged the remediation work completed at the old camp site, but have cautioned that they cannot sign off the outstanding commitments until their inspector can visit the site including the possible completion of analytical testing showing that the site has been adequately remediated.

During April 2020, four empty sealift containers were hauled overland to the Ferguson Lake Camp from Baker Lake with 120 barrels of fuel. The containers will be filled with the waste materials to be hauled back

to Baker Lake the following winter and then transported by ship to the south to be disposed at an accredited site.

Upon assuming ownership of the Ferguson Lake project, Canadian North Resources Inc. has undertaken consultation, meetings and discussions with the KIA, CIRNAC, and Hamlet Council for Rankin Inlet in both Rankin Inlet and Toronto.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Access and Facilities

The Property access is primarily achieved by air from Rankin Inlet or Yellowknife, both of which has scheduled commercial airline service and offers a number of facilities. An 825 x 30 metre gravel airstrip located south-west of the Ferguson Lake 'New Camp' was constructed during 2008 and is capable of handling moderately sized wheel equipped aircraft including Twin Otter, Dash 8 and DHC-5 Buffalo sized aircraft. This airstrip replaces the 500m dirt strip located on the large island in the central area of Ferguson Lake that was used prior to 2008 to service the old camp. The layout of the new camp and infrastructure is shown in Figures 5-1 and 5-2, and is situated on a low ridge of outcrop, sand and gravel at between 120 - 130 metres above sea level.

The camp consists of a series of buildings capable of providing housing and full room and board service for up to 55 persons and includes a generator and heating facilities for all-year operation. Support structures include heavy equipment work shops and housing for heavy equipment and carpentry, electrical equipment and various vehicles. Equipment at the camp includes Caterpillar D4 Dozer, Grader, Skid-Steer Loader, Caterpillar Excavator, Caterpillar Loader, Bombardier Snowcat, Bombardier Snow coach, two Caterpillar Dump Trucks, four 4x4 Quads, two GMC Crew Cab Pick-up Trucks, and seven snowmobiles. The camp, equipment, and airfield are insured for liability protection. Fuels barrels are stored within a lined berm at the camp and there is a separate storage area for bottles of propane.

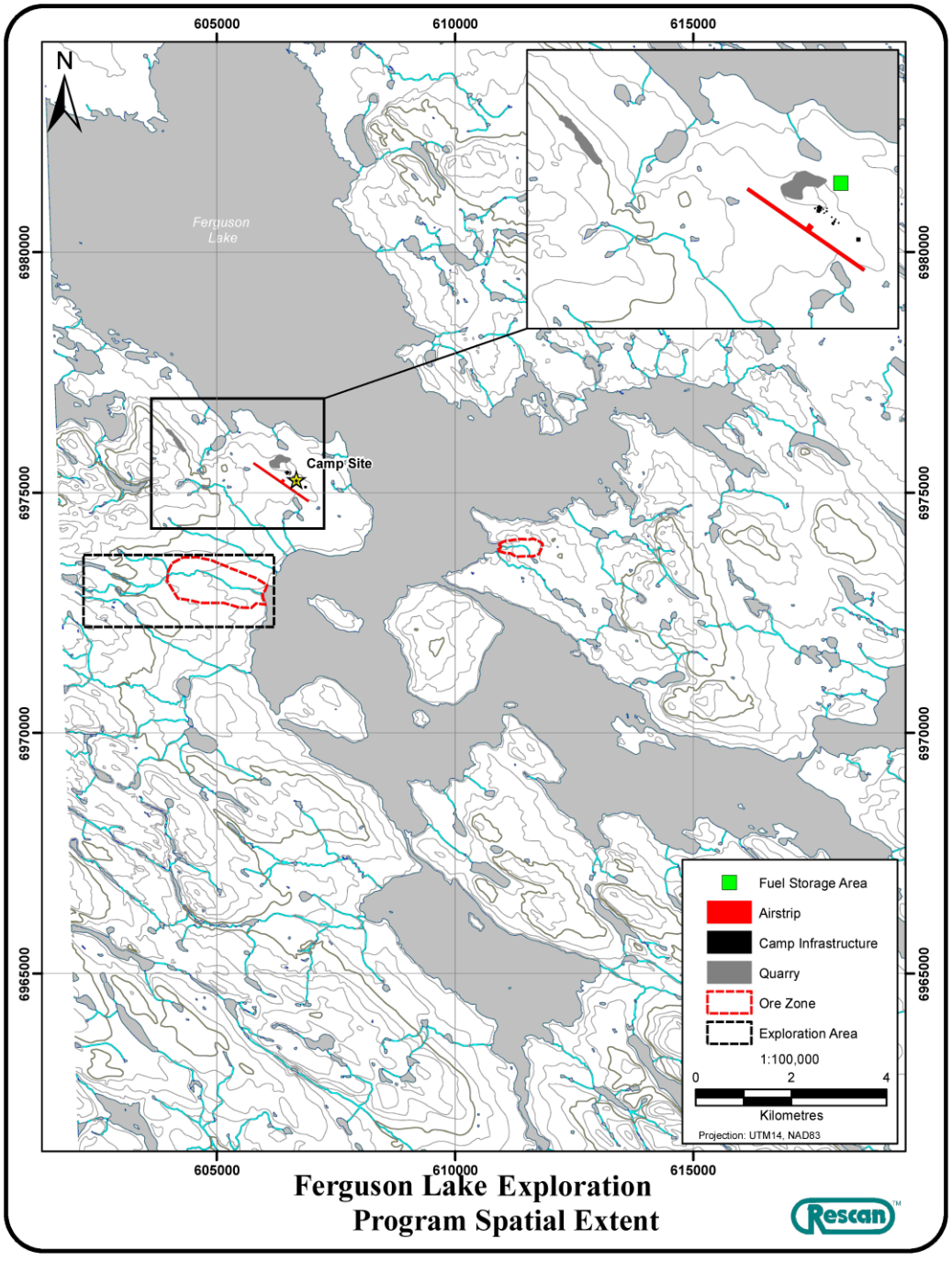

Figure 5-1. Ferguson Lake Project Layout.

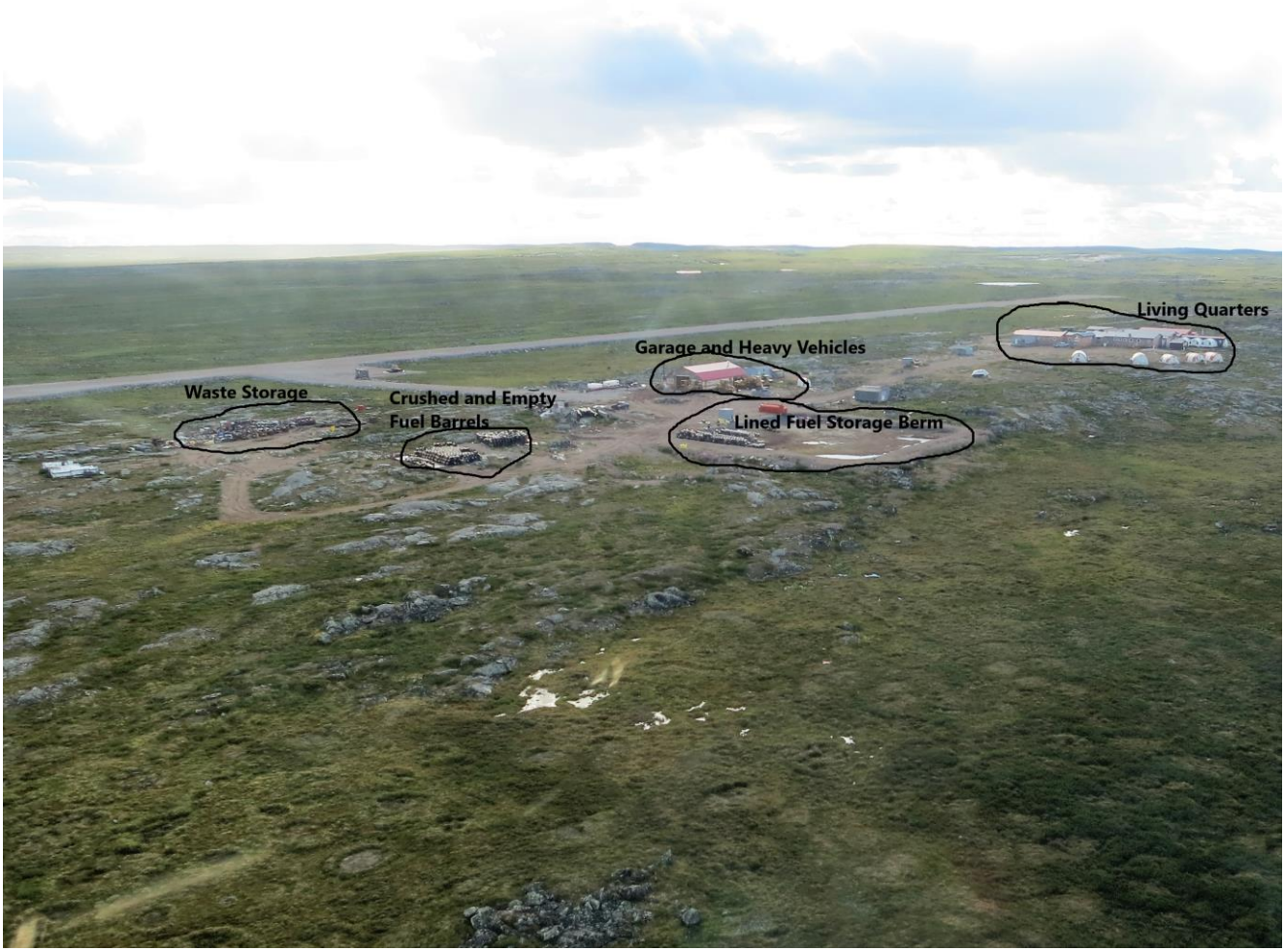

Figure 5-2. Ferguson Lake camp, storage and equipment layout with airfield.

5.2 Climate and Vegetation

The terrain is typical of the tundra barren grounds; tree line is 150 km south of Ferguson Lake and vegetation consists principally of; moss, lichen, dwarf birch and Labrador tea. Wildlife includes caribou, Arctic foxes, muskoxen, arctic hare, sik, wolves, wolverines, barren ground grizzly bears and various species of birds. Caribou migrate through the area in June and July. In order to reduce their disruption, the Nunavut government severely curtails diamond drilling on the Property from June 1 to July 15.

The project possesses subarctic climate characterized by long winters (October through April) with mean temperatures of -30° C; a short summer season with mean temperatures in the 15° C range that extends from July through mid-September. Mineral exploration work is most conveniently carried out during the summer months, and between March and May when geophysical surveys and diamond drilling can make use of ice-covered lakes. Nunavut permitting requirements stipulate the use of helicopters for drill moves during the non-winter months.

5.3 Physiography

The Yathkyed - Ferguson - Kaminuriak Lakes area is one of low relief, featuring numerous smaller lakes and a few large river systems, notably Kazan and Ferguson Rivers. Yathkyed and Ferguson Lakes are 141 and 114 metres above sea level respectively, and maximum elevations in the general area range from 200 to 275 metres. Elevations within the current Property area average less than 200 metres and range from slightly less than 100 metres at the Property's eastern boundary to 290 metres north of Yathkyed Lake. The orientation of Ferguson Lake and a number of smaller lakes reflects the dominant south-easterly glacial direction. Bedrock is fairly well exposed on numerous low hills and ridges; in lower areas bedrock may be obscured by between 6 and 25 metres of glacial debris, mainly till.

5.4 Infrastructure and Local Resources

Some supplies and services are available in fly in Nunavut communities, Rankin Inlet and Baker Lake, both of which service mining operations built and operated by Agnico Eagle Mines Limited. The staging points for some programs have been Churchill, Manitoba, 510 air kilometres southeast of Ferguson Lake, and Yellowknife, Northwest Territories, 900 air kilometres west of the project. These communities, with larger populations, are accessible by highway, have scheduled commercial airline services and are major regional supply centers. In previous programs supplies, equipment and fuel involved freighting by larger aircraft to an airstrip established on Ferguson Lake or transported to the Property by winter snow cat train from Baker Lake or Rankin Inlet in Nunavut.

Communications in this remote area are made possible by satellite, which provides for telephone, fax and high-speed internet connections.

6.0 HISTORY

6.1 Exploration History

The Ferguson Lake Deposit was originally discovered in 1950 by Canico (predecessor exploration arm of Inco Inc.) and has been intermittently explored by a variety of operators dominated by Starfield from 1999 to 2013. A complete discussion of the previous work on the property and project to 2011 prior to CNRI purchasing the property in 2013 is described in detail in the Preliminary Economic Assessment (PEA) of the Ferguson Lake Project completed by Roscoe Postle Associates Inc. (RPA) on behalf of Starfield in November, 2011 (Clow et al. 2011). In total, approximately 191,000 metres of drilling in 621 holes were completed on the present property of which 26,400 metres in 173 holes were by Canico. The remainder were drilled by Starfield. Table 6-1 outlines the history of exploration on the Property which is amended and updated from Irwin (2010).

Table 6-1. History of Exploration at Ferguson Lake Property

YEAR	COMPANY	WORK DONE	RESULTS
1950-1955	Canadian Nickel Company Ltd. (Canico) [exploration arm of Inco]	Discovery of copper-nickel mineralization. Construction of 90-person camp, airborne and surface geophysics, geological mapping, 26,400m drilled. 10-ton bulk sample extracted for mill testing. Initial in-house estimate of tonnage and grade completed.	Discovery of East Zone, West Zone, and Central Zone.
1957	Canadian Nickel Co. Ltd. (Canico)	Original concession taken to mining lease	Development of program assessed
1980	Esso Minerals Canada	Optioned property from Inco Extracted 9 ton bulk sample	Tested sulphur content for metallurgical application for uranium mineralization being investigated in District of Keewatin
1986	Homestake Mineral Development Company	Reconnaissance geological mapping, collection of 339 rock and 266 soil samples from known East/West Zones	Full results available in DIAND Assessment Report by G.H. Cameron
1998	Ferguson Lake Syndicate	Field program; prospecting along East/West Zone and several other mineralized zones	New targets discovered
1999	Starfield Resources Inc.	Established 170km surveyed grid, airborne and surface geophysical survey, detailed geological mapping, prospecting, surface sampling, preliminary baseline studies, and 3,981m drilled (19 holes)	Defining of East/West Zones
2000	Starfield Resources Inc.	Geophysical surveys, drill-testing six mineralized zones 15,600m (49 holes)	Positive results from other mineralized zones
2001	Starfield Resources Inc.	Drilling 21,046m (37 holes) Interpretation of UTEM data, prospecting and rock sampling	Program designed to confirm and expand results from 2000
2002	Starfield Resources Inc.	Drilling of West Zone and its western extension	Better definition of sulphide zone
2003	Starfield Resources Inc.	Drilling of 2,667m (9 holes), geophysical survey, geological mapping by GSC	Tested both massive sulphide lenses and low-sulphide Pt/Pd horizons
2004	Starfield Resources Inc.	Diamond drilling, plus various geophysical surveys; helicopter - borne VTEM electromagnetic/magnetic and SQUID	Definition of near surface sulphide mineralization in West Zone
2005	Starfield Resources Inc.	Drilling on three sections to fill in gaps in data, geophysical surveys, regional rock and soil sampling	Drill-holes drilled to further define foot-wall PGE mineralization
2006	Starfield Resources Inc.	Drilling of 24,330m (110 holes) West Zone and East Zone II, regional till sampling	Detailed infill drilling of two main zones. Estimate of tonnage and grade completed by Carter (2006)
2007	Starfield Resources Inc.	Drilling of 5,836m (19 holes), prospecting, rock sampling on east side of Ferguson Lake, claim staking	Drill testing of low-sulphide PGM mineralization in West Zone. Estimate of tonnage and grade reported in Nicholson (2007).

