

First Atlantic Nickel Secures \$3 Million Dollar Investment Through Issuance of Non-Dilutive Unsecured Debenture With Option to Defer Interest and Principal Payments for 5 Years

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VANCOUVER, Feb. 10, 2025 - [First Atlantic Nickel Corp.](#) (TSXV: FAN) (OTCQB: FANCF) (FSE: P21) ("First Atlantic" or the "Company") is pleased to announce that it has entered into an agreement dated February 9, 2025, to issue a \$3 million senior unsecured debenture (the "Debenture") through a non-brokered debt private placement (the "Private Placement"). Closing of the Private Placement remains subject to certain closing conditions, including approval of the TSX Venture Exchange (the "Exchange").

This strategic investment marks a significant milestone for the Company, providing it with a non-dilutive source of capital to support the development of the Company's district scale Atlantic Nickel Project.

The Debenture is the largest individual capital funding transaction in First Atlantic's history and contains favourable terms, including a 5-year deferral on all interest and principal payments. No equity securities will be issued to the lender on closing, ensuring no immediate dilution to the Company. Additionally, there were no finder's fees of cash or warrants issued as the Company closed the transaction directly with the lender.

Highlights:

- **\$3 Million in Proceeds:** The \$3 million in non-dilutive proceeds from the Debenture will fully fund the Company's Phase 2 Drill program, assays and metallurgical testing.
- **RPM Zone Phase 1:** Phase 1 Drill core assay results anticipated soon.
- **RPM Zone Phase 2:** Phase 2 Drill permits approved with road construction nearing completion. Updates to be provided shortly.
- **Strategic Capital:** The \$3 million in new funding from a strategic investor provides strong financial backing for the Company's Atlantic Nickel Project exploration and development.
- **No Dilution:** No equity securities are required to be issued to the lender under the Debenture.
- **No Commissions:** No commissions, finder's fees, or broker warrants were issued as the Private Placement was initiated and completed between the Company and the lender.
- **5-Year Maturity:** The Debenture is not required to be repaid until maturity in 2030 and the Company is entitled to satisfy the annual interest obligations under the Debenture by adding such amounts to the principal amount outstanding under the Debenture.

For further information, questions, or investor inquiries, please contact Rob Guzman at First Atlantic Nickel by phone at +1 844 592 6337 or via email at rob@fanickel.com.

"We are thrilled to secure this significant \$3 million non-dilutive capital funding on such favorable terms for our shareholders," said Adrian Smith, CEO of First Atlantic. "This funding will enable us to accelerate Phase 2 Drilling at the Atlantic Nickel Project, with the goal of expanding the mineralized footprint of the RPM Zone. The lender's strong financial backing, provided on favourable terms, allows us to maintain our rapid exploration and development pace following major awaruite nickel discoveries in our first drill program, which began in the fourth quarter of 2024."

The proceeds from the Debenture will fund the fully permitted Phase 2 Drilling program and preliminary metallurgical testing at the Atlantic Nickel Project as detailed in the Company's news release dated January 15, 2025. Following the closing of the Private Placement, the Company anticipates an accelerated news cycle in the coming weeks, with updates from the completed Phase 1 Drill program and the commencement of Phase 2 Drilling.

Transaction Terms

The Debenture will bear interest at an interest rate of 9.5% per annum. Interest will be calculated and paid in 12-month intervals from the closing date, over a term of five years.

The Company may satisfy interest payments due prior to maturity in one of three ways, by:

- (i) adding the interest to the principal amount of the Debenture;
- (ii) issuing common shares ("Common Shares") to the lender; or
- (iii) payment in cash, and interest payable on maturity may be satisfied pursuant to items (ii) or (iii).

If the Company elects to issue Common Shares to satisfy interest payments, the Common Shares will be issued at the greater of: (i) the 20-day volume-weighted average price of the Common Shares; or (ii) the minimum price permitted by the Exchange. The Company may not elect to issue Common Shares if such issuance would result the lender owning or controlling more than 9.99% of the Company's outstanding Common Shares (the "Ownership Cap"), provided that the lender may, on 61 days' prior written notice, increase the Ownership Cap to a maximum of 19.99%.

The Debenture will mature five years from the date of issue (the "Maturity Date"). In the event of a change of control of the Company or a project transfer, the holder may redeem the Debenture at a price equal to 130% of the outstanding principal amount, plus all accrued and unpaid interest.

