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FPX Nickel Provides Outlook for 2021

Vancouver, December 15, 2020 – FPX Nickel Corp. (FPX-TSX.V) (“FPX” or the “Company”) is pleased to provide a year-end review of the Company’s accomplishments in 2020 that provide a strong foundation for increased activities in 2021.

Highlights

- Publication of a Preliminary Economic Assessment (“PEA”) for the Baptiste Project (“Baptiste” or the “Project”) at the Company’s 100%-owned Decar Nickel District in central British Columbia showing robust economics:
 - Mine life of 35 years and after-tax payback of 4.0 years
 - After-tax net present value (“NPV”) (8%) of US\$1.72 billion and internal rate of return (“IRR”) of 18.3%
 - Average nickel production of 99 million lbs. per year
 - Average C1 operating costs of US\$2.74/lb nickel and all-in sustaining costs (“AISC”) of US\$3.12/lb nickel
- Successful production of high-concentration nickel-cobalt chemical solution, positioning FPX as a potentially significant supplier of nickel and cobalt to the electric vehicle (“EV”) battery market
- Completion of field work designed to confirm the potential for the development of a low- or zero-carbon mining operation at Baptiste by establishing the carbon dioxide (“CO₂”) sequestration potential of Baptiste tailings
- Fully financed for 2021 activities, including but not limited to:
 - Maiden drill program at the Decar Nickel District’s Van target, a large and highly prospective zone of outcropping bedrock located 6 kilometers north of the Baptiste Project
 - Metallurgical test work to produce additional sample products for the EV battery market
 - Expansion of test work to evaluate CO₂ sequestration potential at Baptiste

Cautionary Statement: The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the conclusions or results as reported in the PEA will be realized.

“We are highly encouraged by the impressive results of the PEA and results of our other activities in 2020 that provide a solid base for building significant shareholder value in 2021,” commented Martin Turenne, FPX’s President and CEO. “We are particularly eager to perform additional metallurgical testing to further confirm the potential to produce significant quantities of nickel and cobalt for the EV battery

markets. Further, a maiden drill program is planned for the Van target, where extensive surface sampling has delineated a target with a larger footprint and higher nickel grades at surface than those at the Baptiste deposit. With detailed planning underway on many additional fronts, we look forward to sharing comprehensive details of our 2021 work programs in the new year.”

2021 Van Target Drilling

Assay results of outcropping bedrock samples revealed by forestry activity have defined a promising drill-ready target at the Van target, which is located 6 km north of the Baptiste Deposit at similar elevations, and now accessible via logging roads. These results demonstrate that the approximately 2.9 square kilometre surface expression of the Van target is larger in area and higher in Davis Tube Recoverable (“DTR”) nickel than those initially encountered at the Baptiste Deposit (see the Company’s January 15, 2018 news release). A widely-spaced 10-hole, 3,000-metre maiden drill campaign is planned to test the potential for Van to comprise a standalone deposit to complement the Baptiste Deposit.

2021 Metallurgical Testing

In its January 7, 2020 news release, the Company reported that successful leach testing of high-grade Baptiste nickel concentrates confirmed nickel recoveries up to 99.5% in producing a high-concentration nickel-cobalt chemical solution suitable for the EV battery supply chain. This testing established high-grade Baptiste nickel concentrate as an excellent feedstock with potential advantages over sulphide and laterite feedstocks in the ultimate production of nickel sulphate and cobalt sulphate.

Additional metallurgical testing on approximately 2.5 tonnes of assay reject material from Baptiste drill holes is planned for 2021 to evaluate grinding, flotation and other parameters for the production of high-grade nickel concentrate. It is expected that portions of the high-grade nickel concentrate will be utilized for additional testwork comprised of leaching, purification and solvent extraction to produce nickel sulphate and cobalt sulphate products suitable for the EV battery market. Further details of the metallurgical test program will be provided by the Company in the first quarter of the 2021.

2021 Carbon Sequestration Activities

As noted in the Company’s September 1, 2020 news release, researchers from the University of British Columbia, after several years of lab testing, commenced the first-ever field tests designed to measure the rate and amount of carbon capture from direct air exposure for samples from the Baptiste Deposit under natural conditions. This test work was completed on a representative mineralized composite sample of approximately 300 kilograms of assay reject material from drill holes, ground to the similar sizes as the tailings at Baptiste as described in the PEA.

The test program was conducted in two stages. The first stage comprised a field test in August at an outdoor location in Prince George which approximated the climactic conditions at the Decar Nickel District. The second stage comprised an extended study conducted both outdoors and in a laboratory in the Vancouver area in September and October.

The Company expects to report the preliminary findings of the August field trial in the first quarter of 2021, and to report the final findings of the entire 2020 test program (including both the August field trial and subsequent field and lab testing from September-October) by the second quarter of 2021.

The Company will expand the scope of carbon sequestration testing in 2021, and expects to announce the details of those planned activities in connection with the publication of the final 2020 field test results in the second quarter.