2008	Starfield Resources Inc.	Drilling of 19,589m (51 holes), mostly on West Zone, exploration drilling on North Zone, Grizzly, and southern "Y" Lake, prospecting, rock sampling, till sample processing and claim staking	Discovery of diamond in till sample and gold grains in three samples, drill testing of three new zones
2009	Starfield Resources Inc./ Thanda Resources	Detailed helicopter - borne DIGHEM EM and magnetic survey over Y Lake trend. Drilling of 407 metres (1 hole) in Y Lake trend, JV partner Thanda Resources drilled 7 holes for diamond exploration	Drill test of DIGHEM conductor and magnetic anomalies
2010	Starfield Resources Inc.	Drilling of 1,126 metres (6 holes), 2 in South Discovery Zone of Cu-Ni-Co-PGM trend and 4 in Y Lake trend, prospecting in Y-trend	Drilling in Y Lake trend intersects sulphide bearing iron formation with anomalous Zn and Cu, prospecting identified Au and As showings.
2011	Starfield Resources Inc.	Completion of PEA on project, Drilling of 1,866 metres (3 holes) within main deposit and southwest of the West Zone	Drilling intersected mineralized zones as discussed in text.
2012	Starfield Resources Inc.	No exploration completed	Camp area maintenance and remediation of old island camp area.

6.2 2011 Historic Resource Estimation

The RPA PEA (Clow et al. 2011) completed on behalf of Starfield describes and discusses the exploration work, mineral processing and metallurgical testing, mining plan and mineral resource estimations completed from 1999 to 2011 for the Ferguson Lake Project. The proposed metallurgical process outlined in the report envisioned the implementation of a concentrator producing a bulk sulphide concentrate at the mine site to remove gangue minerals from the massive sulphide mineralization, a 250 kilometre concentrate slurry pipeline between the mine and the hydrometallurgical plant, and a hydrometallurgical plant located in Arviat on the Hudson Bay coast to oxidize the sulphide material and separately extract the Ni, Cu, Co, Fe and S then returning the S to the site to be recycled (and possibly utilized by uranium mining development in the region). A scoping level economic evaluation of the project was presented, but it is noted that the economic parameters and analysis presented in the PEA are now considered to be out of date.

The project has undergone a series of resource estimations (Carter 2006, Nicholson 2007, Clow et al. 2008 and Chin 2009). The most recent mineral resources estimate reported by Starfield was National Instrument 43-101 compliant when completed as part of the RPA PEA, which was effective November 30, 2011. This

estimate is listed in Table 6-2, however, it is now outdated, considered no longer a Mineral Resource under National Instrument 43-101 and treated as a historic resource.

*Table 6-2. Ferguson Lake Mineral Resources Statement (Clow et al. 2011) now a historic resource**

Starfield Resources Inc. – Ferguson Lake
November 30, 2011

INDICATED RESOURCES *

ZONE	Tonnes (Mt)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Fe (%)	S (%)
Main West Pit	1.1	0.63	0.97	0.07	0.22	1.54	36.34	19.95
Main West UG	14.7	0.65	0.99	0.08	0.25	1.55	36.16	20.97
Total Indicated Resources	**15.8**	**0.65**	**0.99**	**0.07**	**0.25**	**1.55**	**38.04**	**20.90**

INFERRED RESOURCES *

ZONE	Tonnes (Mt)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Fe (%)	S (%)
Main West Pit	0.2	0.57	0.90	0.07	0.17	1.40	33.96	18.40
Main West UG	5.9	0.59	0.82	0.07	0.20	1.34	36.15	19.59
West Zone Ext.	14.7	0.71	1.23	0.08	0.31	1.88	41.63	23.14
East Zone	9.4	0.65	0.76	NE	NE	NE	38.41	21.16
Total Inferred Resources	**30.2**	**0.67**	**1.00**	**0.05**	**0.19**	**1.18**	**39.49**	**21.79**

Notes:

1. *CIM definitions were followed for Mineral Resources.*
2. *Mineral Resources were estimated at NSR cutoff values of $53 per tonne and $97 per tonne for open pit and underground, respectively.*
3. *Mineral Resources were estimated using average long-term metal prices of US$9.00, US$3.15, and US$17.00 per pound of nickel, copper, and cobalt, respectively, a US$/C$ exchange rate of 1.00, and a royalty of 2% NSR.*
4. *Metallurgical recoveries were assumed to be 91% for nickel, 96% for copper, and 90% for cobalt.*
5. *Platinum, palladium and cobalt were not estimated for the East Zone as the East Zone contains a higher proportion of historical Inco holes for which cobalt or individual platinum or palladium grades have not been determined.*

*** - These are historical estimates provided for information only, originally filed on SEDAR but are now outdated, no longer valid and not to be relied upon as being 43-101 compliant. A significant re-evaluation at today's gold prices and economic conditions would have to be completed to upgrade this historic estimate as current mineral resources.**

Although this is a historic estimate, some discussion is presented because its parameters, methodology and economic evaluation are discussed in detail within the RPA PEA, and are available to the public for review on SEDAR under Starfield Resources listed as filed on February 21, 2012. The estimation encompassed all drilling completed on the Ferguson Lake mineral deposit to the end of 2008. It is noted that for the East Zone in Table 6-2, there were insufficient historic analyses of Co, Pd and Pt completed to estimate their grades, hence, there are none stated for that zone. This resulted in a lower average grade for Co, Pd and Pt in the table since these East Zone grades were stated as zero when calculating the overall grades.

The original wireframe model was constructed generally based upon greater than 50% sulphides in the rock encompassing the massive sulphide body but not the footwall or enveloping low sulphide mineralized material. An additional three holes drilled by Starfield totaling 1,866 metres was completed in the deposits area in 2011 for which results underwent independent QA/QC (quality assurance/quality control) review and reporting in the RPA PEA report (Clow et al.), but these were not included into this estimate. This is significant because results reported from two of the drill holes were up to 7.5 metres from 111.5 to 119 m depth grading 1.95% Cu, 0.66% Ni, 1.77g/t Pd, 0.4g/t Pt and 0.08% Co for hole FL11-430, and 6.0 metres from 1118.7 to 1124.7 m grading 1.33% Cu, 0.73% Ni, 1.86 g/t Pd, 0.11 g/t Pt and 0.04% Co for hole FL11-432. The latter hole extended the strike length of the West Extension Zone a further approximate 250 metres to the west.

The estimate was completed by the PEA co-author James Lavigne, P.Geo., Associate Consulting Geologist, RPA at the time of filing, and a Qualified Person as defined in NI 43-101. The Mineral Resource estimate was originally completed at the date of filing in compliance with the requirements of NI 43-101 and the definitions set out by the CIM Standards on Mineral Resources and Reserves Definitions and Guidelines adopted by the CIM Council in November 2010.

Under the ownership of Starfield the Ferguson Lake Project underwent a series of permitting activities, social and community consultations, and environmental and archeological studies which are discussed in the RPA PEA report (Clow et al., 2011).

In summary, the RPA PEA reported the scoping level economic feasibility of the Ferguson Lake Project based upon the recovery of Ni, Co, Co, Fe and S but excluded the extraction, recovery and economic contribution of Pd and Pt in its analysis.

6.3 Historic Metallurgical Testing

A detailed outline and discussion of the metallurgical testing history for the Ferguson Lake mineralized material can be found in the RPA PEA and is repeated in summary in this Report. Metallurgical testing that was carried out for Starfield from 2001 to 2008 by Kingston Process Metallurgy, SGS Lakefield, and NeoFerric generated a predominantly hydrometallurgical flowsheet on which to assess the economic viability of the project at the scoping level.

Early work on the primary leach circuit focused on demonstrating the technical viability of carrying out a relatively low temperature hydrolytic precipitation of iron as hematite and/or magnetite, in the absence of any base addition, with the accompanying recovery of strong HCl. Early testing also included the evaluation of grinding, flotation, and mineralogical characterization on sulphide mineralized drill hole composites plus some Platsol testing on generated products. In terms of later work, in 2010 bulk sample massive sulphide mineralization was gathered by Starfield from the surface of the Ferguson Lake West Zone using an excavator and five tonnes of the material was shipped to the SGS Mineral Services Lakefield metallurgical laboratory primarily for pilot and bench metallurgical testing.

Additional test-work was completed in 2009 at McGill University and in 2010/2011 at SGS in Lakefield, Ontario (SGS) to assess oxidation and hydrolysis. During 2011, a flotation test program was carried out to assess if the Ferguson Lake ore was amenable to upgrading by means of flotation prior to further treatment at the hydrometallurgical process plant. A series of bench scale flotation tests established that it was possible to recover essentially all the sulphide minerals into a single bulk sulphide concentrate while also rejecting about 80% of the gangue minerals.

Two major continuous leaching campaigns were successfully carried out in a continuous mini-pilot plant at SGS Lakefield. The iron oxidation and hydrolysis steps were also tested in continuous mini-plant

campaigns at SGS Lakefield. There was sufficient laboratory work carried out to enable definition, at the conceptual level, a technically viable preliminary flowsheet. The major unit operations (primary leach, secondary leach, ferrous iron oxidation and hydrolysis) were tested in continuous mode at SGS, thereby demonstrating the technical competence of these unit operations.

The process oxidation and hydrolysis steps for the iron sulphides, however, were reported as novel and are not commercially proven unit operations. Fundamental measurements of heat capacity, thermal conductivity, viscosity, and other properties will be required in order to determine the required heat transfer coefficients to size heat transfer surfaces, or preferably, direct measurements of heat transfer at a larger scale than has been completed thus far.

In addition, the materials of construction of a process plant will require further study and development, particularly for the heat transfer surfaces. The fluids under consideration are aggressive and materials normally used for heat exchange surfaces, e.g. steel, would be dissolved. SGS completed preliminary corrosion testing, and it appears that higher grades of titanium may be suitable for the oxidation stage, and tantalum may be required for the hydrolysis stage. It is expected that verification in this area will require substantial work.

The process has evolved from the results of metallurgical test work completed over the past decade. As experimental data became available it was incorporated into a process model that was used to develop the operating and capital cost estimates used in this and the preceding evaluations of the process. These economic estimates are now, however, considered to be outdated.

The most recent embodiment of the process model reported in the PEA that overall metal extractions of 91% for nickel, 96% for copper, and 90% for cobalt were achievable using the proposed process.

The process was stated to have the potential to generate stable, non-toxic tailings, and most importantly, recover a sufficient quantity of the intrinsic energy in the ore to make itself sustaining in energy usage. It was suggested that there may be no need to import fuel oil for generating power on-site, which would otherwise be necessary in such a remote location. The excess energy recovered from the process was

potentially sufficient to operate the hydrometallurgical process plant, as well as the mine, concentrator, and concentrate pipeline pump stations.

There are a number of uncertainties in the process flowsheet, where it was necessary to make assumptions. The most important of these are the iron and sulphur contents of the ore, and its accompanying mineralogy, and secondly, the lack of fundamental data in the scientific literature to enable a rigorous energy balance to be carried out.

No account was undertaken of the precious metals content of the ore, since no process for their recovery were properly evaluated although it was suggested by personal communications with former Starfield employees that their recovery was mandated, even as a relatively low-grade concentrate, since it comprised a significant potential revenue stream even while Starfield operated the Property.

It was suggested in the PEA there was potential to process low-base metals, high-PGE mineralized material although low-base metals-content material would not provide the energy advantages of the massive sulphide material. There was believed value in recovering PGEs from both low-base metal material and from the secondary leach residue generated at the end of the hydrometallurgical circuit.

In summary, the Starfield proposed process flowsheet in the RPA PEA was based on the following step by step operations:

- The run of mine (ROM) ore will be crushed and processed in the on-site concentrator and the concentrate will then be transported by pipeline to the hydrometallurgical processing facility located near Arviat. The concentrate slurry will be dewatered and filtered ahead of the process plant.

- Primary leaching of the sulphide concentrate will be carried out with hydrochloric acid (HCl) at a temperature of approximately 115°C, producing a ferrous chloride (FeCl2) solution, hydrogen sulphide (H2S) off-gas, and a residue containing virtually the base metals.

- The hydrogen sulphide (H2S) off-gas from the primary leach will be f cooled to condense most of the water and any residual HCl, prior to burning in air to generate high-strength sulphur dioxide (SO2), which will be sent to an acid plant to produce 93% sulphuric acid. This will permit the recovery of a substantial amount of the intrinsic energy in the ore as high-pressure steam, for use both directly in the flowsheet and also for electric power generation.

- The solids from the primary leach will be treated in a secondary leach with oxygen at about five atmospheres, under conditions that dissolve the nickel, copper and cobalt while initially dissolving but then re-precipitating the iron as goethite. The sulphide sulphur in the primary leach residue will be converted to elemental sulphur.

- The slurry from the secondary leach will be filtered, the filtrate proceeding to further processing and the filter cake contacted with recycled strong hydrochloric acid to re-dissolve the goethite. The resulting slurry will be filtered, and the filter cake washed with water. The washed filter cake will leave the process as a residue containing the precious metals. The filtrate, a concentrated solution of ferric chloride, will be sent to the oxidation/hydrolysis section of the process.

- The ferrous chloride (FeCl2) solution will be combined with other recycled streams containing iron chloride, concentrated by evaporation, then oxidized with oxygen to initially precipitate one-third of the iron as hematite, and generate a ferric chloride (FeCl3) solution.

- The slurry from the oxidation step will be subjected to a hydrolysis step, in which it is heated and most of the ferric chloride is converted to hematite and gaseous hydrochloric acid (about 35% HCl). The acid will be recycled.

- The slurry from the hydrolysis step will be filtered hot in a specialized filter and the filtrate is returned to either the oxidation step or the beginning of the hydrolysis step to control the solids content of the slurry in the hydrolysis step.

- The hot filter cake from the hydrolysis step will be quenched and diluted with recycled solutions from downstream in the circuit. The resulting slurry will be filtered, and the filter cake washed with water. The washed filter cake will leave the process as a by-product hematite. The filtrate will be recycled to the evaporation step ahead of the oxidation stage.

- Zinc will be removed from the filtrate from the secondary leach by ion exchange (IX), after which copper and cobalt recovery from the secondary leach solution will occur through anionic SX. A second stage of SX will then separate the copper from the cobalt, and each metal will be recovered using SX and electrowon from a sulphate medium to generate LME-grade metal.

- Nickel will then be recovered by conventional sulphate SX, and electrowon to produce LME-grade metal. The raffinate from the nickel SX step will be combined with the strip solution from the zinc ion exchange step and evaporated at reduced pressure the steam produced being condensed and the condensate recycled, and the final concentrated chloride brine being contacted with concentrated sulphuric acid, generating hydrochloric acid that will be recycled and a sulphate effluent that will leave the process.

Starfield did not propose any formal methodologies for the extraction and recovery of palladium and platinum.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Ferguson Lake Property lies within the western Churchill Province, an Archean craton, that has been divided by previous workers into the lithologically distinct Rae and Hearne domains by the northeast trending Snowbird Tectonic Zone (Figure 7-1).

More precisely the Ferguson Lake Project is located 100 km east of the Snowbird Tectonic Zone, within the north-western part of the Hearne domain, which is bounded by northeast trending, regional shear zones

including the Tulemalu Fault Zone (part of the Snowbird Tectonic Zone) on the north and by the north-eastern extension of the Tyrrell Shear Zone on the southeast. The Hearne domain is principally made up of Archean metavolcanic and metasedimentary rocks and an aerially extensive gneissic terrane derived from both Archean supracrustal and plutonic rocks that have been intruded by early Proterozoic plutonic rocks (Miller, 2005b).

The Western Churchill Province, because of its diverse geological environments which span a 1.5 billion years interval, is host to a variety of mineral deposit types (Miller, 2005b). Known mineral deposits, prospects and occurrences include mafic - ultramafic-related magmatic nickel-copper-cobalt-PGE massive sulphides, orogenic (mesothermal) lode gold, volcanic hosted massive sulphides, syngenetic and epigenetic uranium deposits and prospects, quartz-carbonate veins containing precious metals and diamonds associated with Phanerozoic kimberlite intrusions.

Regional mineral exploration efforts in the area of the project have been directed to orogenic gold, iron formation-hosted gold, volcanic hosted massive sulphides in both the Yathkyed and Ennadai -Kaminak - Rankin greenstone belts, as well as for diamonds over a much broader area.

