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President's Letter

2021 was marked by the twin themes of discovery and development at FPX Nickel Corp. (“**FPX**”, or “**the Company**”) and our flagship, 100%-owned Decar Nickel District (“**Decar**”, or “**the Decar Nickel District**”) in central British Columbia. In addition to accelerating the advancement of Decar’s Baptiste deposit (“**the Project**”) toward a Preliminary Feasibility Study (“**PFS**”), we made a significant new discovery at the Van target (“**Van**”), a mineralized zone that could potentially host a second large-scale nickel deposit and position Decar as a global nickel district with a production profile stretching over multiple generations.

Discovery

In 2021, FPX completed a maiden drill program at Van, a 2.5 km² target area located 6 km north of the Baptiste deposit. The results of the first seven holes at Van, drilled in the central and eastern portion of the target, exceeded our expectations and confirmed Van as a major new discovery for the nickel industry.

The three southernmost of the Van holes (21VAN-002, 21VAN-003 and 21VAN-005) returned among the 10 highest-grading, near-surface intervals in the history of Decar, suggesting that Van has strong potential to host a higher-grade, near-surface resource than that found at Baptiste, where the majority of higher-grade mineralization occurs at depth. Having confirmed that the strong mineralization in previously reported outcrop samples continues to depth, we now look forward to additional drilling in 2022 to expand the mineralization to the south and the west of the 2021 holes, with a view of ultimately generating an initial mineral resource estimate for the deposit.

Development

To support the advancement of Baptiste as a best-in-class nickel project, FPX has made a number of significant additions to its management group over the past twelve months, assembling a team of professionals with deep experience in the development of large-scale mineral deposits.

This growing technical team is led by our Vice-President, Projects, Andrew Osterloh, P. Eng., who joined the Company in mid-2021 after having served as Project Director and Manager of Studies for Fluor Canada, one of the mining industry’s most highly-regarded engineering consultancies. Andrew has a wide-ranging background in managing technical and economic studies for a number of high-profile, high-throughput projects for industry leaders including Glencore, Teck, and Freeport-McMoRan, and accordingly brings a major company mindset to the advancement of Baptiste.

The next major milestone for the Baptiste project will be the delivery of a PFS, which entails numerous activities aimed at materially de-risking the Project and potentially improving on the economics.

In 2021, we completed a highly successful infill drilling program at Baptiste the purpose of which was to convert the remaining inferred resource to the indicated category. We expect these results to be incorporated into an updated mineral resource estimate in support of the PFS.

The past year also saw the initiation of a comprehensive, three-phase metallurgical test program, one which represents the most significant de-risking milestone in the Project's history.

- Results of the Phase 1 testwork were released in December, confirming the flowsheet outlined in the 2020 Preliminary Economic Assessment (“**PEA**”) and indicating the potential to achieve nickel recoveries up to 5% higher than the 85% Davis Tube Recoverable (“**DTR**”) nickel recovery assumed in the 2020 PEA.
- Phase 2 testwork is underway, focusing on validation and optimization of flotation parameters to confirm the production of a high-grade nickel concentrate, with results anticipated in the first quarter of 2022.
- Phase 3, which will include hydrometallurgical testwork to validate electric vehicle (“**EV**”) battery material supply chain integration and large-scale pilot testing to crystallize Phase 1's indicated recovery benefits, is expected to be completed in the third quarter.

Additional PFS activities in 2022 will include expanded geotechnical evaluations, the resumption of environmental baseline studies, and expanded testing to confirm the ability of Baptiste tailings to sequester large amounts of carbon dioxide, ultimately driving the potential for the Project to be the world's first carbon-neutral nickel producer. Further, we will continue to expand and deepen our relationship with our indigenous partners, ensuring that project activities are carried out to maximize benefits to traditional rights holders while limiting environmental impacts.

With approximately \$13 million cash on-hand, we are fully funded to accelerate project activities over the next year and to garner greater attention from investors and nickel market players, including major mining companies and consumers in the stainless steel and EV battery industries.

Conclusion

As we advance our discovery and development activities at 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. The Company will host its annual meeting in-person at 2:00 pm on May 26, 2022. 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 ceo@fpxnickel.com.

Yours very truly,



Martin Turenne, President & Chief Executive Officer
April 27, 2022