

Pure Nickel Announces the Entering into of an Investment Agreement with Eric Sprott for a Three Million Dollar Investment in Support of a Proposed Merger with Explor Resources

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Toronto, August 22, 2019 - [Pure Nickel Inc.](#) (TSXV: NIC) (the "Company" or "Pure Nickel") is pleased to announce that Eric Sprott, through 2176423 Ontario Ltd. (a corporation beneficially owned by him), has entered into an investment agreement with the Company pursuant to which Mr. Sprott has agreed to subscribe for a convertible debenture of the Company in the principal amount of \$3,000,000, subject to certain terms and conditions (the "Debenture").

The Debenture will have a term of two years and bear interest at a rate of 8% per annum, payable at maturity or on conversion. The Debenture will be convertible into common shares at a price of \$0.05 per share for the first 12 months of the term and at \$0.10 per share thereafter until maturity. Mr. Sprott shall only be entitled to exercise the Debenture to the extent that Mr. Sprott will own (together with any person acting jointly or in concert with Mr. Sprott), directly or indirectly, not more than 19.9% of the issued and outstanding common shares of the Company immediately following such exercise until such time as shareholders of the Company have approved Mr. Sprott as a control person of the Company in accordance with the requirements of the TSX Venture Exchange (the "TSXV"). The Company will pay a commission of 3% cash and 3% shares at \$0.05 per share in relation to the Debenture. The issuance of the Debenture is subject to the approval of the TSXV.

The Company also announces that today it has signed an Amalgamation Agreement (the "Agreement") with [Explor Resources Inc.](#) ("Explor") to merge the companies on a 46/54 (Pure Nickel/Explor) basis (the "Transaction"). In connection with the Transaction, Pure Nickel will issue approximately 95,198,612 common shares of Pure Nickel in exchange for all of the issued and outstanding common shares of Explor. As a result, upon completion of the Transaction, the combined company will have approximately 177,891,951 shares outstanding. Upon completion of the transaction and prior to any conversion of the Debenture by Mr. Sprott, current Explor shareholders will have voting control of the merged Company. If Mr. Sprott converts the entire Debenture, he will have a 30% interest in the new company and Pure Nickel shareholders and Explor shareholders will have a 30% and a 40% interest respectively. The completion of the Transaction is subject to all necessary shareholder and regulatory approvals.

Under the terms of the Agreement, the Company has agreed to subscribe for 10,000,000 units of Explor at a price of \$0.05 per unit representing a total amount of \$500,000. Each unit is comprised of one Explor share and one-half of one common share purchase warrant. Each whole common share purchase warrant will be exercisable into one Explor Share at a price of \$0.10 per share for a period of 24 months. The securities that will be issued at the closing of this private placement will be subject to a hold period of four months and one day from closing. Explor intends to use the funds from the private placement to complete the Transaction and for general corporate purposes. The subscription is subject to TSXV approval.

The Company will use proceeds from the issuance of the Debenture to fund the completion of the Transaction and for the advancement of the Timmins Porcupine West Gold Property (the "TPW Property" or "Property"), located in the Timmins Porcupine Mining Camp in Ontario. Mr. R. David Russell will continue as the Chief Executive Officer and President of the new company and Mr. Christian Dupont, of Explor, will become the Vice-President and Chief Operating Officer.

Pure Nickel President and CEO, Mr. R. David Russell, notes: "We are very pleased that Eric continues to back Pure Nickel. Merging with Explor is the second major step in transforming Pure Nickel from nickel focused exploration to an advanced stage gold exploration and development company. We believe the TPW gold property has the potential to be a flagship gold operation for the new company within a two to four-year timeframe."

Company management likes the Timmins Gold Camp and is specifically interested in the TPW Gold Project for the following reasons:

- 1) An extensive core drill hole data base with "19" identified mineralized structures hosting the potential for a

near term economically minable open pit and, what appears to be, sufficient underground potentially economic grade intercepts that may also support an underground mine with additional core drilling, geological modeling and Mineral Resource estimation.

2) We believe the Property is open on strike and down-dip to the previous discoveries and there is good potential to expand the current Mineral Resource substantially.

3) Both Pure Nickel and Explor Resources executives have geological, mining and management history for developing similar type of deposits within the Timmins Gold Mining Camp. Mr. Russell, as the Apollo Gold CEO, led the acquisition and re-development of the Glimmer Gold Mine starting in 2002, it later became the Black Fox Mine from 2002 - 2010 within the Apollo Gold Company. (Note: The Black Fox Mine has been in production since 2008 and is still in production today and operated by McEwen Mining.)

4) The Property is located in the same district, and similar geological setting, as the Hollinger and McIntyre mines which historically hosted 20 million and 10 million ounces of gold respectively. The Property is bisected by Hwy 101 and located 13 km west of Timmins providing easy access and logistical support as well as the availability of multiple toll processing options within the Timmins area to allow for early production for the starter open pit mineralized material to be processed.

Highlights of the TPW Property include:

Project Location and Access:

- The TPW Property is located 13 km west of Timmins, Ontario in the Townships of Bristol and Ogden in the Timmins-Porcupine Mining Camp.
- The Property is contiguous with the Lake Shore Gold West Timmins Mine.
- The Property is serviced by a paved highway, secondary access roads and a major power line. Provincial highway 101 bisects the Property.

