

Pure Nickel Closes Three Million Dollar Convertible Debenture Financing with Eric Sprott

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Toronto, September 5, 2019 - [Pure Nickel Inc.](#) (TSXV: NIC) (the "Company" or "Pure Nickel") is pleased to announce that it has closed its previously announced transaction with Eric Sprott, through 2176423 Ontario Ltd., a corporation that is beneficially owned by him, pursuant to which Pure Nickel has issued to 2176423 Ontario Ltd. a Convertible Debenture ("Debenture") in the amount of \$3,000,000.

The Debenture has a term of two years and bears interest at a rate of 8% per annum. The Debenture is 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 (the "Restriction") 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 Company has paid a commission of 3% cash and 3% shares at \$0.05 per share in relation to the Debenture. The Debenture and shares issuable upon conversion will be subject to a statutory hold period lasting four months and one day following the date of issuance.

The Company will use proceeds from the issuance of the Debenture to fund the completion of the previously announced merger with [Explor Resources Inc.](#) ("Explor") and for the advancement of the Timmins Porcupine West Gold Property (the "TPW Property") located in the Timmins Porcupine Mining Camp in Ontario. The Company's press release dated August 22, 2019 outlines the terms of an Amalgamation Agreement with Explor. Following shareholder approval of the proposed merger, and approval for Mr. Sprott to be a control person of the Company, if Mr. Sprott converts the entire Debenture, he will have approximately a 29% interest in the new company and Pure Nickel shareholders and Explor shareholders will have approximately a 31% and a 40% interest respectively. The completion of the proposed merger is subject to all necessary shareholder and regulatory approvals.

Prior to the issuance of the Debenture, Mr. Sprott owned and controlled 10,221,732 common shares of the Company representing approximately 12.4% of the then outstanding common shares of the Company. Mr. Sprott now beneficially owns and controls 10,221,732 common shares of the Company and the Debenture representing approximately 12.1% of the outstanding common shares on a non-diluted basis and 19.9% of the outstanding common shares on a partially diluted basis assuming conversion of the Debenture and that the Restriction is still effective. If requisite approvals have been obtained to allow Mr. Sprott to be a control person, Mr. Sprott will beneficially own and control 10,221,732 shares and the Debenture representing approximately 12.1% of the outstanding shares on an undiluted basis and 48.6% of the outstanding shares on a partially diluted basis assuming full conversion of the Debenture at \$0.05 per Share.

Mr. Sprott acquired the Debenture for investment purposes. Mr. Sprott has a long-term view of the investment and may acquire additional securities of the Company, including on the open market or through private acquisitions, or sell the securities, including on the open market or through private dispositions, in the future depending on market conditions, reformulation of plans and/or other relevant factors. A copy of 2176423 Ontario Ltd.'s early warning report will appear on the Company's profile on SEDAR and may also be obtained by calling Mr. Sprott at (416) 362-7172 (200 Bay Street, Suite 2600, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J1).

About Pure Nickel Inc.

Since the start of 2019, Pure Nickel has made strategic steps to expand its focus to include gold and silver exploration. Upon completion of the proposed merger 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.

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 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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