



First Class
Metals

The Sunbeam project— modernising a shining historical gold opportunity

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HOW SUNBEAM SLIPPED THROUGH THE CRACKS

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OUR PLANS ON THE GROUND

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+ A clear
opportunity for
value creation



Maximising our discovery potential

At its core, mineral exploration is about making economic discoveries. After all, these discoveries typically generate significant value for both companies and their shareholders.

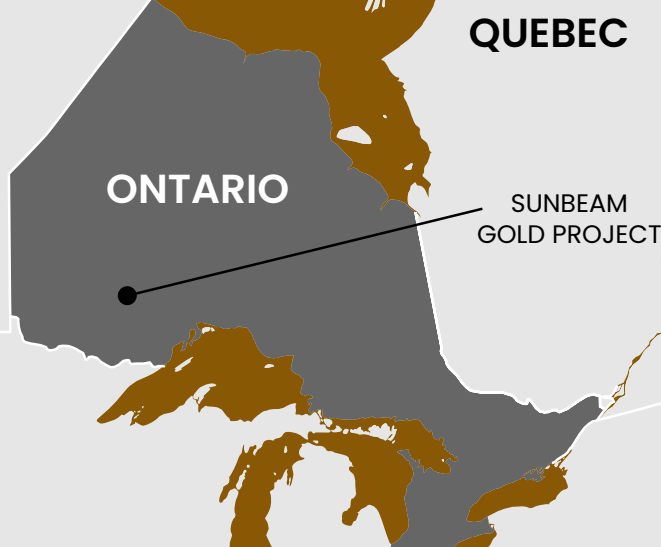
The problem is that this is a lot easier said than done—particularly in this day and age, when the majority of near-surface deposits have already been picked apart.

One way to mitigate this, however, is to reduce risk as much as possible when it comes to selecting which opportunities to investigate.

Indeed, companies can pick ground based in safe jurisdictions with a pro-mining stance.

They can search for metals forecast to enjoy strong demand for the foreseeable future (if supply is also limited, then all the better).

And perhaps most importantly, they can focus on licences where the presence of metal is *already established but has been considerably underexplored*.