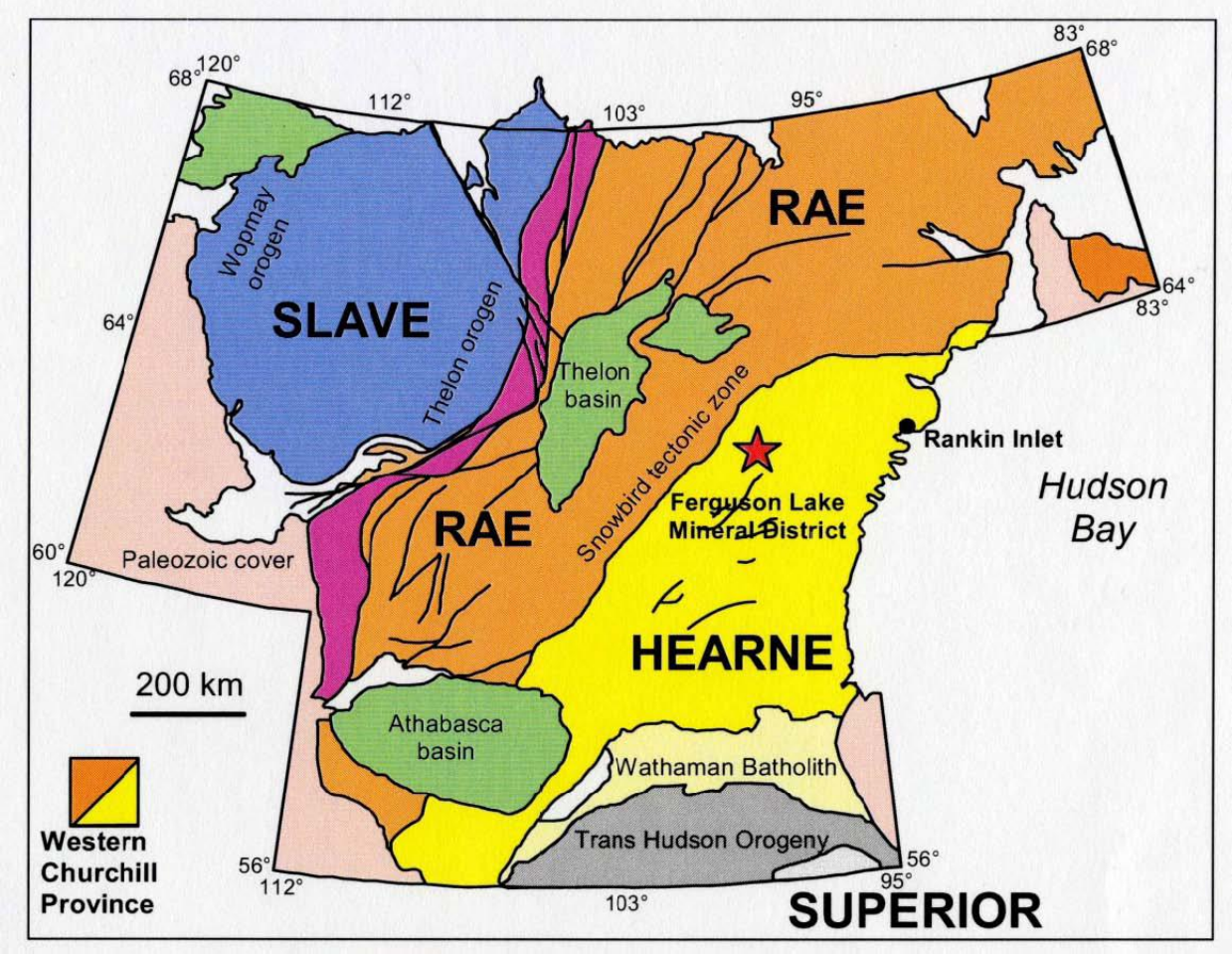

Figure 7-1. Ferguson Lake Regional Tectonic Setting (Hanmer, et al., 2004).

7.2 Local Geology

The Ferguson Lake area overlies the most northerly extension of the northeast-trending Yathkyed greenstone belt (Martel and Sandeman, 2004), which consists of strongly deformed, Archean gneissic supracrustal and intrusive rocks that have been raised to upper amphibolite facies and variably deformed Proterozoic plutons and dykes. Although protoliths of the older supracrustal rocks are comparatively rare, where seen, they consist principally of mafic metavolcanics with cherty iron formations and lesser intermediate to felsic metavolcanics and clastic metasedimentary rocks.

The widespread Archean gneissic rocks are intruded by Archean granodiorites, quartz monzonites, and a variety of mafic intrusions including diorites and gabbros. Late Archean intrusions include the east- to northeast-trending Kazan Dykes (Eade, 1986) which consist of variably metamorphosed gabbros and hornblendites.

Early Proterozoic (Tulemalu Dykes - Eade, 1986) gabbros and slightly younger diabase dykes cut all older rocks, as do late Proterozoic syenites and lamprophyres. The Martell Syenite (Bell, 1971; Eade, 1986), which is an example of this intrusive activity forms a large (13 x 5 km) pluton centered on Uligattilik Hill. This intrusive is located several kilometres east of the Ferguson Lake Property and is reflected by a positive magnetic anomaly on published airborne magnetic survey results for map-area 65I. As described by Bell (1971), this pluton consists of massive, uniform, biotite-pyroxene-amphibole syenite in which apatite is a common accessory mineral. It is thought that biotite-rich mafic dykes, prevalent within the Property area, may be related to this intrusive event.

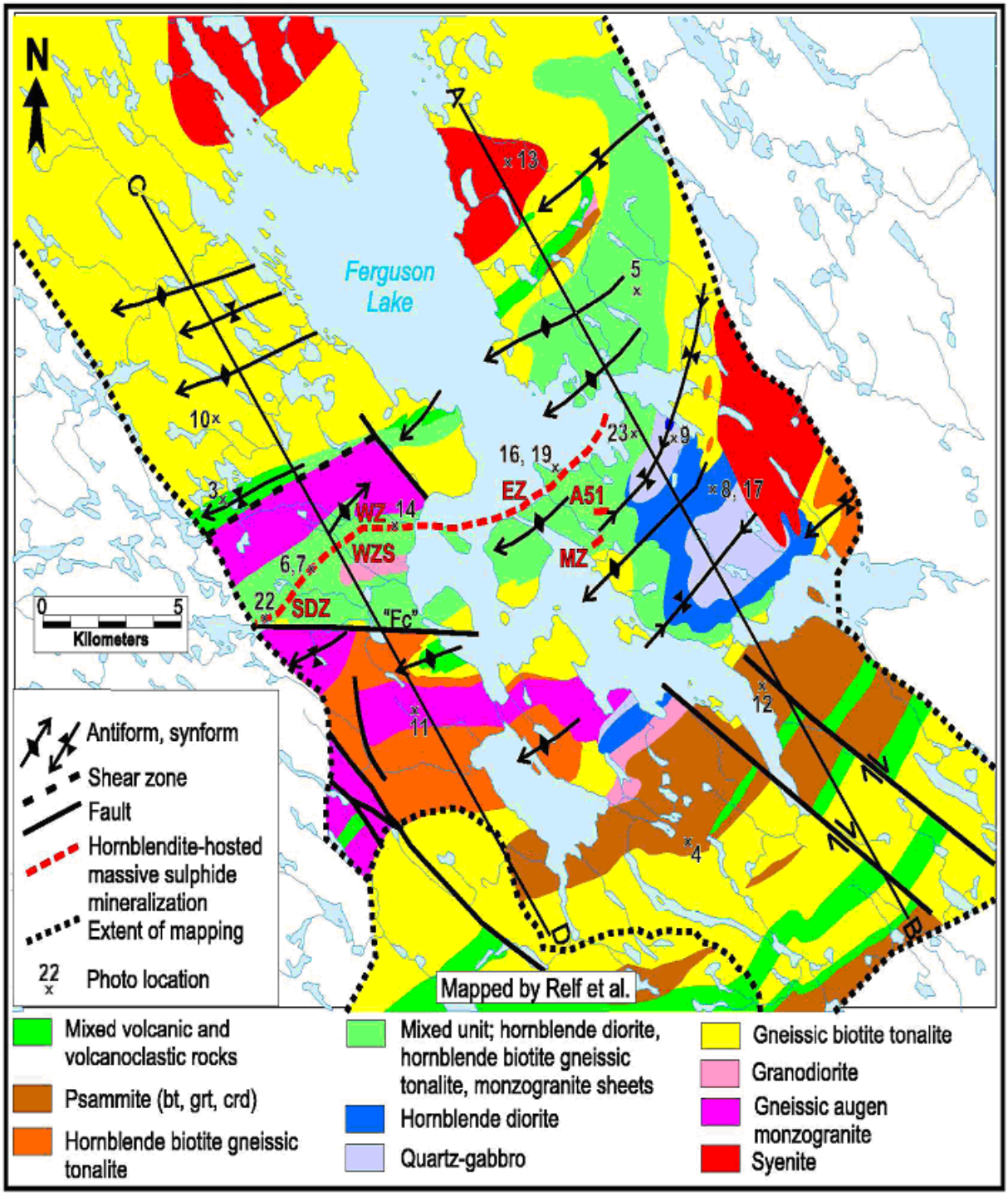

Figure 7-2. Ferguson Lake Area Geology (Martel and Sandeman, 2004).

7.3 Property Geology

Within the Ferguson Lake Property pronounced layering in the supracrustal rocks trends east-northeast to northeast and dips moderately to steeply north. Medium to coarse-grained, massive to weakly foliated gabbros, containing +60% hornblende, and termed hornblendites in earlier reports, mainly occur within, and are conformable with, the layering in amphibolite-hornblende-biotite gneiss sequences. Petrographic studies suggest that these hornblende-rich gabbros, which are the principal host rocks for base metal sulphides and platinum group elements, may be metamorphic products of original tholeiitic mafic or ultramafic (pyroxenite-peridotite) intrusions. The foregoing lithologic units, including the host gabbros, are cut by younger (mid-Proterozoic) gabbros and diabases and by late Proterozoic syenites, quartz-feldspar porphyries and fine-grained, locally biotite-rich mafic dykes. Three generations of deformation are recognized and Martel and Sandeman (2004) report an early phase foliation in the host hornblendite unit and suggest that it and the contained sulphide mineralization were subjected to two subsequent phases of folding with the first of these represented by the numerous northeast-southwest structures shown on Figure 7-2. Therefore, mineralization at Ferguson Lake is inferred to be of Archean age.

The structural mapping program, conducted by Henderson, 1999, in the areas of the two principal mineralized zones, East and West Zones, indicated that most of the lithologic units, including the granitic intrusive rocks but excluding the younger gabbro, diabase and mafic dykes and syenite plutons, were subjected to high grade metamorphism and deformation. Intricate folding of the gneissic rocks and the hornblendites (gabbros) has produced antiform and synform structures which are particularly evident in the area east of Ferguson Lake. The East and West mineralized zones were interpreted as being within the south limb of a recumbent, double-plunging synform or “canoe-shaped” structure modified by numerous faults and shear zones which offset the various lithologic units.

Miller (2005a) suggests that the host gabbroic units in both the East and West sulphide zones at Ferguson Lake are a component of metamorphosed compositional layering. This compositional layering in the East Zone is represented by mesocratic through leucocratic gabbro and into anorthosite, which is commonly garnet bearing. In the West Zone, compositional layering ranges from pyroxenite through mesocratic and leucocratic gabbro. Miller further suggests that the original magma underwent fractional crystallization within several chambers to form layered mafic and ultramafic rocks and proposes that the Ferguson Lake

Intrusion might best be termed the Ferguson Lake Intrusive Complex (FLIC). Miller also indicates that the host rocks and contained mineralization are of Archean age but correctly points out that there are no geochronological dates to substantiate this hypothesis.

The main gabbro (or hornblendite) unit, which is host to all of the known sulphide zones including East, Central (lake) and West Zones (Figures 7-2, 7-3), exhibits a fair degree of continuity and predictability over an east-west strike length of more than 12 km is of interest. This linear feature, which significantly trends only slightly north of east as opposed to the dominant northeast structural trend of the surrounding area suggests that the host intrusion post-dates the earliest, most intense, phase of Archean deformation and metamorphism that is evident in the surrounding gneissic rocks.

7.4 Mineralization

The main gabbro unit, which is host to all of the known sulphide zones including East, Central (lake), West and West Extension Zones (Figure 7-3), exhibits a fair degree of continuity and predictability over an east-west strike length of more than 12 km is of interest. This linear feature, which significantly trends only slightly north of east as opposed to the dominant northeast structural trend of the surrounding area suggests that the host intrusion post-dates the earliest, most intense, phase of Archean deformation and metamorphism that is evident in the surrounding gneissic rocks.

The various mineral zones identified to date in that part of the Property bordering Ferguson Lake are magmatic nickel-copper sulphide deposits which also contain cobalt and platinum group metals (PGM) values. As noted, these zones are spatially related to mafic (and ultramafic) intrusions which are principally in the form of fine- to coarse-grained gabbro which include hornblendites. Three of the mineral zones (East, Central (lake) and West - Figure 7-3) are at least spatially related to the same gabbro unit which is between 10 and 600 metres thick and has been traced by intermittent exposures and by diamond drilling over a strike length of more than 15 km, east and west of Ferguson Lake. This and the other gabbro units hosting the several other mineral zones dip moderately to steeply north and are generally conformable with enclosing hornblende-rich gneisses.

Better grades of base and precious metals mineralization are present within massive to semi-massive sulphide lenses, pods and stringers which consist of between 80% and 90% pyrrhotite and lesser chalcopyrite, some pyrite and very fine-grained pentlandite. Rounded magnetite grains, up to 1 cm in size, are a common constituent of the sulphide lenses. Better grades are contained within zones having thicknesses of between two and tens of metres.

Sulphide matrix breccias, featuring 1-2 cm subrounded mafic clasts, are a common feature of massive sulphide zones. Net-textures have been noted in some of the stringer and fracture-filling sulphide sections. The sulphide zones occur mainly in the upper, structural hanging wall portion of the of north-dipping gabbro units and to a lesser degree as remobilized lenses within hanging wall and footwall gneisses. The sulphide-rich zones are marked on surface by prominent gossans up to 25 metres wide and several hundred metres long.

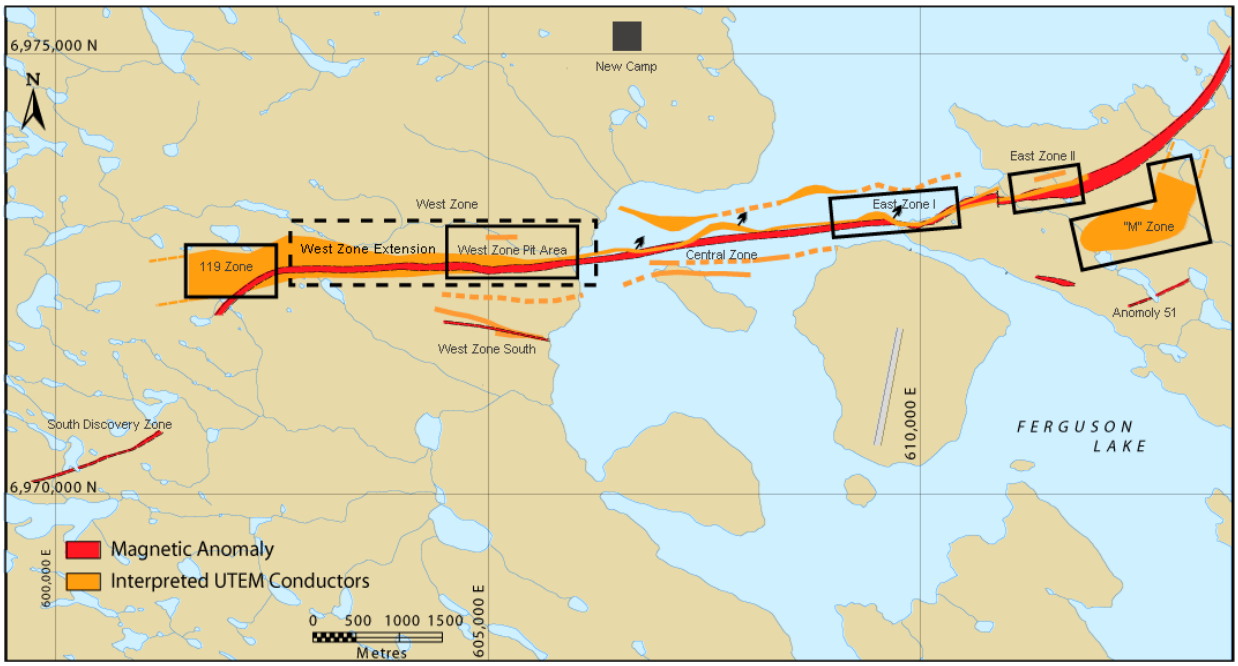

Figure 7-3. Ferguson Lake Mineralized Zones

8.0 DEPOSIT TYPES

The nature of the Ferguson Lake deposits, as currently understood, appear to conform with Eckstrand (1996) subtype 27.1d - "other tholeiitic intrusion-hosted nickel-copper" deposits which are described as being associated with mafic and ultramafic phases of differentiated intrusions. Sulphide minerals present in this deposit subtype include abundant pyrrhotite with subordinate pentlandite, chalcopyrite and pyrite which are present as massive lenses, sulphide matrix breccias, net-textured fracture fillings and as disseminations. Nickel to copper ratios range from 3:1 to less than 1:1 (Eckstrand,1996).

