

President's Letter

Since 2020, FPX Nickel has been in a phase of consistent project advancement, owing in large part to the increasing global focus on secure, low-carbon nickel sources, and the growing acceptance of awaruite as a disruptive new source of nickel.

The present moment marks a critical turning point for the mining industry. We see a growing societal focus on sustainable sourcing of raw materials alongside the need for responsible mining. We also see changes in the ways that all companies must do business, as we actively take steps to advance Reconciliation with Indigenous peoples across the lands we now know as Canada. This moment provides an opportunity to advance reconciliation by focusing on a collaborative approach to both environmental stewardship and the creation of multigenerational opportunities for Indigenous and other local communities through direct participation. FPX Nickel is eager to play a role in this important opportunity for Reconciliation with guidance and direction from the Indigenous communities we work most closely with.

Over the past year, FPX Nickel made significant strides in advancing the Baptiste Nickel Project, including the following:

- In March 2023, FPX Nickel was awarded funding by Natural Resources Canada under the Government of Canada's critical minerals strategy. This funding allows us to accelerate demonstration of the technical and commercial viability of producing nickel sulphate and cobalt for the electric vehicle battery market using awaruite from Baptiste.
- In mid-2023, FPX Nickel received a strategic equity investment from the major European stainless-steel producer Outokumpu Oyj. The Outokumpu investment represents a significant technical validation of the Baptiste Nickel Project, testifying to Baptiste's potential to produce a premium nickel product that can bypass the intermediate smelting stage and become a highly sought-after feedstock for responsible production of low-carbon finished products in multiple consumer and industrial markets.
- In the third quarter of 2023, we signed a memorandum of understanding (MOU) with Japan Organization for Metals and Energy Security and the Prime Planet Energy & Solutions (PPES) joint venture between Toyota Motor Company and Panasonic Corporation. The MOU provides a framework to explore collaborative opportunities for the vertical integration of nickel production, from the development of the Baptiste Project through to the PPES supply chain, and further demonstrates the opportunity for value-added processing and refining activities here in Canada.
- Finally and most recently, in January 2024, FPX Nickel received a strategic equity investment from major nickel producer Sumitomo Metal Mining, an integrated producer covering mineral resource development, mining, smelting and refining, to the production of battery materials in Japan and internationally.

We are committed to developing the Baptiste Nickel Project in a manner that supports the goals of safeguarding the wellbeing of people, protecting the environment and most importantly, contributing to a low carbon future. We will continue to work in the spirit of partnership to create substantial and sustainable local benefits while protecting our shared resources for future generations. We look forward to this exciting journey ahead.

I would like to thank our shareholders for their continued support. The Company will host its annual meeting in-person at 2:00pm on May 29, 2024. 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,

A handwritten signature in black ink, appearing to read 'MT', is positioned below the closing text.

Martin Turenne, President & Chief Executive Officer