MAXIMISING OUR DISCOVERY POTENTIAL



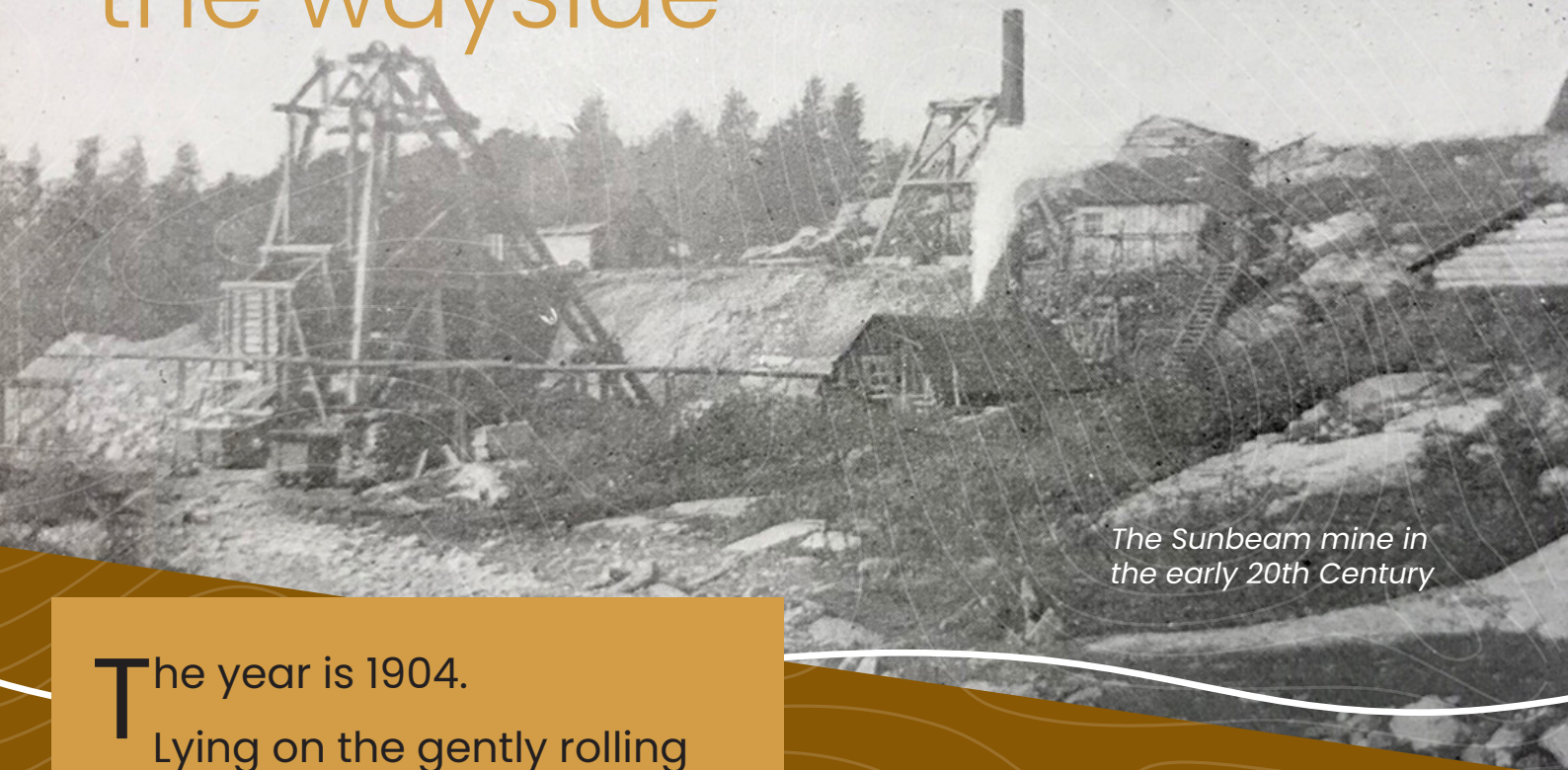
As we'll show in this report, the large Sunbeam project we recently acquired from Nuinsco ticks all of these boxes:

- 1.** It sits in the ultra mining-friendly jurisdiction of Ontario, and is surrounded by excellent infrastructure.
- 2.** It is highly prospective for gold, a "safe haven" metal forecast to enjoy strong demand over all time frames due to lingering macro uncertainty worldwide.
- 3.** Most critically, it plays host to a historical, high grade gold mine that has been almost entirely unexplored for more than a century.

It's early days, with our acquisition only just completing. But as we'll explain, we have very clear plans for making the most of our first-mover advantage at this overlooked gold opportunity over the coming weeks, months, and years.

First, however, let's take a step back and look at the history of the Sunbeam project in more detail...

How Sunbeam fell by the wayside



The Sunbeam mine in the early 20th Century

The year is 1904.

Lying on the gently rolling hills of north-west Ontario in the forests of the Ramsay-Wright Township, the Sunbeam gold mine is in full operation.

In fact, it has been for six years.

And although they are heavily limited by basic technologies of the time, the abundance of gold here is so significant that miners have been able to pull some 650 tonnes from just below the surface at an average grade of 12.2g/t.

Sunbeam's position as a strong revenue generator seems to be solidified.

Not only is gold increasing in quantity the deeper the miners go, but they don't even know how far the structure into which they are tapping at the mine could stretch—it's open both at depth and along strike in both directions.

However, as is often the case in mining, conditions can change very abruptly.

Now it's 1905.

The price of gold has collapsed and projects worldwide are closing.

It's not because there's anything wrong with them—most aren't even close to reaching their full potential.

