FIRST ATLANTIC NICKEL + COBALT

TSXV:FAN · OTC:FANCF · FSE:P21

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FIRST ATLANTIC NICKEL STARTS PHASE 2 DRILLING TO EXPAND NEW NICKEL DISCOVERY AT RPM ZONE IN DISTRICT-SCALE ATLANTIC NICKEL PROJECT

Vancouver, British Columbia – May 7, 2025 – First Atlantic Nickel Corp. (TSXV: FAN) (OTCQB: FANCF) (FSE: P21) ("First Atlantic" or the "Company") is excited to announce the commencement of Phase 2 drilling at the RPM Zone on its 100%-owned Atlantic Nickel Project in Newfoundland. The upcoming drilling will build on the significant awaruite discovery at the RPM Zone, where all four initial drill holes intersected visibly disseminated awaruite throughout their entire lengths, terminating in mineralization and remaining open in all directions. Phase 2 is designed to expand the RPM Zone through targeted step-out drilling, aiming to extend the mineralized strike length beyond the 400 meters (north-south) and the lateral width beyond 500 meters (east-west). Assay results for the fourth RPM drill hole from Phase 1 (AN-24-05) are pending. Davis Tube Recoverable (DTR) metallurgical test results for RPM holes three and four (AN-24-04 and AN-24-05) are also anticipated soon. In addition to drilling at the RPM Zone, the Phase 2 program will include prospecting across the Company's district-scale, 30-kilometer-long ultramafic ophiolite trend. These efforts are intended to identify new awaruite nickel targets and further unlock the district potential of the Atlantic Nickel Project.

Awaruite (Ni_3Fe), composed of 75% nickel and 25% iron, is a naturally occurring sulfur-free nickel-iron alloy mineral with unique metallurgical properties that provides substantial processing advantages. Unlike conventional nickel laterite and sulfide minerals, awaruite occurs in a native metallic state eliminating the need for secondary processing techniques such as energy-intensive smelting, roasting, or high-pressure acid leaching which is typically required for reduction and sulfur removal. This substantially lowers electricity demand during processing. As a result, awaruite enables a lower carbon footprint and represents a strategic, large-scale nickel source suitable for simple domestic processing.

Highlights:

- Phase 2 - RPM Drilling Underway: Step-out drilling has begun in order to expand the 400 x 500 meter mineralized footprint of the RPM Zone. The program targets high priority areas to the north (Pipestone Pond), east (Chrome Pond), and west (adjacent fault zone), with the objective of outlining an area that could contain over one billion tonnes of mineralization.
- Significant RPM Zone Discovery: Phase 1 drilling intersected large-grain, visibly disseminated awaruite, yielding consistent grades averaging ~0.24% nickel. Davis Tube Recovery (DTR) metallurgical testing produced a magnetic concentrate yielding an average grade of ~1.35% nickel with an average ~9.5% mass pull. The average magnetically recoverable nickel grade was ~0.12%, ranging from 0.10% to 0.16%.
- Phase 2 - District Exploration: The Phase 2 program also includes regional prospecting across the

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Company's 30-kilometer-long ultramafic ophiolite complex, targeting additional awaruite outcrops to identify new high-priority drill targets within the 30 km nickel trend.

- Increased Drilling Capabilities: New road access and the deployment of a more powerful drill rig equipped for HQ/NQ core sizes will significantly enhance drilling speed, depth capacity, and cost efficiency, enabling deeper and faster exploration across priority targets.

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 launch Phase 2 drilling at the RPM Zone, where Phase 1 results confirmed a substantial awaruite-hosted nickel discovery with excellent metallurgical characteristics," said Adrian Smith, CEO of First Atlantic. "The DTR metallurgical results returned high grade nickel concentrates and strong magnetically recoverable nickel values. Combined with consistent nickel grades and large grain size, these results highlight the RPM Zone as an exciting new nickel discovery that would avoid energy-intensive smelting or roasting in its processing. With improved project infrastructure and a more powerful drill rig now in place, we are well positioned to rapidly expand this zone and explore new targets across our 30-kilometer ophiolite trend. This marks an important step toward realizing our vision of establishing a world-class, environmentally sustainable nickel district."

PHASE 2 DRILLING PROGRAM

The Phase 2 drilling program at the RPM Zone is designed to expand upon the 400 x 500 meter mineralized area defined by the first four holes from the Phase 1 campaign. Step-out drilling will target extensions to the north towards the Pipestone Pond target, where abundant visible awaruite was observed during the Fall 2024 program, to the east towards the Chrome Pond target, and west into the fault zone. Notably, Phase 1 drilling in this western area intersected 0.27% nickel with 0.15% magnetically recoverable nickel (DTR Ni%) over the final 21 meters of hole AN-24-03. The program's objective is to delineate a large-scale nickel system with the potential to host in excess of one billion tonnes of mineralized material. The onset of unseasonably wet conditions during the transition from winter to spring at the Atlantic Nickel Project delayed the start of Phase 2 drilling. With the spring melt-thaw now complete, site conditions have improved and support full vehicular and drilling operations. The deployment of a more powerful drill rig, equipped with combined HQ and NQ core sizes, will enable deeper drilling, improve operational efficiency, accelerate progress and reduce overall operational costs. In parallel, the Company is conducting systematic prospecting across its 30-kilometer-long ultramafic ophiolite trend. This effort is focused on identifying additional awaruite outcrops and potentially generating new high-priority drill targets that could expand the regional exploration potential.

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Figure 1: Images from the Phase 2 Drilling program start-up at the Atlantic Nickel Project, showing the drill being set up at a new drill site location near the RPM Zone for step-out hole drilling.