On or after the third anniversary of the issue date of the Debenture and before the fourth anniversary, the Company may elect to prepay all (but not less than all) of the principal and accrued interest under the Debenture by paying 130% of the principal amount, plus all accrued and unpaid interest. On or after the fourth anniversary of the issue date of the Debenture, the Company may prepay all (but not less than all) of the principal and accrued interest by paying 115% of the principal amount, plus all accrued and unpaid interest.

The Debenture holder may, at its option, at any time until 5:00 p.m. (Toronto time) on the Maturity Date, elect to receive a 2% net smelter return royalty on certain claims within the Atlantic Nickel Project in lieu of payment of the principal amount and all accrued and unpaid interest under the Debenture.

No finder's fees are payable in connection with the Private Placement. Closing of the Private Placement remains subject to receipt of Exchange approval. All securities issued pursuant to the Private Placement are subject to a statutory four-month hold period.

Investor Information

The Common Shares trade on the Exchange under the symbol "FAN", the American OTCQB Exchange under the symbol "FANCF" and on several German exchanges, including Frankfurt and Tradegate, under the symbol "P21".

Investors can get updates about First Atlantic by signing up to receive news via email and SMS text at www.fanickel.com. Stay connected and learn more by following us on these social media platforms:

<https://x.com/FirstAtlanticNi>
<https://www.facebook.com/firstatlanticnickel>
<https://www.linkedin.com/company/firstatlanticnickel/>

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Disclosure

Adrian Smith, P.Geo., is a qualified person as defined by NI 43-101. The qualified person is a member in good standing of the Professional Engineers and Geoscientists Newfoundland and Labrador (PEGNL) and is a registered professional geoscientist (P.Geo.). Mr. Smith has reviewed and approved the technical information disclosed herein.

About First Atlantic Nickel Corp.

First Atlantic Nickel Corp. (TSXV: FAN) (OTCQB: FANCF) (FSE: P21) is a Canadian mineral exploration company developing the 100%-owned Atlantic Nickel Project, a large-scale nickel project strategically located near existing infrastructure in Newfoundland, Canada. The Project's nickel occurs as awaruite, a natural nickel-iron alloy containing approximately 75% nickel with no-sulfur and no-sulfides. Awaruite's properties allow for smelter-free magnetic separation and concentration, which could strengthen North America's critical minerals supply chain by reducing foreign dependence on nickel smelting. This aligns with new US Electric Vehicle US IRA requirements, which stipulate that beginning in 2025, an eligible clean vehicle may not contain any critical minerals processed by a FEOC (Foreign Entities of Concern)¹.

First Atlantic aims to be a key input of a secure and reliable North American critical minerals supply chain for the stainless steel and electric vehicle industries in the USA and Canada. The Company is positioned to meet the growing demand for responsibly sourced nickel that complies with the critical mineral requirements for eligible clean vehicles under the US IRA. With its commitment to responsible practices and experienced team, First Atlantic is poised to contribute significantly to the nickel industry's future, supporting the transition to a cleaner energy landscape. This mission gained importance when the US added nickel to its critical minerals list in 2022, recognizing it as a non-fuel mineral essential to economic and national security with a supply chain vulnerable to disruption.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking statements:

This news release may include "forward-looking information" under applicable Canadian securities legislation. Such forward-looking information reflects management's current beliefs and are based on a number of estimates and/or assumptions made by and information currently available to the Company that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, statements pertaining to the use of funds from the Private Placement, receipt of Exchange approval to close the Private Placement and issue the Debenture, the Company's objectives, goals or future plans, and statements and estimates of market conditions. Readers are cautioned that such forward-looking information are neither promises nor guarantees and are subject to known and unknown risks and uncertainties including, but not limited to, general business, economic, competitive, political and social uncertainties, uncertain and volatile equity and capital markets, lack of available capital, actual results of exploration activities, environmental risks, future prices of base and other metals, operating risks, accidents, labour issues, delays in obtaining governmental approvals and permits, and other risks in the mining industry. Additional factors and risks including various risk factors discussed in the Company's disclosure documents which can be found under the Company's profile on <http://www.sedarplus.ca>. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

The Company is presently an exploration stage company. Exploration is highly speculative in nature, involves many risks, requires substantial expenditures, and may not result in the discovery of mineral deposits that can be mined profitably. Furthermore, the Company currently has no mineral reserves on any of its properties. As a result, there can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

We seek safe harbour.

¹ <https://home.treasury.gov/news/press-releases/jy1939>

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