HOW SUNBEAM FELL BY THE WAYSIDE

The fact is that mining them has temporarily become uneconomic.

So they are put on ice until gold once again crosses the profitable threshold, at which point the existing owner—or a new owner—returns and operations recommence.

It's a cycle that exists to this day. And each time, the developments in technology that have taken place during these "fallow periods" can lead a project's exploration potential to increase with every reopening.

For example, a section that was too complicated to map for potential mineralisation can suddenly become a viable exploration lead thanks to a new style of surveying and modelling. Or maybe an interesting target that was too deep (and in turn expensive) to explore can suddenly become accessible owing to a revolutionary drilling technique.

In short, projects that are already attractive can become even more attractive with the passing of time.

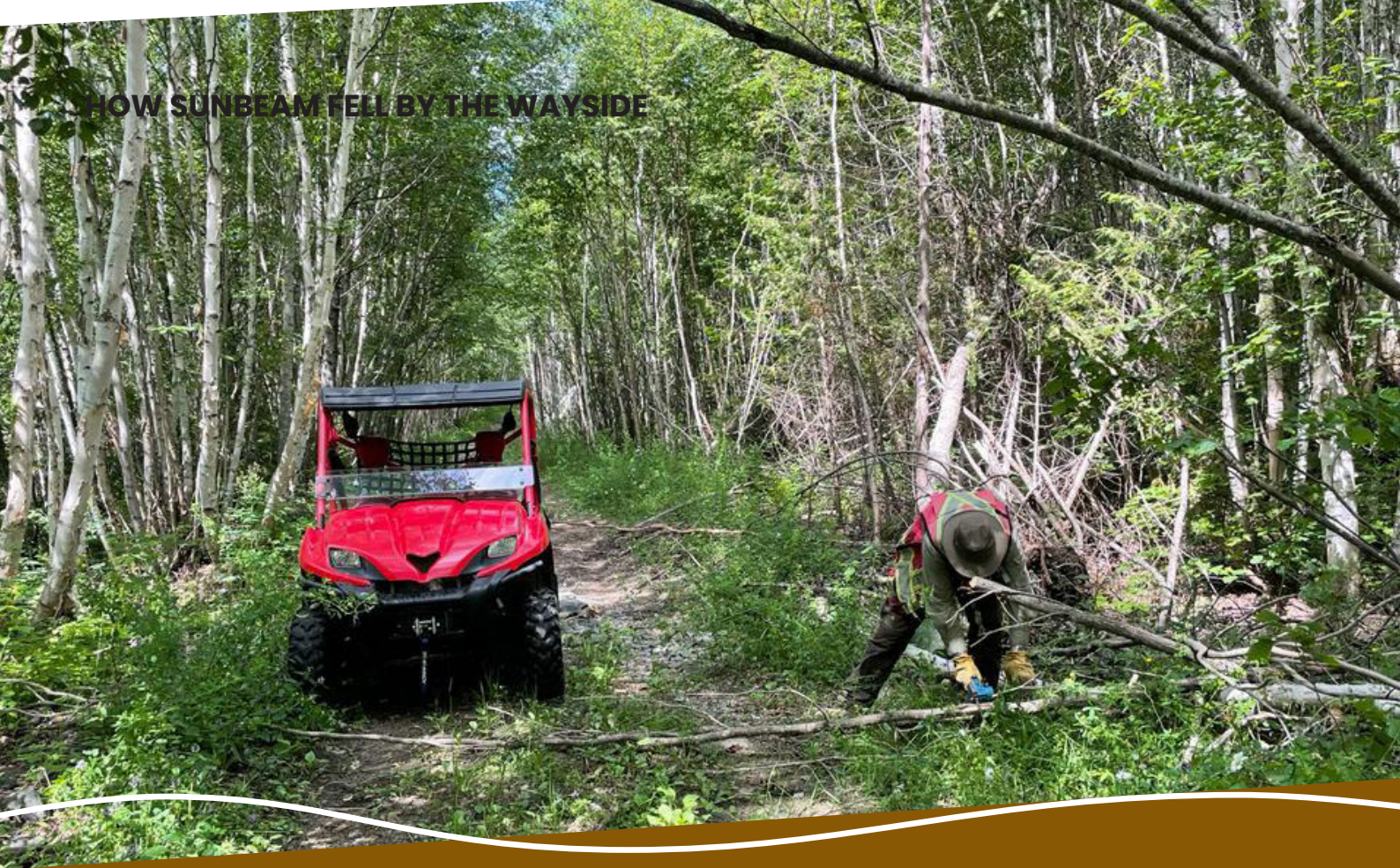
But things
don't play
out this way
at Sunbeam