9.0 EXPLORATION

9.1 2013 Work Program

9.1.1 Sampling of Historical Core

During the summer of 2013, the Ferguson Lake Camp which is located on the Property was opened by Canadian North Resources Inc. with the major purpose completing a technical evaluation of the project. In addition, maintenance and repair work was undertaken on camp buildings and facilities, mechanical equipment, vehicles and airfield.

A field examination and review was conducted of the Starfield historical core stored on site at the camp, and at the old camp area, situated on an island in Ferguson Lake four km to the southeast. A total of 86 drill core samples were collected from 18 holes made up of 77 samples for Ni, Cu, Co, Pd and Pt analysis and nine samples for whole rock analysis. Focus was on identifying drill intersections of low-sulphide, high PGE mineralization for complete precious and multi-element assay and on locating probable peridotite intrusive composition rocks for whole rock geochemistry which serve as vectors to favourable host rocks of high-grade mineralization.

Approximately 250 kilograms of the massive sulphide bulk sample mineralization stored on-site in an enclosed dark building was picked and packed into buckets to be shipped to Toronto for metallurgical testing. The material had been gathered by Starfield from the surface of the Ferguson Lake West Zone

using an excavator in 2010. In this program, the rejects from the aforementioned 77 core samples of low sulphide mineralization are also available for testing at SGS Lakefield totalling about 400 kilograms of sample material removed and shipped during this program.

Analytical results found that the predominantly low sulphide core samples averaged 0.07% Ni, 0.07% Cu, 0.01% Co, 1.42 g/t Pd and 1.20 g/t Pt with values ranging from below detection to up to 0.59% Ni, 1.0% Cu, 0.06% Co, 6.68 g/t Pd and 10.5 g/t Pt in massive sulphide material. Gold values were nearly always <20 ppb. The results were compared with those equivalent samples possessing Pt and Pd historic partial analyses as discussed in Section 12.0.

9.1.2 Review of Ferguson Lake Deposit Model

Previous and recent exploration work completed on the Ferguson Lake Project since 2002 has defined mineralized zones within the project area which have undergone a number of resource appraisals which cumulated in the most recent historic resource estimation reported by Starfield and listed in Table 6-2.

For this review on behalf of the Company, all drilling completed by Starfield, which had undergone QA/QC review by Roscoe Postle Associates reported Clow et al. (2011), was incorporated into a new three-dimensional deposit model. The review was completed by Jason Baker P.Eng. of Caracle Creek International Consulting Inc. using the GEMS V6.5 resource modeling software and was a re-examination of the reported historic resource for the West and West Extension Zone of the deposit applying five main differences as follows:

- Wireframes were constructed using a Pd + Pt cut-off grade 1.0 g/t instead of a cut-off based upon NSR of Ni, Cu and Co (but not Pd and Pt) as discussed in Section 6 (See Figure 9-1).
- A minimum mining width of 3 metres instead of 2.5 metres
- Incorporation into the model of the 2011 drilling results completed by Starfield
- The addition of footwall zones of low-sulphide PGM rich mineralization based upon the Pd + Pt cut-off.
- The East Zone was not included in this resource re-estimation due to the lack of Pd and Pt analyses in that portion of the deposit. It is noted that based upon its similar mineralization to the West Zone and supported by drilling completed by Starfield, the East Zone is considered to possess similar Pd and Pt grades.

Based upon this review, the GEMS model of the West Zones is shown in Figure 9-1.

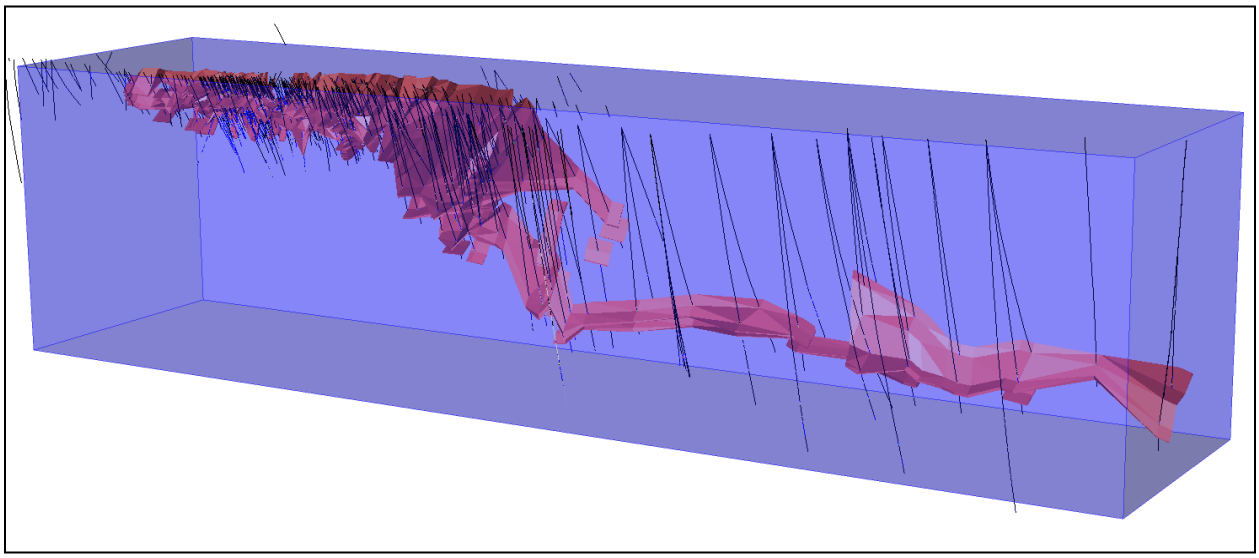

Figure 9-1: West Zone 3D View of Wire Frames, Drill Holes & Block Model Outline (Looking SE)

Historic diamond drilling has demonstrated that massive, semi-massive and disseminated sulphide intersections of variable widths extend on the Property over a strike length of approximately 15 kilometres. For the purposes of this evaluation, the Property was divided into a series of lenses plus separate footwall low-sulphide zones. This review for the Ferguson Lake Project was estimated exclusively from diamond drill hole data. No systematic excavations or surface sampling were completed that contribute to the resource estimation database.

A total of 608 drill holes in the Ferguson Lake database were inputted into the new model, which includes those drilled by Inco during the 1950s and those drilled by Starfield from the period 1999 to 2011. The number of drill holes and total metres drilled, by drill campaign, are presented in Table 9-1. The vast majority of the 2007 and 2008 drilling was confined to the Main West Zone where most of the Starfield 2011 historic estimate was completed.

Table 9-1. Ferguson Lake deposit drilling summary by year.

Year	Company	No. of Holes	Metres
1953	Inco	173	26,385
1999	Starfield	19	3,923
2000	Starfield	48	15,533
2001	Starfield	38	21,500
2002	Starfield	53	24,957
2003	Starfield	9	2,721
2004	Starfield	55	23,018
2005	Starfield	29	16,973
2006	Starfield	116	24,951
2007	Starfield	19	6,139
2008	Starfield	49	18,813
2011	Starfield	3	1,866
Total		**608**	**184,913**

A total of 36,764 samples, which make up the Ferguson Lake database, were used in the review. The high sulphide drill core samples collected by Starfield were analyzed for Ni, Cu, Co, Pt, and Pd; however, some low sulphide drill core samples, collected by Starfield were analyzed only for Pt and Pd. Some of these samples which reported good Pt and Pd values were re-analyzed including Ni, Cu and Co values as discussed in Section 9.0. The Inco samples were generally only analyzed for Ni and Cu. The total number of samples and metres of core analyzed by year is presented in Table 9-2.

Table 9-2. Ferguson Lake deposit drilling sample data.

Year	Company	No. of Samples	Total Metres (of sampling)
1953-54	Inco	2,350	3,277
1999	Starfield	912	680
2000	Starfield	2,351	2,172
2001	Starfield	1,868	1,792
2002	Starfield	3,396	3,602
2003	Starfield	1,107	1,415
2004	Starfield	4,746	6,075
2005	Starfield	2,099	2,504
2006	Starfield	5,927	5,897
2007	Starfield	2,713	3,764
2008	Starfield	9,088	12,681
2011	Starfield	207	294
Total		**36,764**	**44,152**

Drill core logging by both Inco and Starfield included the identification of rock types which was in-putted into the Ferguson Lake GEMS database. This included the major distinctions between the host intrusion, surrounding country rocks, and massive sulphides. The country rocks are broken out into several types of amphibolites, gneisses, and granitic rocks. The intrusion is mainly described as gabbro with lesser amount of hornblendite associated with the massive sulphide mineralization. Massive sulphide (>50%) was broken out as a rock type in the lithological description of the core. Mafic to felsic dykes had been logged as crosscutting both the country rocks and the intrusion. Differences in rock type coding between closely spaced holes, particularly those from different drill campaigns, suggest difficulties identifying major rock types consistently, perhaps due to variability in metamorphism within the mineralized zones. Moreover, the absence of recognizable marker horizons has made correlations difficult. The best marker horizon identified to date is the upper gabbro contact with a thick sequence of amphibolites. This contact appears to be sub-parallel to the mineralized horizons and provides the best available guide as to the overall orientation of mineralization.

The Ferguson Lake deposit database contains 1,442 specific gravity (SG) measurements from drill campaigns between 2002 - 2006. In 2006, specific gravity was reported to have been determined on 1,342 drill core samples during the course of sample processing for base and precious metal analyses. The SG was determined using the water immersion method. Based upon the RPA PEA (Clow et al. 2011), the SG data in comparison to the analytical results showed good correlation between SG and nickel grades for both high and low sulphide samples.

The linear regressions used for the results reported in the RPA PEA were as follows:

- SG = 1.1712 * Ni + 2.8968 for the low-sulphide gabbro-hosted mineralization, and
- SG = 1.3638 * Ni + 2.9435 for the massive sulphide mineralization.

For the purposes of this review the more conservative low sulphide gabbro-hosted linear regression was chosen to estimate individual block density based upon the Ni grade.

The drill hole data were imported into the GEMS software package for the purposes of geological and resource modeling. Imported data included drill hole collar locations, down-hole surveys, rock type, and sample data including sample identification and analytical data for Ni, Cu, Co, Pd and Pt.

The block model definitions used are shown in Table 9-3. The three-dimension block model is represented by "X", "Y" and "Z" coordinates. Positive rotation is clockwise about any axis. Based on the anticipated mining methods, the size of the mineralized domain and the drill hole spacing, Caracle Creek chose a block size of 5m × 5m × 5m. Figure 9-1 shows the outline of the block model definitions for the West Zone and Figure 9-2 shows the grade (Pd) of the populated blocks.

Table 9-3: Block model definitions

	Y (m)	X (m)	Z (m)
Origin Coordinates (m)	19550	5575	200
Block Size	5	5	5
Rotation	0	0	0
Number of Blocks	1050	240	265

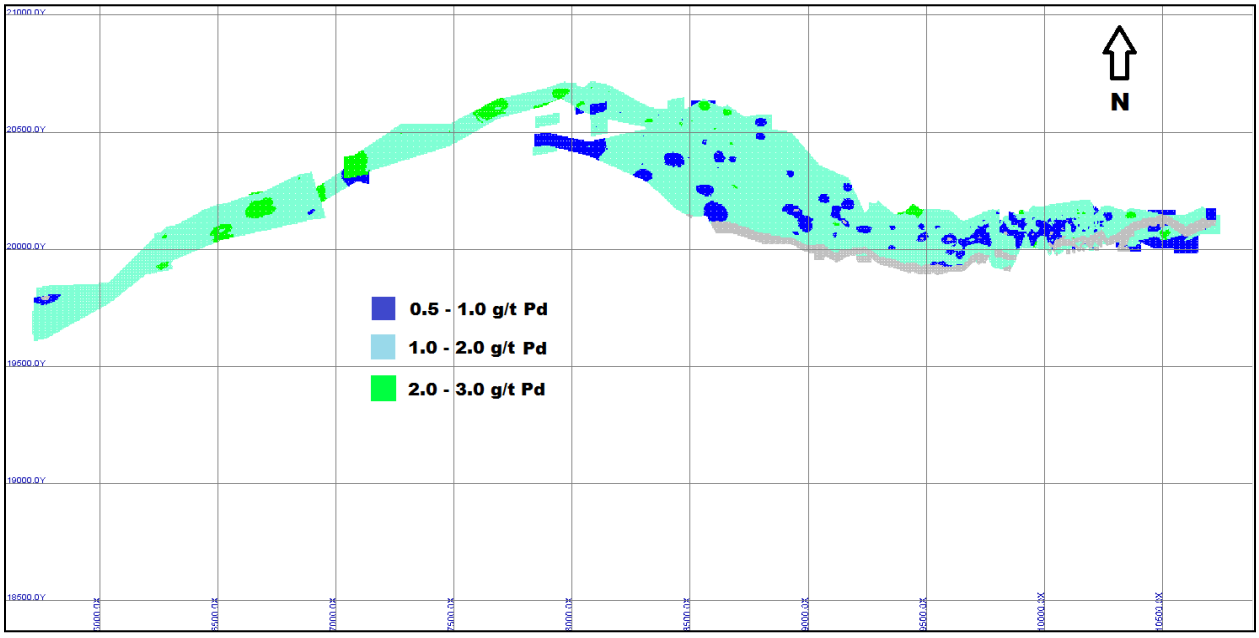

Figure 9-2: West Zone plan View of Pd Blocks Within the Block Model

Grade estimation for the review was based on Inverse Distance methodology using one pass. Table 9-4 summarizes the parameters used in the grade estimation.

Table 9-4: Grade Estimation Parameters

	Pass 1
Method of Interpolation	Inverse Distance
Search Radius	300m X 300m X 300m
Search Type	Spherical
Min # of Samples	1
Max # of Samples	30

The estimation parameters set were interpolated through some Ni, Cu and Co intervals for which no Pd and Pt analyses had been completed. Caracle Creek in their review did not evaluate the spatial distribution of grade using variograms. The raw assay data was viewed in three dimensions as a starting point to help determine grade continuity directions.

The author examined the methodology and the updated calculated tonnage and grade generated from this review, and concluded that this estimate was not consistent with the requirements of NI 43-101 and the definitions set out by the CIM Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council in 2010, therefore these numbers are not provided in this Technical Report.

However in the opinion of the author, the deposit review demonstrated that the use of a Pt + Pd cutoff grade successfully resulted in the creation of a coherent contiguous wireframe model around the mineralized zones which included enveloping lower sulphide contents resulting in an overall thicker and less variably shaped mineralized bodies. It is concluded that the use of such a cut-off is appropriate for any future resource estimation but must include a demonstration of the viable metallurgical recovery of Pd and Pt from the mineralized material.

There are no known factors related to permitting, legal, title, taxation, socio-economic, environmental, and marketing or political issues which could materially affect this estimation except those outlined in Section 4.3. Review of the model confirmed considerable additional drilling is required and recommended to determine the full extents of the mineralization at the Ferguson Lake Project.

9.2 2015 Exploration Program

The purpose of the 2015 Ferguson Lake exploration program was to conduct ground follow-up on potentially metalliferous and/or diamondiferous target areas both within and outside CNRI's mineral rights holdings at the time. The program consisted of helicopter supported surface reconnaissance prospecting, rock chip and till sampling and ground geophysical surveys performed by Canadian North Resources Inc. Near all of the exploration work was completed outside the present Property boundaries thus it is not considered material. The program was completed from July 26–August 16, 2015 during which the Ferguson Lake Camp was re-opened to maintain the facilities and equipment and support the exploration work.

9.2.1 Reconnaissance Prospecting and Sampling Program

During this work program a total 23 multiple predominantly regional mineralized geochemical / geophysical targets areas were chosen, examined and assessed by the geological teams on the ground. Some targets were indicated to potentially host more than one mineralization type. Thirteen of these targets hosted historical Cu-Ni(+-PGE) mineral occurrences and eight recorded known Au occurrences. Eleven were selected airborne electo-magnetic conductors of unknown cause.

