

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1**    **Name and Address of the Company**

Premium Nickel Resources Ltd. (the "**Company**")  
100 King Street West  
Suite 3400  
Toronto, Ontario  
M5X 1A4

**Item 2**    **Date of Material Change**

December 3, 2023.

**Item 3**    **News Release**

A news release with respect to the material change referred to in this report was issued by the Company through Newsfile and filed on the system for electronic document analysis and retrieval + (SEDAR+) on December 3, 2023 and on December 4, 2023.

**Item 4**    **Summary of Material Change**

On December 3, 2023, the Company entered into an engagement letter with Cormark Securities Inc., on behalf of BMO Nesbitt Burns Inc., as co-lead agent, and a syndicate of agents to be formed (collectively, the "**Agents**"), setting forth the terms of a "best efforts" private placement offering of up to 11,765,000 common shares of the Company (the "**Common Shares**") at a price of \$1.20 per Common Share for aggregate gross proceeds of approximately \$14.1 million (the "**Engagement Letter**"). The Engagement Letter was subsequently amended on December 4, 2023, to increase the size of the private placement to up to 14,166,700 Common Shares, for aggregate gross proceeds of up approximately \$17 million (the "**Offering**").

In addition, on December 3, 2023, the Company entered into a second amended and restated commitment letter (the "**Second A&R Commitment Letter**") with Cymbria Corporation to, *inter alia*, amend the terms of their existing term loan to increase the principal amount of the loan from \$15,000,000 to \$20,882,353 (the "**Amended Term Loan**"), which, upon closing of the Amended Term Loan, would result in additional gross proceeds to the Company of \$5,000,000.

**Item 5**    **Full Description of Material Change**

***Brokered Private Placement***

In connection with the Offering, the Company may issue up to 14,166,700 Common Shares at a price of \$1.20 per Common Share for aggregate gross proceeds of approximately \$17 million.

It is anticipated that EdgePoint Investment Group Inc., or an entity (or entities) managed by EdgePoint ("**EdgePoint**"), will exercise its participation right in respect of the Offering (the "**Participation Right**") and subscribe for Common Shares in accordance with its existing ownership interest in the Company. EdgePoint was granted the Participation Right pursuant to the terms of a subscription agreement between the Company and EdgePoint dated June 28, 2023.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), the Common Shares will be offered

for sale on a private placement basis: (i) in each of the provinces and territories of Canada, other than Québec, in reliance on the "listed issuer financing exemption" from the prospectus requirements (the "**LIFE Exemption**") available under Part 5A of NI 45-106 for aggregate gross proceeds of up to approximately \$10,000,000 (or up to approximately 8,333,333 Common Shares); and (ii) (A) in each of the provinces and territories of Canada pursuant to available exemptions from the prospectus requirements under NI 45-106 (other than the LIFE Exemption), (B) in the United States pursuant to available exemptions from the registration requirements of the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and applicable U.S. state securities laws, and (C) in such other jurisdictions provided it is understood that no prospectus filing or comparable obligation, ongoing reporting requirements or requisite regulatory or governmental approval arises in such other jurisdictions. The Common Shares issued pursuant to the LIFE Exemption to Canadian resident subscribers under the Offering will not be subject to a hold period pursuant to applicable Canadian securities laws. The Common Shares issued to Canadian resident subscribers pursuant to prospectus exemptions under NI 45-106 other than the LIFE Exemption will be subject to a statutory hold period expiring four months and one day after the closing of the Offering.

The offer and sale of Common Shares in reliance on the LIFE Exemption will be conditional on the Company completing the Offering and Amended Term Loan for such amount that will provide the Company with sufficient available funds to meet its business objectives and liquidity requirements for a period of 12 months following closing of the Offering.

The Offering is expected to close on or about December 14, 2023, or such other date as the Company and the Agents may agree, and remains subject to the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

*The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.*

### ***Amended Term Loan***

The Company and Cymbria Corporation (the "**Lender**") entered into the Second A&R Commitment Letter to amend the terms of their existing term loan (the "**Term Loan**") to, *inter alia*, increase the principal amount of the loan by \$5,882,353 (the "**Additional Principal Amount**") from \$15,000,000 to \$20,882,353. The Additional Principal Amount will be subject to an original issue discount of approximately 15% and will be made available by the Lender to the Company as a single advance in an amount equal to \$5,000,000 on closing of the Amended Term Loan. A copy of the Second A&R Commitment Letter will be available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under the Company's issuer profile.

The Additional Principal Amount will form part of the Term Loan and, except as otherwise set out in the Second A&R Commitment Letter, will be on the same terms and conditions applicable to the Term Loan. For certainty, the Additional Principal Amount will bear interest at a rate of 10% per annum calculated and payable quarterly in arrears and will mature and be payable on

June 28, 2026, which, in each case, is consistent with the terms and conditions applicable to the Term Loan. As consideration for entering into the Amended Term Loan, on closing of the Amended Term Loan, the Company will issue an additional 700,000 common share purchase warrants (collectively, the "**Additional Warrants**") to the Lender, with each Additional Warrant entitling the Lender to acquire one Common Share at a price of \$1.4375 per Common Share until June 28, 2026. The closing of the Amended Term Loan, including the issuance of the Additional Warrants, is expected to occur concurrently with closing of the Offering on or about December 14, 2023, or such other date as the Company and the Lender may agree, and remains subject to: (i) completion of the Offering; and (ii) the satisfaction of certain customary closing conditions, including the receipt of all necessary approvals, including the approval of the TSX Venture Exchange.

The net proceeds of the Offering and the Amended Term Loan will be used by the Company to advance the exploration and development of its mineral assets in Botswana and for general corporate and working capital purposes.

### ***MI 61-101 Disclosure***

EdgePoint is (i) a "related party" of the Company by virtue of having beneficial ownership of, or control or direction over, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all of the Company's voting securities, and (ii) an affiliated entity of Cymbria Corporation and, as such, the Amended Term Loan, including the issuance of the Additional Warrants, is considered to be a "related party transaction" of the Company for purposes of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). In addition, the Offering (including EdgePoint's participation in the Offering by exercising its Participation Right) may be considered a "connected transaction" to the Amended Term Loan for purposes of MI 61-101.

The Company may, however, complete the Offering and the Amended Term Loan (together, the "**Transactions**") in reliance on exemptions available under MI 61-101 from the formal valuation and minority approval requirements of MI 61-101. The Transactions are exempt from the formal valuation requirement in Section 5.4 of MI 61-101 in reliance on Section 5.5(b) of MI 61-101 as the Company is not listed on a specified market under MI 61-101. Additionally, the Transactions are exempt from the minority approval requirement in Section 5.6 of MI 61-101 in reliance on Section 5.7(1)(a) of MI 61-101 insofar as neither the fair market value of the subject matter, nor the fair market value of the consideration for, the Transactions, insofar as it involves (or is expected to involve) "interested parties", exceeds 25% of the Company's market capitalization.

The board of directors of the Company unanimously approved the Transactions. The Company did not file a material change report more than 21 days before the closing of the Offering and the Amended Term Loan as the terms of the Transactions were not settled until shortly prior to the entering into of the Engagement Letter (which triggered EdgePoint's Participation Right) and the Amended Term Loan.

### **Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7** **Omitted Information**

Not applicable.

**Item 8** **Executive Officer**

Keith Morrison  
Chief Executive Officer  
Premium Nickel Resources Ltd  
604-770-4334

**Item 9** **Date of Report**

December 13, 2023.