TPW Land Status:

- The Project comprises 264 unpatented mining claims and three patented claims, all of which are contiguous and cover a total area of 3,550 ha. One hundred and ninety-one (191) of the unpatented claims and the three patented claims lie within Bristol Township and the remaining 73 are in Ogden Township.

Project History:

- The Property has been explored since 1927 by numerous ground geophysical surveys and diamond drilling holes. A full history is outlined in the 2013 Technical Report on SEDAR.
- In 1984, Dome Exploration discovered and delineated a gold mineralized zone that was approximately 350 metres long and 45 metres wide and open below 350 metres of vertical depth.
- Since 2009, Explor has completed extensive drilling leading to the 2013 NI 43-101 Mineral Resource Estimate Technical Report.

Geology, Mineralization and Mineral Resource Estimate:

- The Property is situated within the western part of the Archean Abitibi Greenstone Belt of the Superior Province of the Canadian Shield.
- The Property porphyry-hosted gold mineralization resembles that of the Hollinger and McIntyre gold mines located approximately 15 km to the east and is characterized by chalcopyrite-pyrite stringers and veins, and quartz-tourmaline veins, hosted by altered and sheared Quartz-Feldspar Porphyry (QFP).
- On August 27, 2013, Explor announced an updated Mineral Resource Estimate for the Property, the full Technical Report is available on Explor's website and on their SEDAR profile. The table below summarizes the Mineral Resource Estimate.

TPW MINERAL RESOURCE ESTIMATE AT JULY 1, 2013 (1-4)

Pit Constrained Cut-off = 0.30 g/t Au	Tonnes	Grade Au	ozs
Indicated	4,283,000	1.55	213,000

Inferred	1,140,000	2.09	77,000
Underground. Cut-off = 1.70 g/t Au	Tonnes	Grade Au	ozs
Indicated	4,420,000	2.79	396,000
Inferred	5,185,000	2.36	393,000
Pit Constrained + Underground	Tonnes	Grade Au	ozs
Indicated	8,703,000	2.17	609,000
Inferred	6,325,000	2.31	470,000

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues, although [Explor Resources Inc.](#) is not aware of any such issues.

(2) The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.

(3) The Mineral Resources were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Values in the table may differ due to rounding.

Environmental, Permitting and Community Impact:

- Explor and the area's First Nations have signed an MOU which sets out areas in which the two have agreed to work together on mutual key interests such as environmental protection, employment and business opportunities, education and training for First Nations communities.
- Permits for continued exploration are in place.

Exploration Plans

- Pure Nickel plans to focus on infill drilling of the known mineralization for the open pit as well as extending the open pit mineralization to the east and west for strike extensions. (See P&E Mining Consultants Inc. recommendations within the July 2013 NI-43-101 Technical Report - Section 26.1- Recommendations and Proposed Budget.) Drilling will include 40 step out core holes (avg. 500 m) for 20,000 metres as well as 20 infill core holes (avg. 750 m) for 15,000 metres.
- The second objective will be to follow up core drilling on the higher grade deep underground targets, previously identified in the 2012 drilling program and noted in the July 2013 NI 43-101 Technical Report, to determine the deeper down-dip potential for an underground mine. Certain key core intercept off-sets will be targeted and based on drill holes TPW 11-60 - 7.8 m @ 114.76 Au g/t and TPW 11-65 - 3.3 m @ 28.46 Au g/t. (Reference - July 2013 NI-43-101, Section 10.3 Phase IV Drilling - Table 10.2).
- Upon completion of the initial drill program, a Preliminary Economic Assessment (PEA) will be completed along with follow up drilling, if required.

About Explor Resources Inc.

[Explor Resources Inc.](#) is a Canadian-based natural resources company with mineral holdings in Ontario, Québec, Saskatchewan and New Brunswick. Explor is currently focused on exploration in the Abitibi Greenstone Belt. The belt is found in both provinces of Ontario and Québec with approximately 33% in Ontario and 67% in Québec. The Belt has produced in excess of 180,000,000 ounces of gold and 450,000,000 tonnes of Cu-Zn ore over the last 100 years. The Corporation was continued under the laws of Alberta in 1986 and has had its main office in Québec since 2006.

About Pure Nickel

Pure Nickel is a mineral exploration and development company. Since the start of 2019, the Company has made strategic steps to expand its focus to include gold and silver exploration. Upon completion of the

Transaction with Explor, the Company will have two advanced staged gold exploration projects, its partnership with Eric Sprott on the Neal Project in Idaho and the Timmins Porcupine West Project in Ontario. Both exploration projects are expected to continue to return positive exploration results and hold the potential to be advanced to production.

The technical information contained in this news release has been reviewed and approved by Eugene Puritch, P.Eng., FEC, CET, President of P&E Mining Consultants Inc., who is an independent Qualified Person under National Instrument 43-101 Disclosure Standards for Mineral Projects.

FOR FURTHER INFORMATION:

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Forward Looking Statements: Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Without limitation, statements regarding the issuance of and the terms of the Debenture, potential mineralization and resources, exploration results, expectations, plans, and objectives of Pure Nickel are forward-looking statements that involve various risks. The following are important factors that could cause Pure Nickel's actual results to differ materially from those expressed or implied by such forward-looking statements: changes in the world-wide price of mineral commodities, general market conditions, risks inherent in mineral exploration, risks associated with development, construction and mining operations, the uncertainty of future exploration activities and cash flows, and the uncertainty of access to additional capital. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events may differ materially from those anticipated in such statements. Pure Nickel undertakes no obligation to update such forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on such forward-looking statements.

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