The mine's New York-based owners never return following its closure. Moreover, because it is held under a 100-year lease, no one can return in their stead.

The decades pass, and Sunbeam is left to gather dust as the mining world evolves. It is, in essence, a preserved relic with ever-increasing modern day potential that cannot be touched, no matter how obvious the opportunity.



HOW SUNBEAM FELL BY THE WAYSIDE



Then something changes.

Now it's the mid 2000's. The 100-year lease expires and Canadian prospectors quickly option a 48km² package of land covering the historical Sunbeam mine and its surrounding area. By 2017, Nuinsco has taken the full project on completely.

It makes sense.

On the one hand, the success of projects like Fosterville in Victoria, Australia, shows just how much profit can be turned when old mines are revisited for the first time in more than a century.

On the other, the historical Sunbeam mine is bolstered further in the modern day by the fact that:

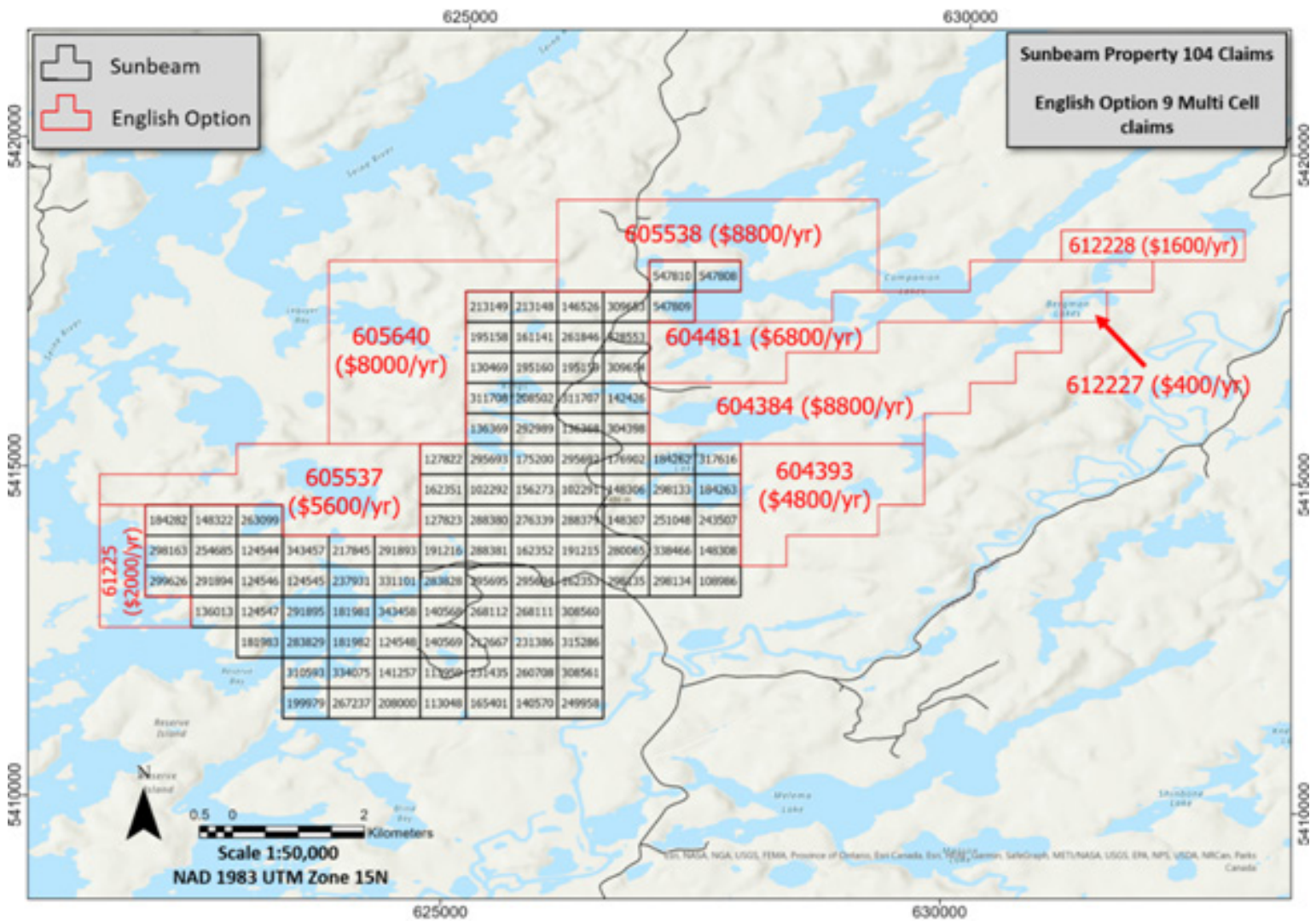
- Ontario has developed into a world-leading mining jurisdiction, consistently scoring in the upper echelons of Fraser Institute studies;

