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FPX Nickel Reports Baptiste Metallurgical Variability Testwork, Achieving High Confidence in Projected Magnetic Separation Recovery Across Entire Mine Life

Vancouver, May 3, 2023 – FPX Nickel Corp. (TSX-V: **FPX**, OTCQB: **FPOCF**) (“**FPX**” or the “**Company**”) is pleased to present results from a recently completed metallurgical testwork program which confirms that the Baptiste nickel resource has been comprehensively modelled for magnetic recovery across all mine phases, thereby achieving a high degree of confidence for projected magnetic separation recoveries across the entire mine life. The testwork utilized representative samples from all production phases of the planned Baptiste Nickel Project (“**Baptiste**”) mine plan and was conducted using the process flowsheet and design criteria from the in-progress Baptiste preliminary feasibility study (“**PFS**”). Testwork results clearly demonstrate the Davis Tube Recovery (“**DTR**”) assaying procedure is an excellent proxy for magnetic nickel recovery for Baptiste material, and that the Baptiste resource is very consistent in terms of magnetic nickel recovery, therefore providing heightened confidence in the estimated metal production profile and resultant cash flow across the entire mine life.

Highlights

- Metallurgical testwork clearly demonstrated consistent magnetic separation nickel recoveries across all phases of the Baptiste mine plan
- DTR nickel values are strongly correlated to expected magnetic separation nickel recoveries, validating the DTR nickel procedure as a geometallurgical screening tool for the Baptiste resource estimate
- Variability testwork results complete the metallurgical testwork database for the concentrator portion of the Baptiste PFS, with subsequent news releases on hydrometallurgical testwork results and the final PFS recovery basis to follow in the second quarter of 2023

“We are very pleased with the results from our PFS variability testwork program, which have demonstrated near constant magnetic nickel recovery during the entire Baptiste mine life,” commented Andrew Osterloh, FPX Nickel’s Senior Vice-President, Projects & Operations. “The results confirm that the Baptiste resource estimate’s geometallurgical basis, founded on DTR nickel, effectively eliminates geological variability, heightening confidence in the metal production profile and resultant cash flow in the Baptiste PFS mine plan. As we wrap up our robust PFS metallurgical testwork campaign, the team is now fully focused on advancing a mature PFS configuration, with the overall effort remaining on track for completion in September 2023.”

Background

The Baptiste mineral resource estimate (see the Company's November 14, 2022 news release) is based on a dataset where every interval of mineralized core has been assayed for DTR nickel and total nickel, along with a suite of other elements. DTR nickel analyses measure only the magnetically recoverable nickel which is hosted in medium- to coarse-grained awaruite (nickel-iron alloy), whereas "total nickel" analyses measure both magnetically and non-magnetically recoverable nickel, the latter being nickel hosted in fine-grained awaruite or nickel sulphide minerals. The DTR method is the global industry-standard geometallurgical test for magnetic recovery operations and exploration projects.

With the reporting of the Baptiste resource in DTR nickel, the Company is presenting a project basis which has been screened for any mineralogical variability present at Baptiste which could influence magnetic separation recovery. An analogy for such a geometallurgical screened model would be an acid-soluble copper resource basis in a copper oxide deposit. Presenting the Baptiste resource in this manner provides heightened confidence in the estimated metal production profile and resultant cash flow across the entire Baptiste mine life.

On completion of pilot-scale demonstration of the Baptiste metallurgical flowsheet in January 2023 (see FPX's January 24, 2023 news release), the Company undertook an additional testwork program with two key objectives, being (1) to identify any geological variability in magnetic nickel recovery through the planned Baptiste mine production phases; and (2) to demonstrate that the DTR procedure is a proxy for magnetic nickel recovery for Baptiste material.

Testwork Program

The Company re-engaged Corem (Quebec City, Quebec), who previously executed bench- and pilot-scale testwork for Baptiste, to conduct the variability testwork. Testing involved a series of composites representing all major phases of the planned mining operation. The grade of the tested composites were well aligned with the PFS mine plan, which predicts annual average grades ranging between 0.11-0.15% DTR nickel (and 0.21 to 0.22% total nickel) over a 30-year mine life.

A standard variability testwork ("SVT") protocol was developed to evaluate both the primary and cleaner magnetic separation stages using the optimum process flowsheet and design criteria as defined in FPX's testwork database. These parameters also form the basis of the current PFS process plant design, including a primary grind size of 250 microns (P_{80}), a final regrind size of 18 microns (P_{80}), and magnetic separation using continuously operated low-intensity magnetic separators ("LIMS"). The SVT tests 20-kilogram samples to ensure sufficient primary magnetic separation concentrate is available to accurately test cleaner magnetic separation performance. Table 1 presents key results from the variability testwork program.