The geophysical targets were chosen from airborne surveys results from the Starfield Resources exploration programs completed in 2005 and 2009 some of which had been previously recommended but remained under-explored or in some cases never followed up on the ground. Rock chip samples were taken by the field crews at attractive exposures of ultramafic, gabbro or strongly hydrothermally altered rocks, and /or rocks hosting significant sulphides, and/or iron oxide gossans from either outcrop or sub-crop. During the exploration program approximately 269 surface rock samples from outcrop or sub-crop for litho-geochemical analysis were obtained by the geological teams.

The most significant analytical results were found to return values of up to 14,300 ppm Cu, 2,490 ppm Ni, 539 ppb Pd, and 220 ppb Pt hosted in highly weathered serpentine and clay rocks hosting 10-30% iron oxides, pyrrhotite and chalcopyrite mineralization. Other results of interest are scattered Cu, Ni and Pd

anomalous values which are found extend easterly along strike across the eastern arm of Ferguson Lake. The samples were obtained from gossanous gabbro outcrop containing variable disseminated pyrrohotite (5-20%) and lesser chalcopyrite. A parallel east-west trending gabbro - amphibolite sequence deposit is located 3 kilometres south of Ferguson lake deposit was examined and prospected. The sampling of sub-crop gossans returned values of up to 5,160 ppm Cu, 580 ppb Pt and 317 ppb Pd.

In addition, five areas exhibiting attractive clusters of anomalous magnetic signatures identified from the airborne surveys combined with potentially favourable previous exploration results were examined and sampled on the ground for diamond potential. Thirteen 25-30 kg till samples were gathered at four of the target areas and sent for Kimberlite Indicator Mineral analyses. No significant results were reported.

9.2.2 Ground Geophysical Surveys

During the field program a 27 line-km ground magnetic and VLF survey was completed over the eastern end of Ferguson Lake approximately two kilometres along strike east northeast from the eastern end of the Ni-Cu-PGE mineralized zones as shown in Figure 9-3. The figure shows the grid location with respect to the distribution of the interpreted conductor anomalies from the helicopter - borne VTEM electromagnetic and magnetic survey flown over the Property in 2004 and the locations of the West and East zones mineralized bodies.

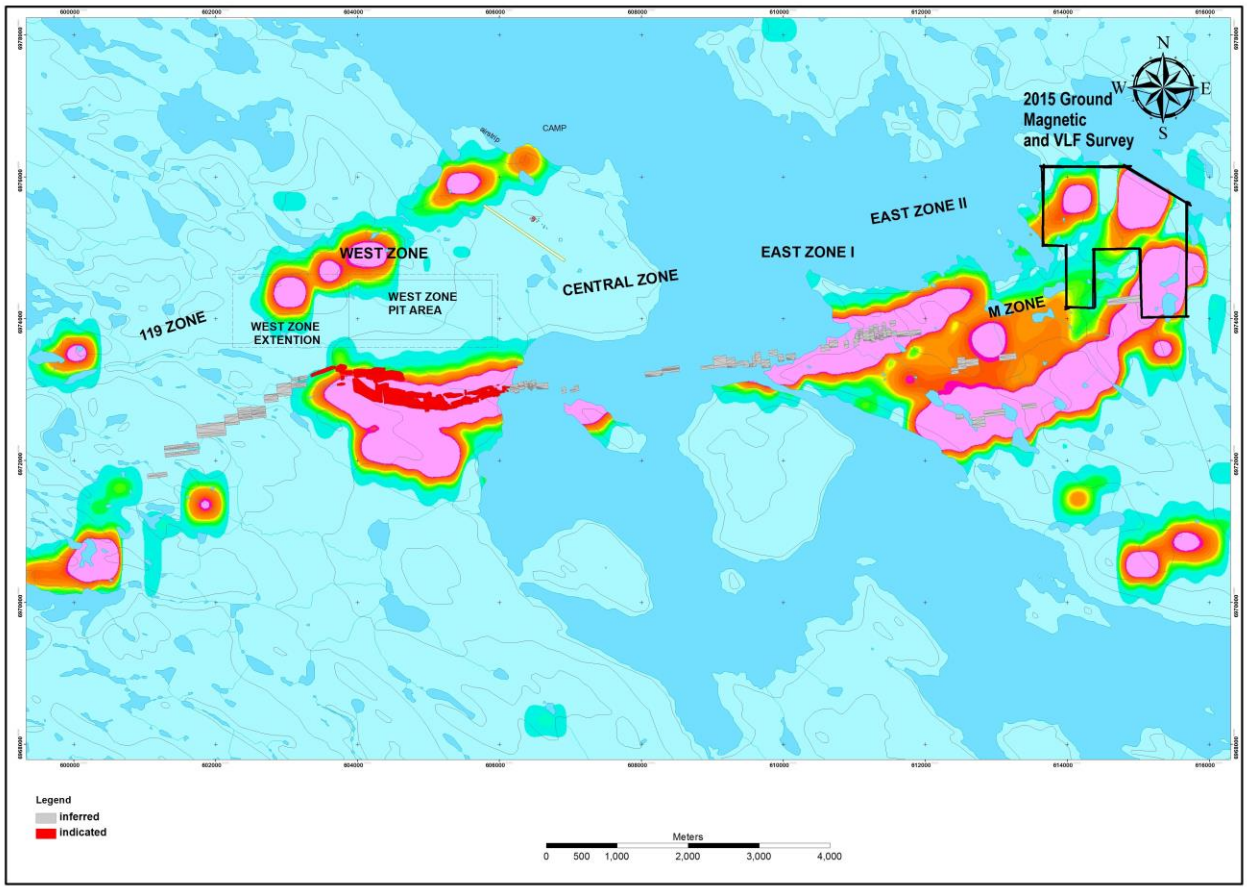

Figure 9-3 2015 Geophysical Grid Location overlain on Ferguson Lake conductive zones from historic airborne VTEM survey.

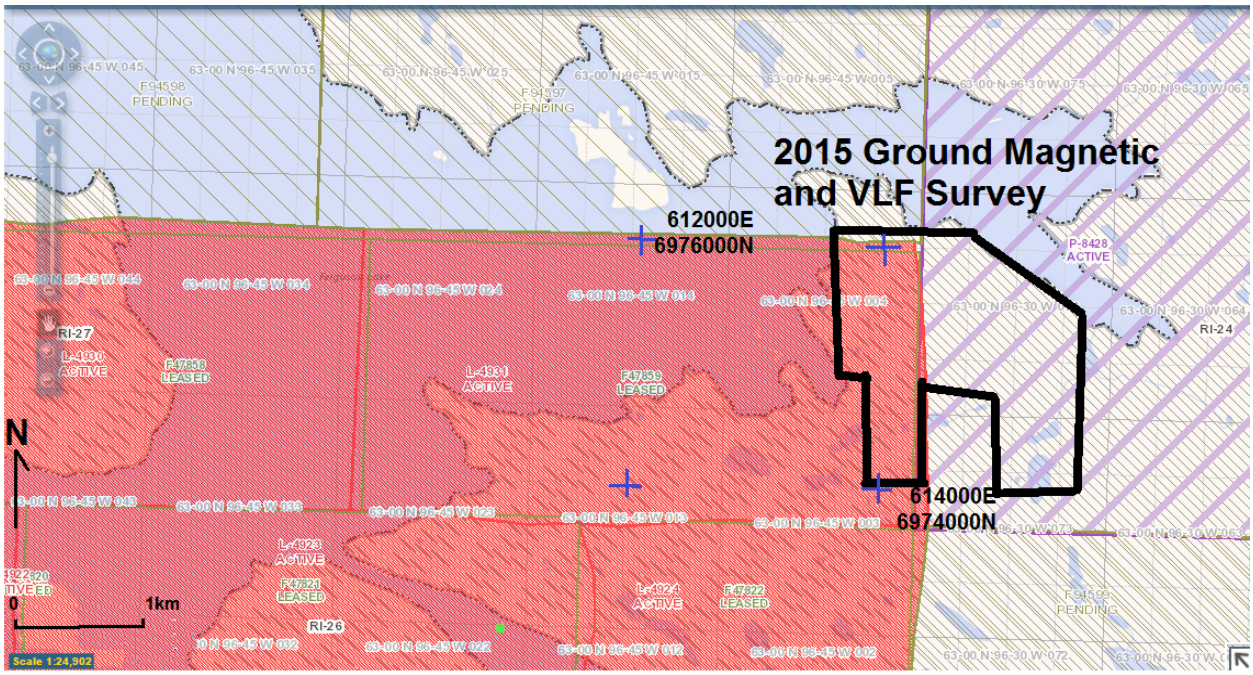

Figure 9-4 Geophysical Grid Location in UTM NAD 83 coordinates, Zone 14 overlain on Ferguson Lake Mineral Leases in red.

The ground geophysical grid overlapped on Mining Lease F47859 as shown on Figure 9-4 and covered an area which had never been ground surveyed with its southern and eastern boundaries adjacent to the farthest east extent of previous ground surveys completed by Starfield Resources in 2002 and 2003. The data was plotted using UTM calculated from the raw GPS data using NAD83 and Zone 14.

9.3 2018 Exploration Program

For the 2018 program, a helicopter supported follow-up surface rock geochemistry sampling program collecting 55 grab and chip samples was completed for the Property and surrounding area. Nearly all the samples were obtained from outside the present Property boundaries thus this work is not considered material. The results were generally low with highest value from a grab sample reported of 2400 ppm Cu, 1750 ppm Ni, 290 ppm Co, 0.89 ppm Pd and 0.33 ppm Pt.

10.0 DRILLING

No drilling has been completed on the Property by Canadian North Resources Inc.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Prior to purchase by CNRI, the Property was materially explored by two previous companies Canico from 1950 to 1956 and Starfield from 1999 to 2012. There is no information available on sample handling or QA/QC in general with respect to the Canico exploration of the Property. The QA/QC program carried out by Starfield on the Ferguson Lake Property is reported in detail in the RPA PEA (Clow et al. 2011).

11.1 2013 Work Program

During the CNRI 2013 historical drill core sampling program, a batch of samples of 0.5 - 1.5 metres in length were chosen of sawed sections from historic core stored at the Ferguson Lake camp. The samples were placed in tie-locked poly-ethylene bags then into rice bags. The rice bags were shipped to Rankin Inlet by helicopter under the supervision of CNRI staff geologist, Tyler Power, P.Geo. The sample bags were then shipped by air cargo directly to the CNRI office in Toronto, Ontario where it was received by the author, then forwarded unopened by courier to the SGS Mineral Services analytical facility in Lakefield, Ontario.

A total of 86 drill core samples from the 2013 program were analyzed at the accredited (ISO 9001 and ISO/IEC 17025) SGS laboratories in Lakefield and Vancouver. The samples were prepared by coarse crush to 6 mm then split using a riffle splitter with 250 gram split pulverized to 200 mesh (75um). Seventy-seven samples were analysed for Au, Pt and Pd by fire assay with ICP finish and multi-element 4-acid digestion with ICP-AES analysis for 33 element including Ni, Cu and Co. If Ni, Cu or Co were greater than 1.0% then these elements were re-analyzed by sodium peroxide fusion with ICP-AES analysis. Nine samples were analyzed by whole rock methodology using borate fusion and x-ray florescence. A pulp duplicate

was selected for every ten samples and sent for check analysis using similar methodology at the accredited (ISO/IEC 17025) ALS Minerals geochemistry facility in North Vancouver, British Columbia.

11.2 2015 Exploration Program

In total 278 rock and control samples were shipped by bonded carrier in secured sample bags to SGS Laboratories, Burnaby in British Columbia for Au plus multiple element analyses. Sample processing entailed crushing the <3 kg samples to 90% passing 2mm, split 1,000 gram then pulverize to 85% passing 75 microns. A 30 gram aliquot of pulverized material was fire assayed for gold (1-10,000 ppb), platinum (10-10,000 ppb) and palladium (1-10,000 ppb) with ICP-AES finish. Samples also underwent sodium peroxide fusion with ICP-MS analysis for 33 elements with over range Ni, Cu, Pb, Zn (>50,000 ppm) and Ag (>200 ppm) undergoing assay. Ni-Cu-PGE and/or gold standards plus silica sand blanks were inserted with every batch of approximately 40 samples sent for analysis

In addition, thirteen 25 -30 kg till samples, each packed in a sealed five-gallon plastic bucket, were shipped by bonded carrier for Kimberlite Indicator Mineral (KIM) analyses which was conducted at the SGS Laboratories in Lakefield, Ontario and Brazil.

11.3 2018 Exploration Program

In total, 58 rock and control samples were shipped in one batch by bonded carrier in secured sample bags to AGAT Laboratories, Mississauga, Ontario for gold, palladium, platinum and multi-element analyses. Sample processing entailed crushing the <5kg samples to 90% passing 2mm, split 250 gram then pulverize to 85% passing 75 microns. A 50 gram aliquot of pulverized material was fire assayed for gold (0.001-10 ppm), platinum (0.005-10 ppm) and palladium (0.001-10 ppm) with ICP finish using method code 202-555. Samples also underwent 4-acid digestion with ICP-OES finish for 44 elements. A coarse quartz blank, OREAS 206 gold standard, and a CF Reference Materials CFRM – 100 low-grade Sudbury Ni-Cu-PGE sulphide standard was inserted with the submitted batch.

12.0 DATA VERIFICATION

12.1 2013 Work Program

The re-sampling of selected split historical core during the CNRI 2013 field program was completed in order to test the heterogeneity of the previously reported Pt and Pd contents and to fill in analytical gaps in Ni, Cu and Co analyses from previous programs. The heterogeneity tests were completed to support the utilization of the Ni, Cu, Co, Pd and Pt results in the deposit model review discussed in Section 9.1.2. For the program, 63 of the samples were a direct re-sampling of the same previously sampled core sections and thus allow for their direct comparison with the historic results. Table 12-1 lists the comparative historical and 2013 Au, Pd and Pt analyses shown in original reported units. No external blanks or standards were included for analyses during the 2013 program.