- It is surrounded by a wealth of mining infrastructure, including power, road, and water access; and

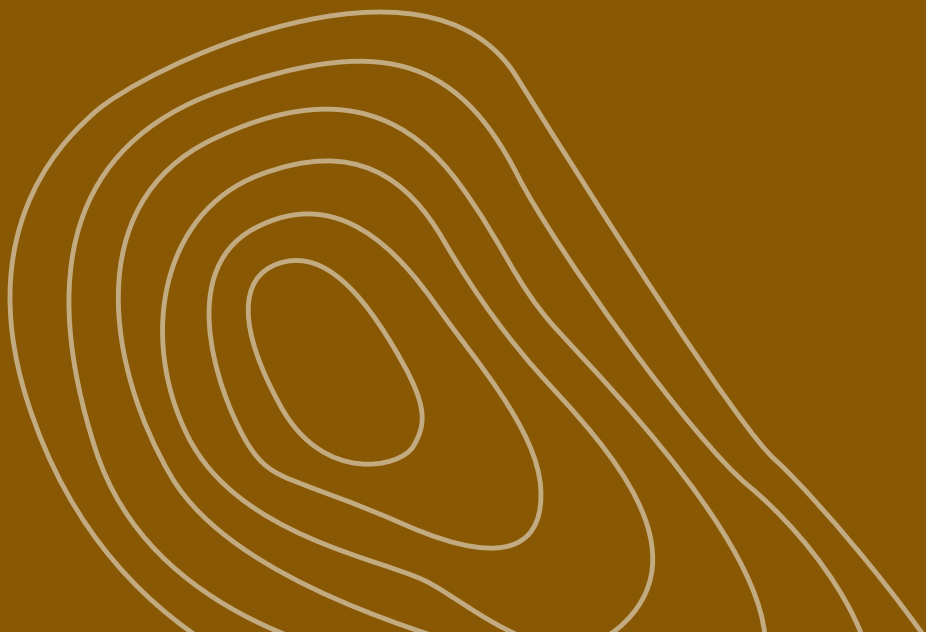
- The prospectivity of the area immediately encompassing the project has been highlighted by the nearby 4.5Moz Hammond Reed gold deposit owned by Agnico Eagle.