Table 1 – Variability Testwork Results

	Head Grade, % DTR Ni	Primary Mag Sep DTR Nickel Recovery¹	Cleaner Mag Sep DTR Nickel Recovery	Overall Mag Sep DTR Nickel Recovery²
PEA Mine Phase 1A-D	0.157	92%	99%	91%
PEA Mine Phase 1C/D	0.125	93%	99%	92%
PEA Mine Phase 1E	0.141	93%	100%	93%
PEA Mine Phase 2ABC (NE)	0.109	93%	98%	92%
PEA Mine Phase 2ABC (NW)	0.128	93%	99%	92%

Notes:

1. Bench-scale DTR nickel recovery; does not include any consideration for preferential grinding as witnessed during pilot-scale testing
2. Total magnetic separation recovery may not be the direct product of primary and cleaner recovery due to rounding

As seen in Table 1, the variability testwork program demonstrated near constant DTR nickel recovery in magnetic separation testwork over the range of head grades expected in the Baptiste mine plan. This clearly demonstrates that nickel recovered using the DTR nickel analytical method directly correlates to nickel recovered in the SVT procedure. This relationship confirms that the DTR method is an excellent proxy for expected magnetic nickel recovery from the Baptiste deposit, validating the Baptiste mineral resource estimate as a comprehensively geometallurgically screened model. Using DTR nickel results as the basis for the Baptiste resource, instead of total nickel values, effectively incorporates expected magnetic separation performance and heightens confidence in Baptiste’s metal production profile during the entire mine life.

As footnoted in Table 1, as the SVT procedure is conducted on batch ground material, there is no consideration included for the preferential grinding benefit witnessed during pilot-scale testing (see the Company’s January 24, 2023 news release). The difference between SVT results (92-93% DTR nickel recovery in the primary stage) and pilot-plant results (94% DTR nickel recovery in the primary stage) is consistent with the estimated preferential grinding benefit at the primary grind size selected for the PFS (P₈₀ of 250 microns).

Combined with the previously reported pilot-scale magnetic separation and results from the extensive flotation program on a representative life-of-mine composite, the variability testwork results complete the metallurgical testwork database for the concentrator portion of the Baptiste PFS. Later in the second quarter of 2023, following completion of the PFS process design, the Company plans to issue another news release summarizing the final recovery basis for Baptiste based on the PFS concentrator design. Testwork on the hydrometallurgical refinery for the production of cobalt mixed hydroxide precipitate (“**MHP**”) and battery-grade nickel sulphate is nearing completion and results are forecast for release in the first half of May 2023.

Qualified Person

The metallurgical information in this news release has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 Standards of Disclosures for Minerals Projects of the Canadian Securities Administrators (“**NI 43-101**”) and supervised, reviewed, and verified

by Jeffrey B. Austin, P.Eng., President of International Metallurgical and Environmental Inc., a “Qualified Person” as defined by NI 43-101 and the person who oversees metallurgical developments for FPX Nickel.

About the Decar Nickel District

The Company’s Decar Nickel District represents a large-scale greenfield discovery of nickel mineralization in the form of a naturally occurring nickel-iron alloy called awaruite (Ni_3Fe) hosted in an ultramafic/ophiolite complex. FPX’s mineral claims cover an area of 245 km² west of the Middle River and north of Trembleur Lake, in central British Columbia. Awaruite mineralization has been identified in several target areas within the ophiolite complex including the Baptiste Deposit and the Van Target, as confirmed by drilling, petrographic examination, electron probe analyses and outcrop sampling. Since 2010, approximately US \$28 million has been spent on the exploration and development of Decar.

Of the four targets in the Decar Nickel District, the Baptiste Deposit has been the focus of increasing resource definition (a total of 99 holes and 33,700 m of drilling completed), as well as environmental and engineering studies to evaluate its potential as a bulk-tonnage open pit mining project. The Baptiste Deposit is located within the Baptiste Creek watershed, on the traditional and unceded territory of Tl’azt’én Nation and Binche Whut’én First Nation, and within several Tl’azt’enne and Binche Whut’enne keyohs. FPX has conducted mineral exploration activities to date subject to the conditions of our agreements with the Nations and keyoh holders.

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.

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