Table 12-1 Comparative analytical results for Ferguson Lake drill core duplicates

Drill Hole	From (m)	To (m)	SGS Lakefield 2013 Sample #s	Au g/t	Pt g/t	Pd g/t	Historic analyses Sample #s	Au g/t	Pt g/t	Pd g/t
FL-07-362	125.8	127.76	G0644501	<0.01	0.64	0.86	739202	0.01	1.33	1.86
FL-07-362	127.76	129.33	G0644502	<0.01	<20	70	739203	<0.01	0.03	0.28
FL-07-362	139.09	141.15	G0644503	<0.01	0.04	0.14	739210	<0.01	0.1	0.21
FL-07-362	141.15	143	G0644504	0.04	0.23	0.48	739211	0.05	1.81	32.33
FL-07-370	106.71	108.71	G0644505	0.05	0.21	0.45	740265	0.05	0.32	0.37
FL-07-370	108.71	109.71	G0644506	0.04	0.18	1.58	740266	0.03	0.4	1.34
FL-07-370	109.71	112.56	G0644507	<0.01	0.08	0.22	740267	<0.01	0.08	0.18
FL-07-375	174.76	176.3	G0644508	<0.01	0.05	0.18	739817	<0.01	0.05	0.19
FL-07-375	176.3	177.58	G0644509	<0.01	0.34	0.33	739818	<0.01	0.33	0.48
FL-07-375	177.58	179	G0644510	<0.01	2.04	3.93	739819	0.01	2.43	5.86
FL-07-374	167.2	168.68	G0644511	<0.01	0.59	2.49	739897	<0.01	0.31	2.16
FL-07-374	168.68	170.18	G0644512	<0.01	2.7	2.61	739898	<0.01	2.55	1.55
FL-07-374	170.18	171.68	G0644513	<0.01	1.22	1.31	739899	<0.01	1.09	1.19
FL-07-374	171.68	173	G0644514	<0.01	2.84	6.68	739900	<0.01	1.95	4.12
FL-07-374	173	174.49	G0644515	<0.01	9.7	1.38	739901	0.01	9.47	2.38
FL-07-374	177.24	178.74	G0644516	<0.01	10.5	2.28	739904	<0.01	9.35	2.39
FL-07-374	178.74	180.24	G0644517	<0.01	5.31	6.4	739905	<0.01	6.1	8.05
FL-07-374	180.24	181.48	G0644518	<0.01	0.19	1.26	739906	<0.01	0.76	2.13
FL-07-374	181.48	182.92	G0644519	<0.01	1.05	10.1	739907	0.02	0.73	6.86
FL-07-378	156.23	157.68	G0644520	<0.01	0.17	0.3	740510	<0.01	0.16	0.28
FL-07-378	157.68	159.1	G0644521	<0.01	0.6	1.16	740511	<0.01	1.23	1.33

FL-07-378	159.1	160.58	G0644522	<0.01	0.6	0.3	740512	<0.01	0.84	0.25
FL-07-378	160.58	162	G0644523	<0.01	0.4	0.44	740513	<0.01	0.81	0.38
FL-07-380	154	156.5	G0644524	<0.01	0.79	0.25	740800	<0.01	0.62	1.19
FL-07-380	156.5	158	G0644525	<0.01	0.54	0.61	740801	<0.01	0.45	0.48
FL-07-380	158	159.5	G0644526	<0.01	0.68	5.56	740802	0.01	0.31	2.98
FL-07-380	159.5	161	G0644527	<0.01	0.07	0.16	740803	<0.01	0.08	0.14
FL-07-379	148.78	149.7	G0644528	0.02	0.1	2.4	740627	0.03	2.61	2.22
FL-07-379	149.7	150.74	G0644529	<0.01	0.61	0.33	740628	0.01	0.7	0.48
FL-07-379	150.74	152.18	G0644530	<0.01	0.15	0.31	740629	<0.01	0.18	0.35
FL-07-379	152.18	153.66	G0644531	<0.01	0.02	0.06	740630	<0.01	0.02	0.05
FL-07-379	153.66	155	G0644532	<0.01	0.21	0.17	740631	<0.01	0.44	0.24
FL-07-378	215	216	G0644533	<0.01	0.51	2.27	740554	<0.01	0.31	2.13
FL-07-378	216	217	G0644534	<0.01	0.28	0.43	740555	<0.01	0.19	0.69
FL-07-378	217	217.62	G0644535	<0.01	0.27	0.31	740556	<0.01	0.65	0.54
FL-07-378	217.62	218.43	G0644536	<0.01	0.08	0.22	740557	0.01	0.33	1.68
FL-07-378	218.43	219.93	G0644537	<0.01	0.11	0.14	740558	<0.01	0.17	0.33
FL-07-378	219.93	221.4	G0644538	<0.01	0.25	1.22	740559	<0.01	0.2	0.99
FL-07-378	221.4	222.8	G0644539	<0.01	0.49	1.13	740560	<0.01	0.38	2.1
FL-07-378	222.8	224.2	G0644540	<0.01	0.79	0.73	740561	<0.01	0.59	1.06
FL-07-374	251	252	G0644541	<0.01	0.15	0.74	739957	<0.01	0.07	0.55
FL-07-374	252	253	G0644542	<0.01	0.05	0.12	739958	<0.01	0.03	0.34
FL-07-374	253	254	G0644543	<0.01	0.47	0.57	739959	<0.01	0.06	0.45
FL-07-374	254	254.9	G0644544	<0.01	0.4	4.46	739960	<0.01	0.36	2.29
FL-07-374	254.9	255.8	G0644545	<0.01	0.25	1.6	739961	<0.01	0.73	1.84
FL-07-367	180.5	182	G0644546	<0.01	6.19	0.81	740053	<0.01	3.67	0.99
FL-07-367	182	183.49	G0644547	<0.01	2.41	1.54	740054	0.01	2.18	1.72
FL-07-367	183.49	185	G0644548	<0.01	0.75	1.03	740055	<0.01	0.37	0.81
FL-07-367	185	186.6	G0644549	<0.01	0.57	0.99	740056	<0.01	0.43	0.88
FL-07-368	154.08	155.32	G0644550	<0.01	2.35	0.63	739529	0.02	1.58	9.08
FL-07-368	155.32	156.7	G0644651	<0.01	0.7	1.41	739530	<0.01	0.92	1.36
FL-07-368	156.7	158	G0644652	<0.01	0.06	0.1	739531	<0.01	0.08	0.14
FL-07-368	158	159.5	G0644653	<0.01	0.57	0.87	739532	<0.01	0.66	1.11
FL-07-368	159.5	161	G0644654	<0.01	0.24	0.37	739533	<0.01	0.32	0.42
FL-07-368	161	161.84	G0644655	0.22	<0.01	0.03	739534	0.01	1.02	1.35
FL-07-368	161.84	164	G0644656	<0.01	0.64	0.34	739535	<0.01	0.25	0.29
FL-07-368	164	165.89	G0644657	<0.01	9.87	4.43	739536	0.01	6.43	17.36
FL-07-368	165.89	167	G0644658	<0.01	0.9	3.63	739537	<0.01	0.34	0.22
FL-07-368	167	168.5	G0644659	<0.01	0.09	0.41	739538	<0.01	0.82	3.02
FL-07-368	168.5	170	G0644660	<0.01	0.15	0.27	739585	<0.01	0.15	0.23
FL-07-368	170	171	G0644661	<0.01	0.84	0.97	739539	<0.01	0.62	2.42
FL-07-371	149	150.83	G0645001	<0.01	0.11	0.27	739642	<0.01	0.4	0.37

FL-07-371	150.83	151.66	G0645002	<0.01	3.48	2.34	739643	0.03	1.3	2.12
FL-07-371	151.66	153.65	G0645003	<0.01	0.03	0.06	739644	<0.01	1.45	0.25

The results are displayed in g/t and % from their original values and show reasonable agreement considering the expected heterogeneity in results for drill core duplicate samples being analyzed for precious metals. Based upon the analytical certificate, SGS used in-house standards, which passed appropriately for this batch. The 2013 analyses show some variation with Pd values on average higher than the reported historical results while 2013 Pt values are lower in comparison to the historical results.

12.2 2015 Exploration Program

For this program, coarse quartz blanks plus Oreas 206 Au and Oreas 13b Ni-Cu-Pt-Pd-Zn-Au standards were inserted with the submitted litho-geochemistry samples for check analysis. In summary, the four blanks all returned values of <1ppb Au, <1ppb Pd, <10ppb Pt and <1-1 ppm Ag.

The Oreas 206 (Ore research & Exploration 2012) Au standard reports a certified fire assay value of 2.197 ppm with 95% confidence (2 standard deviations) limits of 2.165 to 2.229 ppm. Two insertions of this standard returned values of 2,070 and 2,180 ppb Au.

The Oreas 13b (Ore research & Exploration 2009) standard reports certified values for multiple elements 2,327+-96 ppm Cu at 95% confidence, 2,247+-310 ppm Ni at 95% confidence, 134+-8 ppb Pd at 95% confidence, 204+-26 ppb Pt at 95% confidence, 201+-14 ppb Au at 95% confidence, and 133+-24 ppm Zn at 95% confidence. Three insertions of this standard returned values of 2,280, 2,280 and 2,430 ppm Cu; 2,250, 2,300, 2,340 ppm Ni; 114, 120 and 131 ppb Pd; 180, 190 and 220 ppb Pt; 188, 197 and 234 ppb Au; and 136, 142 and 154 ppm Zn.

Some of the results of the standards analyses reported to be marginally outside the 95% confidence limits for Au and Pd with a tendency to under report values but the results are reasonable for reconnaissance exploration stage samples. SGS used inhouse standards for the analyses which passed adequately for these batches.

12.3 2018 Exploration Program

The inserted in this batch CRFM – 100 standard reports certified fire assay values of 0.1666 ppm for Au with 95% confidence (2 standard deviations) limits of 0.1512 to 0.1820 ppm; plus 4-acid digestion certified values of 0.3494% Cu with 95% confidence limits of 0.3230 to 0.3758%; 0.2985% Ni with 95% confidence limits of 0.2681 to 0.3289%; and 0.0184% Co with 95% confidence limits of 0.0162 to 0.0206%. The insertion of the standard returned a value of 0.186 ppm Au, 3,560 ppm Cu, 2,890 ppm Ni and 186 ppm Co.

The Oreas 206 (Ore research & Exploration 2012) Au standard reports a certified fire assay value of 2.197 ppm with 95% confidence limits of 2.165 to 2.229 ppm. The insertion of the standard returned a value of 2.32 ppm Au. The CRFM standard analyzed within the certified value limits for Cu, Ni and Co but was marginally higher than the 95% confidence limit for Au. The Oreas 206 standard analysis was also marginally higher than the 95% confidence limit for Au. The analyzed quartz blank reported <0.001 g/t for Au, 2.2 ppm for Cu, 4 ppm for Ni and 1.7 ppm Co. The results are considered reasonable for reconnaissance exploration stage samples. AGAT used inhouse standards which passed adequately for this batch.

12.4 2013 Site Visit

Between July 29 – August 12, 2013, The Ferguson Lake Property and camp was visited by the author while the camp was open. During the site visit, the camp and its equipment was inspected and the two storage sites of historical core on the Property were visited. Near all of the boxes were properly cross-piled with lids covering the core and metal tags intact allowing for the identification of most of the core as far back as 2004. Multiple mineralized drill core intersections were identified and sampled on-site as discussed in Section 12.1.

Twelve selected historic drill hole sites were visited in the field with the purpose of checking their locations. Drill hole locations with casing still intact were confirmed for most as listed in Table 12-2.

Table 12-2 Identified drill collars in field in UTM NAD83Zone 14 coordinates

Hole	Easting	Northing	Comments
FL11-432	601650	6972775	tagged
FL04-174	601300	6972575	tagged
FL02-137	601975	6972875	no tag
FL04-195	605120	6972970	tagged
FL05-220	605150	6972990	tagged, poor condition for re-enter
FL04-179	605060	6972965	tagged
FL04-183	605220	6972975	tagged
FL02-133	604750	6973150	no tag
FL01-081	604610	6973300	no tag
FL01-085	604610	6973300	identification not confirmed FL01-083?
FL00-033	604995	6973075	no tag
FL02-131			not found

Based upon the site visit, pulp duplicates of selected samples from the core samples in Table 12-1 which had been analyzed by SGS were sent to the ALS Minerals laboratory in Vancouver (ALS) in September 2013 for independent check analyses. AlS completed fire assay with ICP finish for Pt, Pd and Au and four acid ICP-AES multi-element analyses for the pulps. Based upon the analytical certificates, SGS Laboratories and ALS used in-house standards, which passed for the batch. The comparative analyses for the two laboratories are presented in their reported units in Table 12-3.

Table 12-3 Comparative pulp duplicate analyses of selected drill core samples

Drill Hole	From (m)	To (m)	SGS Lakefield 2013 analyses sample #s	Pt g/t	Pd g/t	Ni %	Cu %	Co %
FL07-375	177.58	179	G0644510	2.04	3.93	0.046	0.024	0.008
FL07-374	171.68	173	G0644514	2.84	6.68	0.023	0.017	0.006
FL07-374	177.24	178.74	G0644516	10.5	2.28	0.032	0.025	0.006
FL07-374	181.48	182.92	G0644519	1.05	10.1	0.130	0.036	0.022
FL07-380	158	159.5	G0644526	0.68	5.56	0.026	0.009	0.004
FL07-379	149.7	150.74	G0644529	0.61	0.33	0.025	0.120	0.003
FL07-367	180.5	182	G0644546	6.19	0.81	0.024	0.005	0.005
FL07-367	182	183.49	G0644547	2.41	1.54	0.034	0.012	0.005
FL07-368	164	165.89	G0644657	9.87	4.43	0.029	0.014	0.005
Drill Hole	**From (m)**	**To (m)**	**ALS Vancouver 2013 pulp duplicate analyses**	**Pt g/t**	**Pd g/t**	**Ni %**	**Cu %**	**Co %**
FL07-375	177.58	179	G0644510	2.55	4.88	0.054	0.024	0.01
FL07-374	171.68	173	G0644514	2.91	6.94	0.027	0.017	0.007
FL07-374	177.24	178.74	G0644516	10.9	2.43	0.041	0.026	0.008
FL07-374	181.48	182.92	G0644519	1.19	11.1	0.160	0.036	0.027
FL07-380	158	159.5	G0644526	0.64	6.61	0.032	0.009	0.005
FL07-379	149.7	150.74	G0644529	0.70	0.37	0.029	0.120	0.004
FL07-367	180.5	182	G0644546	7.19	0.88	0.027	0.006	0.006
FL07-367	182	183.49	G0644547	2.57	1.59	0.040	0.012	0.006
FL07-368	164	165.89	G0644657	9.83	4.93	0.032	0.013	0.005

The results in the Table12-3 are displayed in g/t and % from their original values and indicated the good agreement based upon the pulp duplicate analyses between the primary analytical laboratory, SGS Mineral Services Lakefield and the ALS Minerals secondary analytical laboratory. It is the QP's opinion that the analytical results are adequate for the purposes of this technical report.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

Based upon the CNRI review of the Starfield testing history and the 2011 RPA PEA, it was concluded that a new approach was needed to economically process the Ferguson Lake mineralized material. The following sections outlines the testing programs completed to-date by CNRI to work towards this goal.

13.1 2013 - 2014 Testing Programs

Consistent with the present change of focus to the study of the PGMs potential of the Ferguson Lake Property the goal of this testing program, conducted by SGS Mineral Services at Lakefield, Ontario, was to produce at a bench level a PGM bearing concentrate from the secondary (final) residue material that had been created from the development of downstream unit processes (Ni, Cu, and Co) from the hydrometallurgical testing program for Starfield described in the RPA PEA (Clow et al. 2011) and SGS Mineral Services (2011) reports. Based upon the RPA PEA, PGE surveys completed on the streams of Starfield previous testing program, it was suggested that platinum, palladium and to a lesser extent Au, Ag and Rh remain in the final residue material. Approximately four kilograms of this material was stored at the Lakefield facility and made available for this work.

As part of this program, the mineral composition of the final residue material was analyzed by scanning electron microscope at the SGS Lakefield facility with the results reported in Morton and Grammatikopoulos (2013). It was found the residue material is dominated by elemental sulphur (67.9%), pyrite (14.1%) with lesser pyrrhotite (5.1%), quartz (4.1%), talc (2.2%), olivine (1.5%), mica/clays (1.2%), chalcopyrite (1.0%), and pentlandite (0.3%). Platinum Group Metals (PGM) and gold were detected with reported grades of 13.2 g/t Pd, 1.0 g/t Pt, 0.16 g/t Rh and 0.4 g/t Au. The dominant identified PGM minerals were Kotulskite (Pd [Te, Bi], 62.3%) and Michenerite ([Pd, Pt] Bi, Te, 31.2%). Near all (95%) of the PGM grains were found to be below 10 um and near half below 2 um in size with about 97% of the grains free or attached to sulphides/silicates, the remainder being locked in sulphides. This means the grains were found to be too fine for physical upgrading but were dominantly available to react with chemicals.

The goal of testing program required the extraction of unwanted elements from the final residue thus concentrating the PGE-base metal rich material to such an extent so as to create a saleable product for a precious metal refinery. The SGS Lakefield metallurgical group proposed a series of tests using predominately its patent Platsol process which a high temperature (>200C) pressure leaching autoclave technology in which base metal sulphides are oxidized to soluble metal sulphate complexes and sulphuric acid, while PGMs are solubilized as chloro-complexes by the addition of chloride salt to the autoclave feed. PGMs and other precious metals could then be recovered by precipitation with sulphide ions. A number of other bench level tests were completed involving the extraction of unwanted elemental sulphur / sulphide from the final residue.

The testing program is reported in detail in Lupu and Verbaan (2013). Based upon the results, the sulphur removal tests were successful increasing the Pd grade of the product to 47 g/t prior to the implementation of the Platsol tests. The sulphur removed product then underwent Platsol testing resulting in 98% or greater Pd, Pt, Au, Cu, and Ni being extracted from the residue into solution or liquor tenors. A series of pressure oxidation tests, also completed by SGS, were less successful leaving some of the PGMs still un-dissolved in the residue material.

Due to the limited quantity of final residue material available for testing the quantity of precipitate generated from the liquors was not sufficient to produce a large enough mass of PGM concentrate to assay. However, proof of concept tests using a similar, but seeded higher grade solution, indicated that 98% of the Pd and 96% of the Pt, brought into solution in the Platsol tests (Table 13-1), is cemented upon CuS precipitated from the liquor to produce a PGM-Cu-Ni concentrate from the residue grading 48.2% Cu, 0.11% Ni, 46% S, 583 g/t Pd, 78 g/t Pt, 214 g/t Ag and 5 g/t Au (Lupu and Verbaan 2013). It is believed from the test results that further testing with longer cycling periods of CuS within the liquor will result in a significant increase of cementation and thus the PGM grade of the concentrate.