Had we been in Nuinsco's position, we'd have done exactly the same thing.

HOW SUNBEAM FELL BY THE WAYSIDE



Map of the claim cells that form the entire Sunbeam project



HOW SUNBEAM FELL BY THE WAYSIDE

Nuinsco immediately gets to work.

Surface sampling in the mine area produces grades of up to 83.5g/t from underground waste rocks. Follow up drilling along strike and down dip of known gold mineralisation then returns grades of up to 93.3g/t within zones of strong deformation extending to untested depths. Meanwhile, IP surveying highlights several high-priority, down-dip geophysical targets at even greater untested depths of more than 150m.

It all allows the company to confirm what many had long expected:

The historical Sunbeam gold mine is well worth reassessing with a modern-day eye.

So imagine our satisfaction, several years later in 2022, when we learn that Nuinsco is looking to offload the entire Sunbeam project area as part of a strategic shift towards REE exploration.



Drilling at Sunbeam in 2020

HOW SUNBEAM FELL BY THE WAYSIDE

For us, the fit is immediately clear:

Sunbeam is an exciting project with underexplored upside that has been growing for more than a century.

First Class Metals is an explorer with the local experience and resources necessary to assess this potential effectively and comprehensively for the first time.

We quickly reach an agreement to acquire the project, which culminates in a deal announced in October. And now, as at the time of writing, we are ready to begin firing on all cylinders to unlock the entire Sunbeam project's true potential...



How we're pushing forward at Sunbeam

Alongside its prospectivity, an important point to note about the entire Sunbeam project is that it's virtually drill ready.

Less than a month after we announced its acquisition, we were able to confirm that we had been issued two exploration permits for the project area.

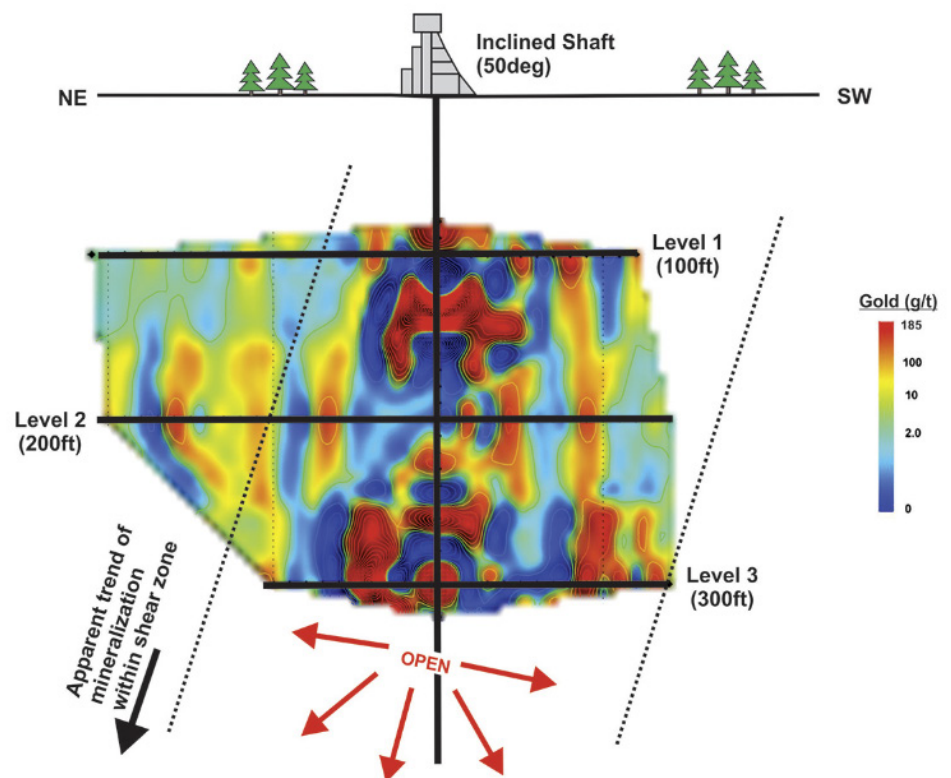
Naturally, a key first step will be the historical Sunbeam mine itself.

