



Suite 620 – 1155 West Pender Street
Vancouver, BC Canada V6E 2P4
Tel: 604.681.8600
e-mail: info@fpxnickel.com

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President's Letter

I hope this letter finds you and your family safe and healthy in these difficult times. As the world confronts the unprecedented health and economic impacts of the COVID-19 pandemic, FPX Nickel Corp. (“**FPX Nickel**”, or “**the Company**”) remains focused on the development of its flagship, 100%-owned Decar Nickel District (“**Decar**”, or “**the Decar District**”), located in central British Columbia, Canada. The Company has a current cash balance of approximately \$2 million and is well-funded to execute on its 2020 initiatives, which I describe in greater detail below.

Over the past year, FPX Nickel has made significant progress advancing the Baptiste deposit (“**the Project**”) at Decar in three important respects: metallurgy, project engineering, and environmental characterization. Achievements in these three areas continue to support our belief that Baptiste is among the premier undeveloped nickel deposits in the world.

1. Metallurgical Advancements

On August 6, 2019, we announced laboratory testing results confirming the use of a conventional flowsheet based on grinding, magnetic separation and flotation processes for the production of clean awaruite concentrates grading 63-65% nickel, with by-product iron ore concentrates grading 60-62% iron.

These results demonstrate remarkable improvements over the results of previous metallurgical test work used as a basis for the Baptiste deposit's 2013 preliminary economic assessment (“**PEA**”), achieving significant increases in estimated nickel recovery and final concentrate quality, using conventional processing technologies. A comparison of the results of the 2019 metallurgical test program with the assumptions in the 2013 PEA is provided in the Table below.

Summary of Metallurgical Improvements

Metallurgical Parameter	Metallurgical Assumptions in 2013 PEA	Results of 2019 Metallurgical Test Program
Awaruite Concentrate Grade (% Ni)	13.5% Ni	63-65% Ni
Davis Tube Recoverable (“DTR”) Nickel Recovery	82%	85%
Iron Ore Concentrate Grade (% Fe)	N/A	60-62% Fe

The ability to achieve consistent production of a clean, 63-65% nickel concentrate provides FPX Nickel with greater strategic flexibility to maximize the potential value derived for its nickel product. Baptiste's

high-grade concentrate has excellent potential to be sold directly to stainless steelmakers, bypassing traditional nickel smelters and thereby achieve the premium pricing paid for other ferronickel products in the marketplace.

On January 7, 2020, the Company announced a further breakthrough in metallurgical testing, confirming that its 63-65% nickel concentrate can be processed into a high-concentration nickel-cobalt chemical solution for the electric vehicle (“EV”) battery supply chain. This testing, which was performed at Sherritt Technologies in Fort Saskatchewan, Alberta, establishes the Company’s high-grade concentrate as an excellent feedstock with potential advantages over sulphide and laterite feedstocks in the production of nickel sulphate and cobalt sulphate for the EV market.

Going forward, FPX Nickel will undertake more testing and internal trade-off studies to define the optimal product mix to be derived from the Baptiste deposit for the stainless steel and EV battery markets. Additional test work would generate various nickel products for testing with potential offtakers. This market evaluation is expected to generate collaborative opportunities with a variety of other nickel market participants.

2. Project Engineering

Over the past two years, we have advanced internal trade-off studies to evaluate the mine development plan for Baptiste. These studies have identified a number of fundamental improvements to the Project’s technical and economic potential, including enhancements to ore scheduling to maximize the mill feedstock grade in the early years of mining, and incorporation of the improved metallurgical parameters described above.

Based on the findings of these internal trade-off studies, we have confirmed that we will be proceeding with an updated PEA report on the Baptiste Deposit, with completion expected in the late third quarter or fourth quarter of 2020. We believe that the updated PEA has the potential to demonstrate significant improvements over the 2013 PEA, and confirm our view that Baptiste is one of the world’s most robust large-scale nickel projects. We eagerly await the completion of the PEA and associated interaction with investors and strategic players to ensure the continued advancement of Baptiste in the coming years.

3. Environmental Characterization

On July 24, 2019, we noted the Government of Canada’s announcement that it will make a \$2 million investment to support innovation in the study of carbon capture and storage at mining sites, including proposed field work at the Company’s Decar Nickel District.

The research program is a collaboration between academic institutions including the University of British Columbia and Trent University, and mining companies including FPX Nickel Corp. and De Beers Group. The study will build on more than a decade of research on technologies that maximize the reaction between carbon dioxide (“CO₂”) and magnesium silicate mine tailings, the residual materials generated in the flotation process. In a naturally occurring process known as “carbon sequestration”, CO₂ reacts with magnesium silicate on the surface of the tailings, binding the CO₂ in a benign, solid material form.

In a paper presented to the Resources for Future Generations conference in 2018, leading carbon sequestration researcher Dr. Ian Power (Trent University) noted that the Decar Nickel District's Baptiste deposit "offers a tremendous opportunity for developing a carbon-neutral mine."

We are particularly pleased to note that field work on assessing the potential for carbon sequestration toward carbon-neutral mining is planned to include field study in 2020 at our Baptiste deposit. We look forward to the results of this planned 2020 field trial, which marks an important milestone in the development of sustainable practices in the mining industry.

Conclusion

Our continued advancement of Decar coincides with strong long-term fundamentals in the nickel market. The global refined nickel market posted a cumulative deficit of approximately 240,000 tonnes from 2016 to 2019, and despite the economic disruption caused by the current COVID-19 pandemic, consensus analyst forecasts call for substantial nickel market deficits in future years. In this positive fundamental context, FPX Nickel is ideally positioned as the most attractive pure-play nickel development company in the Canadian market.

As we advance Decar, FPX Nickel's management and board of directors continue to demonstrate a strong commitment to the Company's strategy and financial position. In the past 12 months, our executives and directors have increased their collective ownership position to 18.9% of the Company's issued and outstanding shares, affirming their fundamental alignment with the best interests of all shareholders.

I would like to thank our shareholders for their continued support. In response to the ongoing global COVID-19 pandemic and consistent with public health measures enacted by the Federal and Provincial Governments of Canada, the Company will host its annual meeting on 2:00 pm on May 28, 2020, on a telephonic basis only. The Company has made this decision to proactively protect the health of its shareholders, employees and service partners that participate in the annual meeting. In order to streamline the virtual meeting process, the Company encourages shareholders to vote in advance of the meeting using your Proxy or VIF form, as applicable. Shareholders wishing to attend the annual meeting may do so by contacting the Company at mturenne@fpxnickel.com; the Company will then provide all interested participants with the telephone conference access number for the meeting.

Yours very truly,



Martin Turenne, President & Chief Executive Officer