Element recovery from the residue are estimated by mass-balance calculations based upon the grade of the feed material, amount of PGMS solubilized and amount of remaining PGMs in solution after precipitation. The results in Table 13-1 indicate that the recovery of Pt, Pd, Cu, and Ni into solution using the Platsol autoclave was near 100% from the residue material. Preliminary precipitation tests created a copper

precipitate grading 48.2% Cu, 0.11% Ni, 4.81 g/t Au, 214 g/t Ag, 78.3 g/t Pt and 583 g/t Pd, however, more tests are needed to increase this grade.

These results have resulted in an increase in the overall recovery of Cu and Co in comparison to that in the RPA PEA (Clow et al. 2011) and facilitate for the first time an estimate of overall Pd and Pt recoveries from the Ni-Cu-Co-Pd-Pt resource.

In 2014, a desktop review was completed of reports that have been produced on behalf of Starfield for the Ferguson Lake Project since 2001. The report summarized key mineralogical and metallurgical findings of technical papers prepared by several independent laboratories that have worked on the Property mineralized material. (Oliver 2014).

13.2 2015 - 2016 Testing Programs

Based upon the 2014 literature review, a series of flotation tests were completed on two massive sulphide composites obtained from the bulk sample material which was stored at the Ferguson Lake camp. The primary objective of the program was to establish flotation conditions suitable to recover the majority of the copper value into a copper concentrate and the balance of the pay-metals into a bulk Cu/Ni concentrate. The lower-grade bulk copper, nickel, and PGM concentrate would then be subjected to hydrometallurgical processing. The proposed baseline flowsheet was depicted in Figure 13-1.

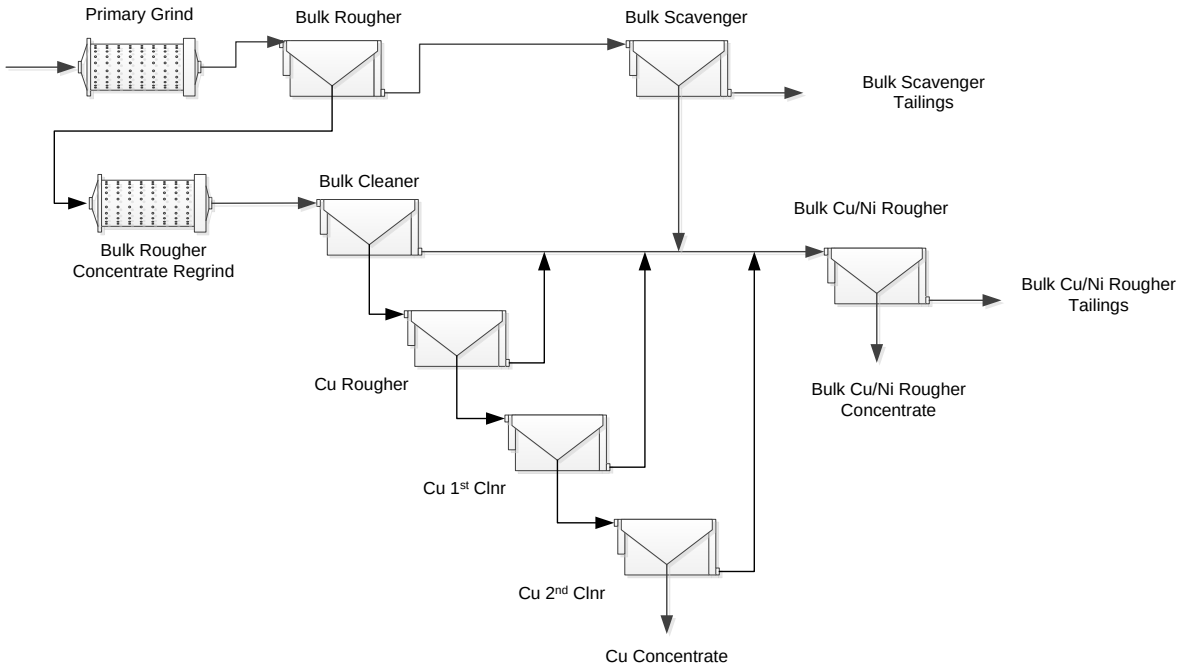

Figure 13-1: Ferguson Lake composites flotation testing baseline flowsheet for Cu and bulk concentrate

Representative head samples of the two composites were submitted for chemical analysis and the pertinent results are presented in Table 13-1.

Table 13-1: Results of chemical analysis of the two Ferguson Lake composites used for testing

Composite	**Cu (%)**	**Ni (%)**	**NiS (%)**	**S (%)**	**Au (g/t)**	**Pt (g/t)**	**Pd (g/t)**
May 15, 2016	2.35	0.67	0.64	29.3	0.09	0.23	1.96
Oct 15, 2016	0.86	0.96	0.91	31.5	0.04	0.18	1.88

A series of comminution tests were carried out to establish the crushing and grinding energy requirements of the massive sulphide mineralization for which the results place the Ferguson Lake material into the very soft category with regards to grinding energy requirements and the medium category with regards to crushing energy requirements.

A total of five rougher kinetics tests were carried out to establish suitable grinding and flotation conditions that maximize copper and nickel extraction, while minimizing mass recovery in the bulk rougher and bulk scavenger concentrates. The bulk rougher conditions were chosen to maximize copper recovery while maintaining selectivity against pentlandite flotation. The best results for the May 15 composite were obtained in test F4 with a copper and nickel recovery of 96.9% and 43.9%, respectively.

The program included cleaner tests on the two composites. The original composite was evaluated in tests F6 to F9, while a new fresh composite was chosen for tests F10 to F13. While the copper flotation performance was good for the May 15 composite, the nickel recovery fell below expectations. It was postulated that the material was partially oxidized. The October 2015 composite produced a much better flotation response. The copper concentrate in test F10 graded 32.3% copper with 1.46% nickel. The recovery into the copper concentrate was 63.5% and only 2.7% of the nickel reported into this concentrate.

The overall recovery of copper and nickel into the two concentrates in tests F10 and F11 was identical at 99% copper and 87% nickel in 57% of the mass. The bulk Cu/Ni concentrate of test F10 contained 35.7% of the copper and 84.6% of the nickel at a grade of 1.99% copper + nickel and 36.7% sulphur. The metal recovery into this bulk concentrate was 35.7% for copper and 84.6% for nickel. More aggressive copper cleaning circuit conditions in test F11 produced a copper concentrate containing 85.1% of the copper along with 6.1% of the nickel. The copper recovery was slightly higher than targeted and as a result produced the elevated nickel recoveries. However, looking at the combined results of tests F10 and F11, a copper concentrate grading ~31% copper at 75% overall copper recovery can be achieved. The associated Ni grade will be approximately 1.75% nickel at approximately 4.5% nickel recovery.

Cu/Ni separation in the lab is more challenging than in the plant and the full-scale operation generally outperforms the lab data. Hence, a slightly lower nickel grade of 1.0-1.5% nickel may be possible. Also, if the use of cyanide is considered, the Ni content could be reduced further.

The bulk Cu/Ni concentrate of test F11 contained 14.0% of the copper and 81.2% of the nickel units at a combined grade of 1.58% copper + nickel. The grade was lower compared to test F10 at 2.08% copper + nickel, but this difference was primarily driven by the lower copper concentration in the copper rougher tailings.

After consideration of the treatment costs for a low-grade bulk Cu/Ni concentrate by means of Platsol it became apparent that the processing costs were significantly higher than the contained metal values. Hence, an alternative flowsheet option was evaluated in the last two tests F12 and F13. The bulk scavenger circuit was eliminated, and the bulk rougher flotation time was extended by 50%. All tailings products from the copper cleaning circuit were combined to form the higher-grade bulk Cu/Ni concentrate for direct marketing or Platsol processing. An updated flowsheet was proposed as depicted in Figure 13-2.

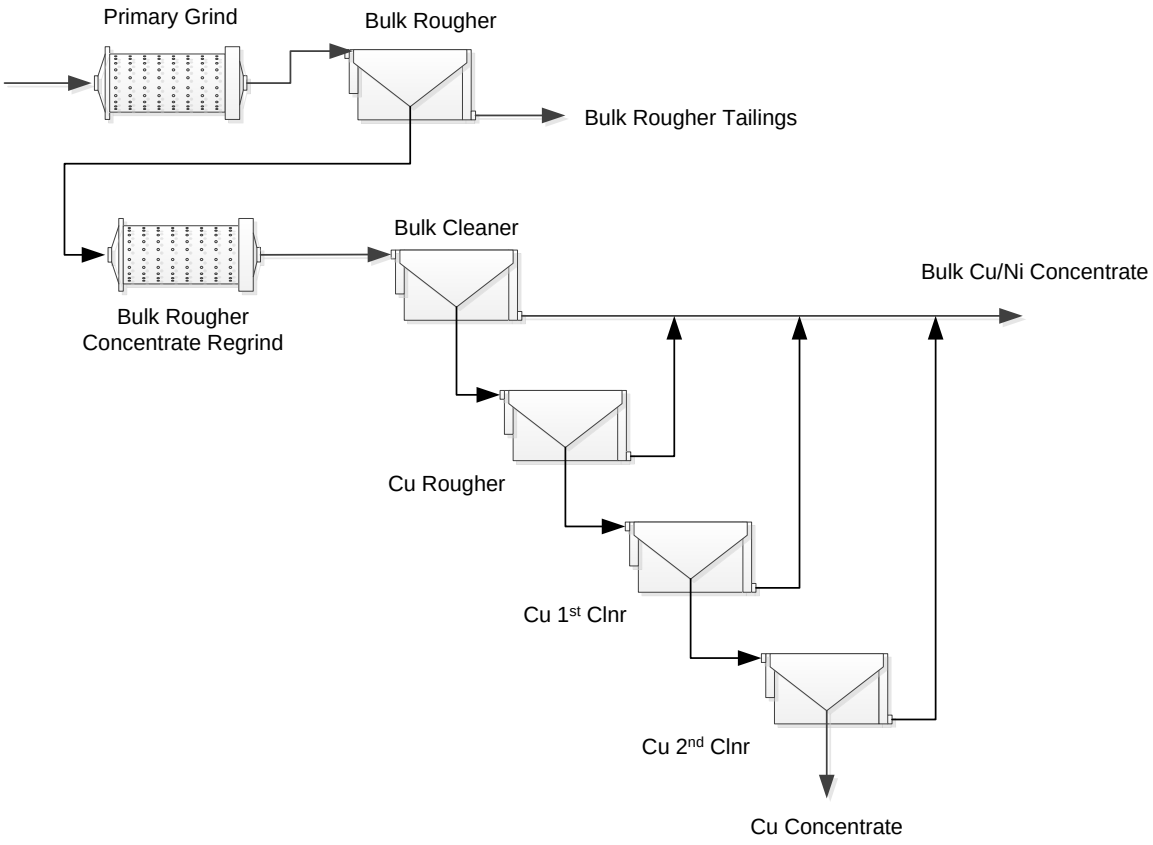

Figure 13-2: Updated flowsheet used for creation of Cu and bulk concentrates for tests F12 and F13.

The Cu concentrate of test F12 contained 70% of the copper and 4.5% of the nickel at a grade of 30.9% copper. The bulk Cu/Ni concentrate graded 1.63% copper and 3.68% nickel at 27% copper recovery and 56.1% nickel recovery. The global copper and nickel recovery reported 98% and 60.6%, respectively, which was slightly better than the ~50% nickel recovery that was anticipated. The bulk cleaner tailings were

subjected to magnetic separation to reject monoclinic pyrrhotite, but high metal losses render this approach non-viable.

The final flotation test F13 employed slightly more selective conditions in the bulk rougher and incorporated a pyrrhotite rejection stage with pH control at pH 10.2-10.5 on the bulk cleaner tails. The more selective bulk rougher conditions resulted in significantly higher nickel losses to the bulk rougher tailings of 55.8% compared to 39.4% in test F12. Although nickel rejection into the Cu 2nd cleaner concentrate was effective with a grade of 0.62% nickel, the copper recovery into the copper concentrate was low at 52.8%. The copper rougher concentrate contained 62.6% of the copper units, but the nickel content also increased to 1.89% nickel. Hence, the bulk rougher and copper circuit conditions of test F12 were superior.

The pyrrhotite rejection circuit produced a final concentrate grading 19.7% copper + nickel but resulted in additional copper and nickel losses of 2.2% and 18.4%, respectively. The combined copper rougher and bulk cleaner tailings yielded a grade of 10.1% copper + nickel and 34.0% sulphur, which is sufficiently high to market the concentrate directly or to render the Platsol process an economically viable option.

The palladium and cobalt recovery into the two concentrate streams of test F13 was approximately 75% and 55%, which was in line with expectations. Projected gold and platinum recovery into the two concentrates was approximately 55% and 30%, respectively. For comparison purposes, the PGM and cobalt recoveries for test F11, which employed the original flowsheet including the bulk scavenger circuit, were significantly higher given the lower grade of the feed for the hydrometallurgical circuit. The gold, platinum and cobalt recovery was approximately 90% and the palladium recovery was even higher at almost 96%.

A mineralogical analysis of the bulk scavenger tailings of test F6 determined that nickel deportment in to pentlandite was approximately 50%. The balance was found in solid solution in pyrrhotite (47%) and low concentrations in various non-sulphide gangue minerals. The nickel content in pyrrhotite was low at 0.35%, but the large amount of pyrrhotite in the sample led to the high nickel losses. Only 8.7% of the pentlandite was liberated and approximately 69% of the pentlandite occurred as binaries with iron sulphides. The D_{50} midpoint of the pentlandite particles was 20 microns.

Two Platsol tests that were carried out on the low-grade bulk Cu/Ni concentrate of test F11 produced high extraction rates for copper and nickel ranging between 92 and 98%. Approximately 90% of the contained

cobalt and platinum was also recovered into the leach solution. Extraction rates for gold varied between 59 to 76%, while palladium was even more variable between 26% in test P1 and 80% in test P2. The metal accountability was poor for most PGMs including gold, which was attributed to the low grades and assay results close to the analytical detection limit.

The validation and optimization program identified two possible flowsheet alternatives which are outlined below:

- The generation of a high-grade saleable copper concentrate plus a low-grade bulk concentrate with high overall recoveries of 99% copper, 87% nickel, 90% cobalt, and 90-95% of PGMs as shown in the material from the F10 and F11 tests. The low-grade bulk concentrate will require further upgrading in a hydrometallurgical circuit. The downside of this processing approach is high capital and operating costs to achieve the high recoveries and to extract the metals from the bulk concentrate.

- The second updated flowsheet, which was demonstrated in tests F12 and F13 produces a high grade copper concentrate and a salable bulk Cu/Ni concentrate (10.1% copper + nickel) with much lower overall recoveries of 98% copper, 61% nickel, 55% cobalt, and 35-75% PGMs. The significant advantage of this flowsheet option is the much lower capital and operating costs. It would also be possible to commence the project with the second option (flotation only) to generate cash flow and then add the required additional flotation equipment and a hydrometallurgical process at a later stage to convert the plant into first flowsheet option.

The following recommendations were suggested by SGS for future testing:

- Comminution testing was carried out on a single massive sulphide sample only, which yielded low grinding energy requirements. It is expected that the mill feed will contain some degree of non-sulphide gangue dilution either in form of semi-massive ore, waste dilution and/or even low sulphide ore richer in PGMs. Additional comminution tests should be carried out to ensure proper sizing of the crushing and grinding equipment.

- The two massive sulphide samples that have been evaluated in this test program yielded significant differences in copper and nickel head grades. In order to validate the proposed flowsheet, a

composite representing the resource average should be subjected to the flowsheet and conditions established in test F12 and F13. This composite could also be used to optimize the flotation conditions and develop grade recovery curves for the copper and bulk Cu/Ni circuits.

- Due to the noted variability between massive sulphide samples, a range of variability composites (domains, spatial, and mine life composites) should be subjected to variability testing. This will ensure that the proposed circuit is robust enough to treat any potential mill feed during the project life.

- Develop a model that evaluates grade targets for the bulk Cu/Ni concentrate as a function of metal prices and hydrometallurgical processing costs. As cost and prices vary, the most economic concentrate grade feeding the hydrometallurgical process will vary as well. The flexibility to achieve specific grade targets can be incorporate into optimization program using an average composite.