Here, we are right now completing a thorough review of all the exploration data we can locate. Once digitised, it will be used to inform a drilling campaign geared towards achieving a more thorough understanding of the true depth and extent of the structure hosting the mine-based mineralisation. Remember, drilling to date has never extended below 100m –fairly shallow in terms of gold exploration.

These cover not just the historical mine, but the wider 43km² land package that makes up the entire project. They enable us to complete trenching, stripping, ground geophysics, trail cutting and, most critically, drilling.

In other words, we are free to pursue the many different upside opportunities on offer to us across Sunbeam from the get-go.

So, where do we start?



Sunbeam mine cross section looking southeast

HOW WE'RE PUSHING FORWARD AT SUNBEAM

A further potential opportunity for value creation also lies in the historical workings composing the Sunbeam mine.

Previous estimates suggest there could be up to 70,000ts of this material grading up to 13g/t gold, with grab samples from the surface even grading up to 89.8g/t gold. That could be a lot of precious metal, and could provide a useful addition in the event of our wider exploration success.

Over the longer term, meanwhile, potentially the biggest opportunity on offer here is present across the wider Sunbeam package.

You see, the area is home to an impressive 30km of mineralised trend cumulatively representing 15km of target domain. Within this, gold mineralisation occurs in quartz-veining hosted in subparallel northeast-trending deformation zones.

Now, the glaring issue here (although it's a good issue to have) is that this is truly an enormous area of potential blue sky gold exploration. Especially for a company of our size.

The good thing then, is that the limited historical exploration that has taken place across the ground has given us a particularly strong starting point. In fact, alongside the historical Sunbeam mine, the wider Sunbeam project area is known to host two further gold showings.