PEA Results

The Baptiste PEA (which was filed September 29, 2020 under the Company's SEDAR profile) demonstrates the potential for establishing a greenfield open-pit mine and an on-site magnetic separation and flotation processing plant, using conventional technology and equipment. At a throughput rate of 120,000 tonnes per day (or 43.8 million tonnes per year), annual production is projected to average 99 million pounds nickel contained in ferronickel briquettes grading 63% nickel at C1 operating costs of US\$2.74 per pound of nickel. A summary of the PEA highlights is provided in Table 1.

Table 1 – Baptiste Project PEA Results and Assumptions (all in US\$)

Results	
Pre-tax NPV (8% discount rate)	\$2.93 billion
Pre-tax IRR	22.5%
Payback period (pre-tax)	3.5 years
After-tax NPV (8% discount rate)	\$1.72 billion
After-tax IRR	18.3%
Payback period (after-tax)	4.0 years
Net cash flows (after-tax, undiscounted)	\$8.73 billion
C1 operating costs ¹	\$2.74/lb nickel
AISC costs ²	\$3.12/lb nickel
Assumptions	
Processing throughput	120,000 tonnes per day
Mine life	35 years
Life-of-mine stripping ratio (tonnes:tonnes)	0.40:1
Life-of-mine average annual nickel production	99 million lbs.
Nickel price ³	\$7.75/lb
Baptiste product payability (% of nickel price)	98%
Pre-production capital expenditures	\$1.67 billion
Sustaining capital expenditures	\$1.11 billion
Exchange rate	0.76 US\$/C\$

- 1. C1 operating costs are the costs of mining, milling and concentrating, on-site administration and general expenses, metal product treatment charges, and freight and marketing costs less the net value of by-product credits, if any. These are expressed on the basis of per unit nickel content of the sold product.*
- 2. AISC of all-in sustaining costs comprise the sum of C1 costs, sustaining capital, royalties and closure expenses. These are expressed on the basis of per unit nickel content of the sold product.*
- 3. Nickel price is based on the average of six long-term analyst forecast prices.*

Dr. Peter Bradshaw, P. Eng., FPX's Qualified Person under NI 43-101, has reviewed and approved the technical content of this news release.

About the Decar Nickel District

The Company's Decar Nickel District claims cover 245 square kilometres of the Mount Sidney Williams ultramafic/ophiolite complex, 90 km northwest of Fort St. James in central British Columbia. The District is a two-hour drive from Fort St. James on a high-speed logging road.

Decar hosts a greenfield discovery of nickel mineralization in the form of a naturally occurring nickel-iron alloy called awaruite, which is amenable to bulk-tonnage, open-pit mining. Awaruite mineralization has been identified in four target areas within this ophiolite complex, being the Baptiste Deposit, the B target, the Sid target and Van target, as confirmed by drilling in the first three plus petrographic examination, electron probe analyses and outcrop sampling on all four. Since 2010, approximately US \$24 million has been spent on the exploration and development of Decar.

Of the four targets in the Decar Nickel District, the Baptiste Deposit, which was initially the most accessible and had the biggest known surface footprint, has been the main focus of diamond drilling since 2010, with a total of 82 holes and over 31,000 metres of drilling completed. The Sid target was tested with two holes in 2010 and the B target had a single hole drilled into it in 2011; all three holes intersected nickel-iron alloy mineralization over wide intervals with DTR nickel grades comparable to the Baptiste Deposit. The Van target was not drill-tested at that time as rock exposure was very poor prior to logging activity by forestry companies.

As reported in the current NI 43-101 resource estimate, having an effective date of September 9, 2020, the Baptiste Deposit contains 1.996 billion tonnes of indicated resources at an average grade of 0.122% DTR nickel, containing 2.4 million tonnes of nickel, plus 593 million tonnes of inferred resources with an average grade of 0.114% DTR nickel, containing 0.7 million tonnes of nickel, both reported at a cut-off grade of 0.06% DTR nickel. Mineral resources are not mineral reserves and do not have demonstrated economic viability.

About FPX Nickel Corp.

FPX Nickel Corp. is focused on the exploration and development of the Decar Nickel District, located in central British Columbia, and other occurrences of the same unique style of naturally occurring nickel-iron alloy mineralization known as awaruite. For more information, please view the Company's website at www.fpxnickel.com or contact Martin Turenne, President and CEO, at (604) 681-8600 or ceo@fpxnickel.com.

On behalf of FPX Nickel Corp.

"Martin Turenne"

Martin Turenne, President, CEO and Director

Forward-Looking Statements

Certain of the statements made and information contained herein is considered "forward-looking information" within the meaning of applicable Canadian securities laws. These statements address future events and conditions and so involve inherent risks and uncertainties, as disclosed in the Company's periodic filings with Canadian securities regulators. Actual results could differ from those currently projected. The Company does not assume the obligation to update any forward-looking statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.