- Platsol testing was completed on the low-grade bulk Cu/Ni concentrate only and not of the higher-grade concentrate that was obtained in tests F12 and F13. In order to confirm that high extraction rates can be achieved for the higher-grade bulk composite and to produce a more robust mass balance, additional Platsol tests are recommended.

14.0 MINERAL RESOURCE ESTIMATES

No 43-101 compliant resource estimated has been completed by the Company

15.0 ADJACENT PROPERTIES

Most of the exploration and development work undertaken in the immediate region has been for uranium. The Orano Canada Inc. (formerly AREVA Resources Canada Inc.) Kiggavik U and Cameco Ltd. Aberdeen U projects are located 80 and 100 kilometres west of Baker Lake, respectively. ValOre Metals (formerly Kivalliq Energy Corp.) holds the Angilak U Property which is the closest property located approximately 50 kilometres west of Ferguson Lake and 200 kilometres southwest of Baker Lake. All three projects are on hold.

The Agnico Eagle Meadowbank-Amaruq Au Mine is located approximately120 kilometres north of Baker Lake and its newly producing Meliadine Au Mine is located 30 km north of Rankin Inlet.

Past mining operations in this part of Nunavut include the Cullaton Lake gold mine, located to the south of the Ferguson Lake area; and the North Rankin Nickel Mines Ltd. underground mine (within the present community of Rankin Inlet), which operated between 1957 and 1962. This mine produced 460,000 tons with recovered grades of 2.1% nickel and 0.6% copper from sulphide mineralization consisting of pentlandite, chalcopyrite, pyrrhotite and pyrite from near the base of a serpentinized pyroxenite sill intruding Archean metavolcanic rocks.

Figure 15-1 shows the locations of significant mining and development projects in Nunavut and adjacent areas in the North.

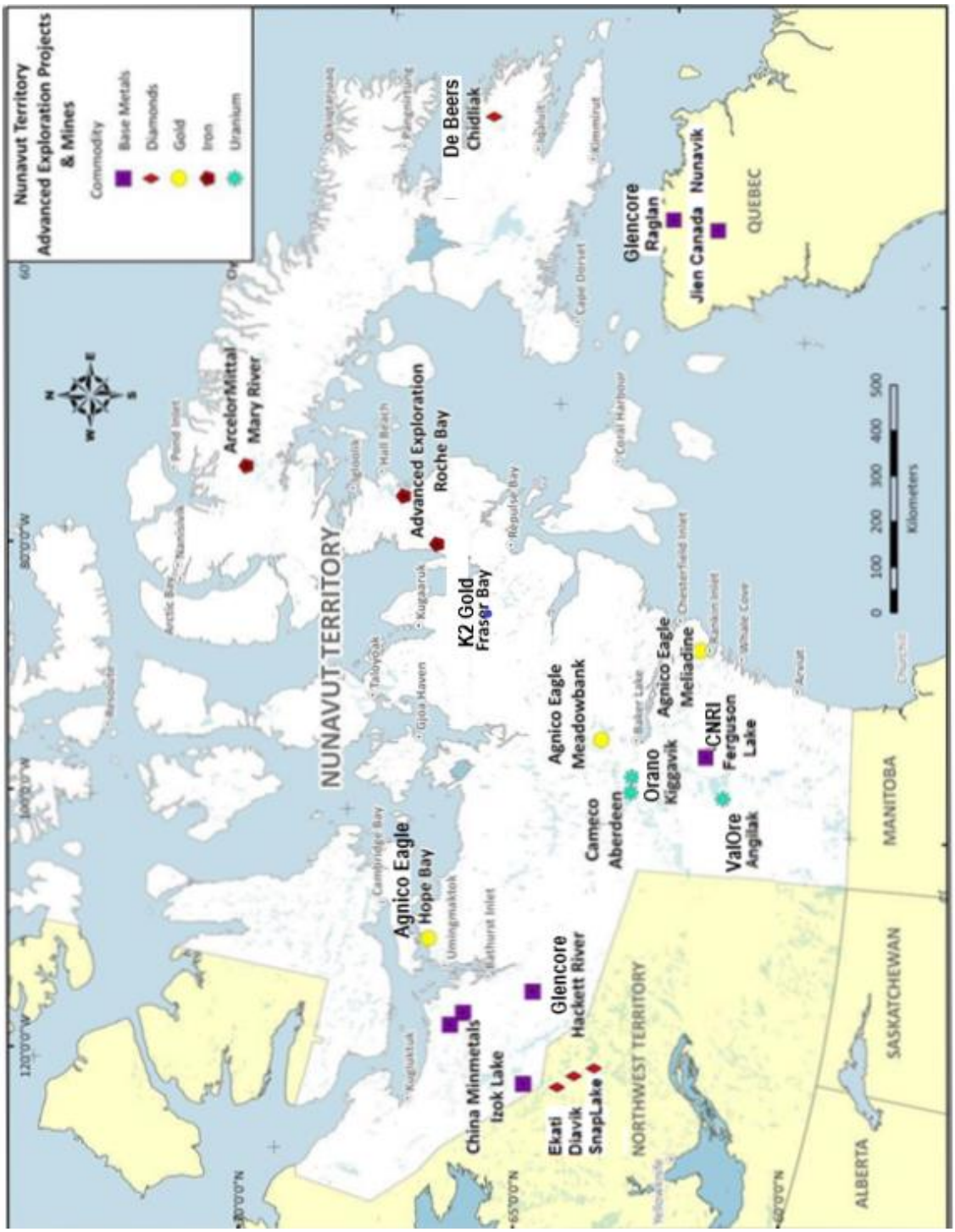

Figure 15-1 Mines and advanced development projects in north-eastern Canada

16.0 OTHER RELEVANT DATA AND INFORMATION

No additional information or explanation is necessary to make this technical report more understandable.

17.0 INTERPRETATION AND CONCLUSIONS

The author reviewed the results of the exploration and development work completed to-date for the Ferguson Lake Project and concludes that this is a Property of Merit.

Extensive diamond drilling on the Ferguson Lake Property has intersected copper, nickel, cobalt, palladium and platinum values associated with fracture-filling, disseminated and semi-massive to massive sulphides over an east-west strike length of more than 12 km. The three drill-delineated principal mineral zones within this overall strike length are the East, West, and West Extension Zones, and includes the surface exposed West Zone ("West Pit Area") (Figures 7.3 and 9.3). The diamond drilling has provided necessary information for a detailed estimate of the grade and tonnages of the present historic mineral resources at Ferguson Lake. Better Cu-Ni-Co-Pd-Pt grades are invariably associated with semi-massive and massive sulphide lenses within all these zones.

The principal mineral zones are associated with a north-dipping, sill-like, medium- to coarse-grained gabbro unit (also referred to as hornblendite in drill logs) thought to have been derived from an original mafic magma. The more mafic and coarser-grained varieties of this unit consist of interlocking hornblende crystals after original pyroxene.

Geological studies (Miller 2005a and b) suggest that the gabbro may be part of a layered intrusion while other reviews suggest some of the gabbro is intruded as a series of separate smaller later domal bodies along the favorable amphibolitic horizon serving a conduits for the upwelling and emplacement of intermittently thick high-grade pods of magmatic sulphides (Yang 2018). This latter interpretation is consistent with the highly variable thickness and grade of the deposit ranging from <2 to >20 metres thick along its 12 km strike length. Further exploration should focus on further testing these thicker massive sulphide pods.

The ages of host intrusions and horizon rocks are imprecisely known, with some suggestions that they may be Archean, and it is logged that at least some of the hornblendite and amphibolite and the contained sulphide mineralization are intensely deformed. More study including a detailed age dating research program is needed to better understand the metallogenesis of the deposit and area.

The detailed drilling in the West Zone to define a near surface sulphide resource was also successful in identifying a separate style of low sulphide platinum group element mineralization in footwall gabbro up to >100 metres below the sulphide horizons. Broadly distributed, low palladium values envelope discontinuous, locally high-grade platinum and palladium within a zone traced by drilling to date over a strike length of hundreds of metres and associated with cross-cutting steeply dipping gabbro dykes. Further investigation of this low sulphide - PGM style of mineralization is warranted.

Exploration work focused on the massive sulphide portions of the deposit, with early work by Canico in the 1950s sampling only for nickel and copper. Resource estimates for the East Zone lack cobalt and precious metal grade estimates, as a high proportion of the drilling in the zone was completed in the early programs.

No resource delineation has been attempted for the incipient Central Zone located between the West and East zones under Ferguson Lake (Figures 6.3 and 9.3), despite early successes in exploration drilling intersecting excellent base and precious metal grades over mineable widths. Considerable detailed drilling is needed for both the Central and East zones in order to upgrade them to mineral resources on par with the West Zone and include them in any economic evaluation of the Ferguson Lake Property.

Review of the geochemical composition of the magmatic rocks along the Ferguson lake horizon suggests that wider and higher-grade Ni and Cu intersections may also be associated with higher Mg contents and more pyroxenite compositions of the host rocks in the Central and West zones. This has resulted in the identification of favorable target areas for focused follow-up drilling.

The need for a economic re-assessment of the Ni-Cu-Co-Pd-Pt mineralized zones outlined to-date combined with the decrease in Ni and Cu prices since 2011 has resulted in a downgrade of the value of the Property back to that of the level of an exploration level venture. Previous work on the Ferguson Lake Property, however, paid relatively little attention to the PGM potential in the economic evaluation of the project. Including the PGM values not only increases the value of the massive sulphide material but also increases their potentially economic mineable widths because significant Pd and Pt contents commonly persist into the immediate wall rocks as the base metal contents drop. Based upon the exploration results to-date cumulating the review of the deposit model and database discussed in this report, including the PGM value of the project should be the primary focus in its advancement.

Based upon the exploration work completed to-date on the Property, including close examination of the deposit model of the Ferguson Lake mineralized zones, it is concluded the West, Central and East mineralized zones remain open for expansion down-plunge to the west, along strike to the east under Ferguson Lake and down dip at multiple locations along its 12 km mineralized horizon.

This review of the Ferguson Lake Project confirms its considerable metalliferous economic potential, but also shows the need for an alternative approach to its management focusing on increasing the amount of exploration with the purpose of building up the tonnage and grade throughout the deposit area focusing on its Pt and Pd potential.

Based upon this Author's experience, the Kivalliq Inuit Association (KIA) which holds the surface rights to much of the Property area is reasonably well organized with the staff having good continuity, knowledge of the regulatory process, and an understanding and respect of the needs of the mining community.

18.0 RECOMMENDATIONS

Based upon this technical review, the following recommendations are proposed for the Ferguson Lake Property.

1) Complete an updated Independent 43-101 compliant Resource Estimation of the Ferguson Lake mineralized zones for Ni, Cu, Co, Pd and Pt utilizing a Pd+ Pd cut-off grade.

2) Complete an infill and possibly twinning diamond drilling program for the East Zone necessary to evaluate the previously un-assayed platinum, palladium and cobalt contents of the mineralized horizon most of which was last tested in the 1950s. Target depths would average 200 metres. The program would also aim towards defining an Indicated Resource similar to the West Zone.

3) Carry out a diamond drilling program of the Central Zone with the purpose of evaluating chosen exploration targets based upon geological, geophysical and geochemical criteria; and for defining an initial resource estimation for the zone. Target depths would average 250 metres.

4) Carry out diamond drilling program to test selected exploration targets for the definition of thicker high-grade sulphide bodies throughout the West Zone based upon the assessment of geological, geophysical and geochemical criteria. Targets depths would be variable ranging from 250 to 500 metres.

5) Reprocessing and re-interpretation of the original ground 1999 - 2001 UTEM survey data with focus of defining strike and dip of conductive bodies and definition of features associated with low sulphide PGM rich bodies. Compilation of the geophysical data with other exploration results into a 3-D exploration model as an aid for selecting exploration targets for drill testing

6) Complete drone magnetic survey over a missing block covering Central Zone in Ferguson Lake plus re-processing, integration and interpretation of previous magnetic surveys with this program results.

7) Completion of new borehole TDEM surveys on selected holes which would need to be conducted concurrent with the drilling (due to permafrost conditions resulting in hole blockages).

8) Prepare Ferguson Lake camp and site for operation of a major drilling and exploration program including repair / replacement of equipment and tanks, and re-supply of fuels (approximately 600 barrels or 90,000 litres). This would include the organization of winter overland transport supply trains for the camp and drilling program and the removal of waste materials.

The program would commence during the winter of 2021 and diamond drilling would continue throughout the year. The applications for appropriate permits would need to start being submitted in December 2020 for this work to commence in a timely manner.

18.1 Proposed Budget

Table 18-1 contains the recommended exploration and development budget for the Ferguson Lake Property for 2021.

Table 18-1. Recommended 2021 exploration and development budget.

Item	Amount	Units	Rate	$(CAN) Cost
PHASE 1				
Geological consulting, independent review and completion of 43-101 compliant Technical Report with updated Resources Estimation	250	hours	200	50,000
Diamond drilling at the East, Central and West zones including mob-demob, support and camp costs, helicopter and fixed wing transportation and analyses.	7,000	metres	700	4,900.000
Geophysical consulting, reprocessing and re-interpretation of ground 1999-2001 UTEM survey data plus exploration 3-D modelling of geophysical and other data,	250	hours	200	50,000
Drone airborne magnetic survey over missing blocks on Ferguson Lake including mob and demob and processing.	200	line-kms	250	50,000
Borehole TDEM surveys of selected drill holes including mob-demob and processing.	15	drill holes	10,000	150,000
Repair, preparation, replace and re-supply of Ferguson Lake camp with equipment and fuels.				600,000
Total				**5,800,000**

Based upon the results of PHASE 1, the PHASE 2 program with a budget of $16,000,000 would entail the major follow-up drilling at the three mineralized zones totaling 15,000 metres with the purpose of upgrading the remaining Ferguson Lake Property resources which would be delineated in an updated 43-101 resource estimation and Technical Report.

Concurrent with this work would be the undertaking of continued baseline environmental studies, consultation with local communities in order to negotiate an impact benefit agreement, continued metallurgical testing work, bulk sampling, pilot open-pit mining and milling studies and upgrading of the site infrastructure. All this work would be part of the implementation of a Pre-Feasibility Study of the Project.

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20.0 STATEMENT OF AUTHORSHIP

This Report, titled “Technical Report, Ferguson Lake Property, Kivalliq Region**,** Nunavut Territory”, and dated March 15, 2021 was prepared and signed by the following author:

Trevor Boyd

(Signed) "*Trevor Boyd*"
Geologist, Ph.D., P.Geo.
March 15, 2021
Toronto, Ontario

Appendix 1 – Certificate of Qualified Person

I, Trevor Boyd, of the city of Toronto, Ontario, Canada, hereby certify as follows.

- I am responsible for all sections of this technical report titled "Technical Report, Ferguson Lake Property, Kivalliq Region**,** Nunavut Territory" dated March 15, 2021, and prepared for Canadian North Resources Inc.

- I hold a M.Sc. (Minex) degree from McGill University and a Ph.D. in geology from of the University of Toronto, Toronto, Ontario, obtained in 1988 and 1996, respectively.

- I have worked on exploration projects world-wide since 1979 including: Canada (Newfoundland, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Nunavut, Northwest Territories, Yukon, and British Columbia), United States, Norway, Peoples Republic of China, Indonesia, Afghanistan, Africa(Niger), Dominican Republic; and have worked on gold, Ni-Cu-PGM, VMS, sediment-hosted Pb-Zn-Ag, uranium, and porphyry tin-molybdenum-tungsten type and copper-gold type deposits.

- I am a Registered Professional Geologist in good standing in Ontario (PGO #1023) and Northwest Territories and Nunavut (NAPEG #3312)

- I am a Qualified Person for the purpose of the National Instrument 43-101.

- I am independent of the issuer and the vendor as described in section 1.5 of the National Instrument 43-101.

- I have neither received, nor do I expect to receive any interest direct or indirect in the Ferguson Lake Project from Canadian North Resources Inc. I do not beneficially own, directly or indirectly, any securities of Canadian North Resources Inc. or any of its affiliated companies.

- I have had prior involvement with the Ferguson Lake Property working as an independent consulting geologist on the project since 2013.

- That, as of the date of this technical report, to the best of my knowledge, information, and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Signed by: "*Trevor Boyd*" Date: March 15, 2021

Trevor Boyd, Ph.D., P. Geo.