Sunbeam historical tailings dump

HOW WE'RE PUSHING FORWARD AT SUNBEAM



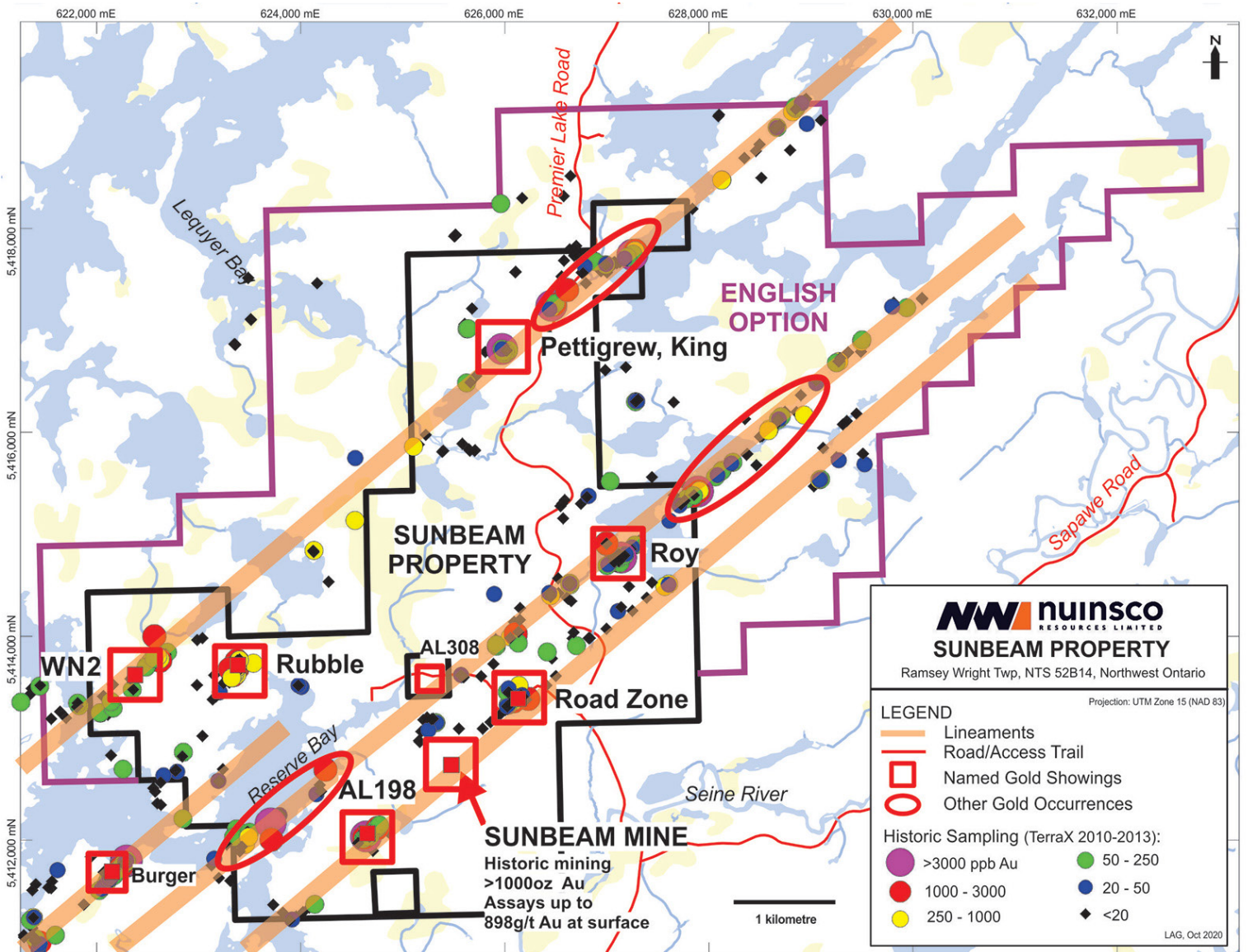
One is called Pettrigrew, where 100m of shafts returned highlight intersections of 19.4g/t gold over 0.63m and 15.17g/t over 1.37m in two zones separated by just 15m. The other is Roy, which—like Pettrigrew—is projected to sit on a sub-parallel mineralised trend to the Sunbeam mine within an identified strike of more than 10km.

Beyond these two clear targets, the wider project area presents a number of additional historic gold occurrences associated with regional structural trends.

Perhaps the most prominent of these is Rubble, where, in 2008, assays of up to 1.42oz per ton gold were obtained from pyritized and iron carbonate altered rocks.

Whatever way you look at it, we've got plenty to work on—and plenty of ways to unlock shareholder value—across the Sunbeam project area over all timeframes.

HOW WE'RE PUSHING FORWARD AT SUNBEAM



Map of historical sampling and drilling over the Sunbeam project

A clear opportunity for major value

All told, there's a number of reasons for us to be so excited about the Sunbeam project package.

Whether it's the project's excellent location and surrounding infrastructure...

The low-hanging potential presented by exploring beyond the depths and constraints of historical high-grade gold mining...

Or the longer term upside potential presented by the numerous other gold occurrences in the areas along more than 30km of strike...

Sunbeam really has a lot of potential to offer. Especially at a time when gold is in such strong demand—after all, it hardly seems likely the growing list of current macroeconomic concerns is going to disappear overnight.

Moving forward, exploration will continue at pace across our wider portfolio on Ontario-based projects, where we're uncovering more and more potential for a variety of metals with every passing week. But in parallel to this, we're looking forward to making the most of our first-mover advantage at Sunbeam, and really seeing what this historically overlooked project has to offer.





First Class Metals

www.firstclassmetalsplc.com