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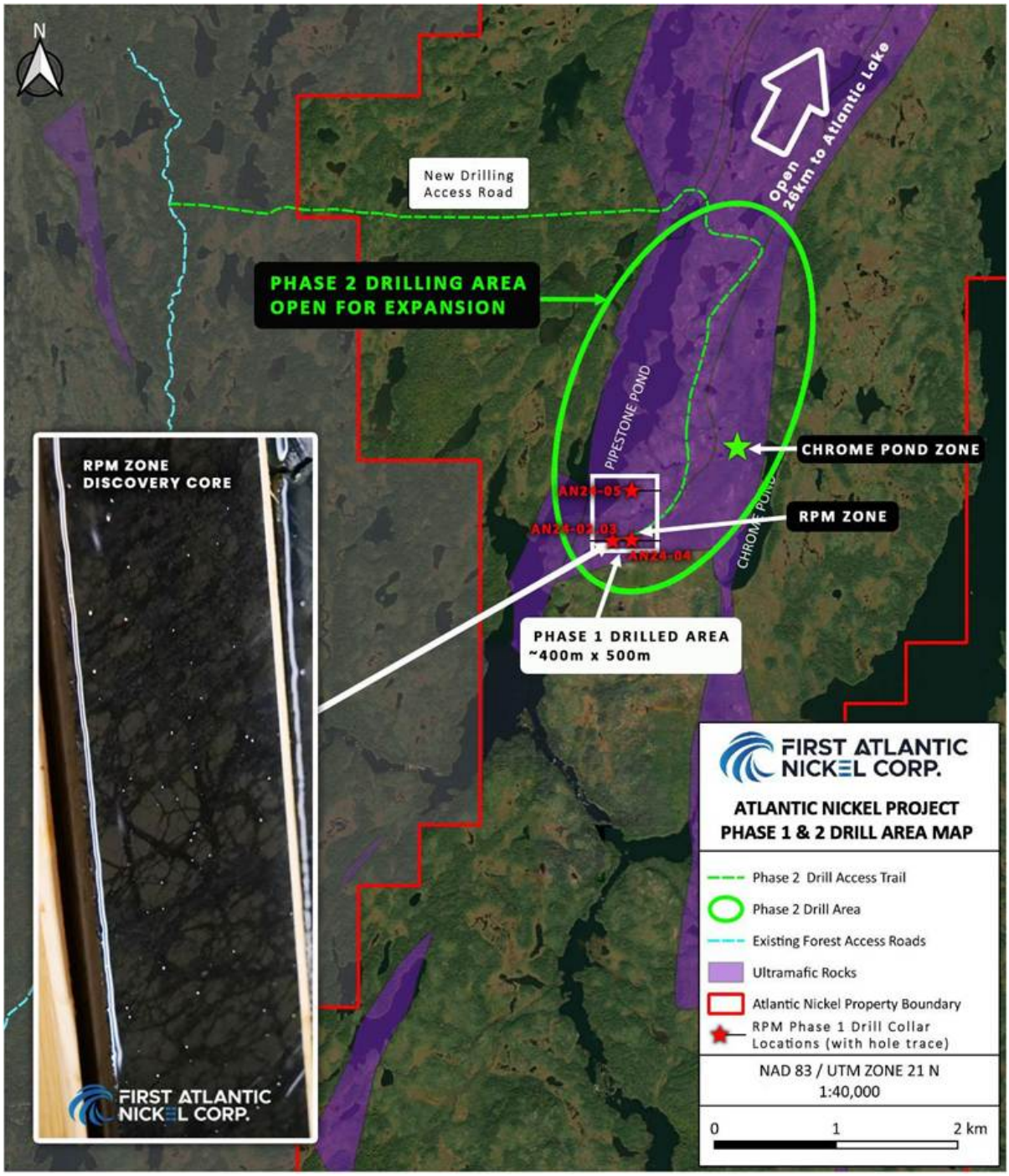

Figure 2: Phase 2 drilling plan map highlighting the RPM drilling zone area (circled in green), showing the Phase 1 discovery hole locations, which defined mineralization over at least a 400-meter by 500-meter area and remains open for expansion in multiple directions.

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PHASE 1 RESULTS

Phase 1 drilling at the RPM Zone of the Atlantic Nickel Project confirmed a significant awaruite-hosted nickel discovery. Four drill holes defined a mineralized zone measuring approximately 400 meters in strike length (north-south) and 500 meters in width (east-west). Drilling intersected large-grain, visibly disseminated awaruite with consistent nickel grades and strong metallurgical results. DTR results demonstrated the potential for magnetic separation as a low energy and environmentally responsible processing method for awaruite mineralization. Assay results for the fourth RPM Zone drill hole from Phase 1 (AN-24-05) are pending. DTR metallurgical test results for holes three and four (AN-24-04 and AN-24-05) are also anticipated soon. Below is a summary of the assay and DTR metallurgical results from the Phase 1 drill holes at the RPM Zone:

RPM Hole	From (m)	To (m)	Intersection Width (m)	Nickel Grade (% Ni)	Magnetic Concentrate Grade (% Ni)	Mass Pull (%)	Magnetically Recoverable Nickel (DTR % Ni)
AN-24-02	11	394	383.1	0.24	1.37	9.5	0.13
AN-24-03	18	234	216	0.25	1.32	9.12	0.11
AN-24-04	0	366	366	0.23	Pending	Pending	Pending
AN-24-05	0	402	402	Pending	Pending	Pending	Pending

Table 1: Summary of the assay and DTR metallurgical results from the Phase 1 drill holes at the RPM Zone. *Note DTR results for AN-24-04 and AN-24-05 are still pending.*

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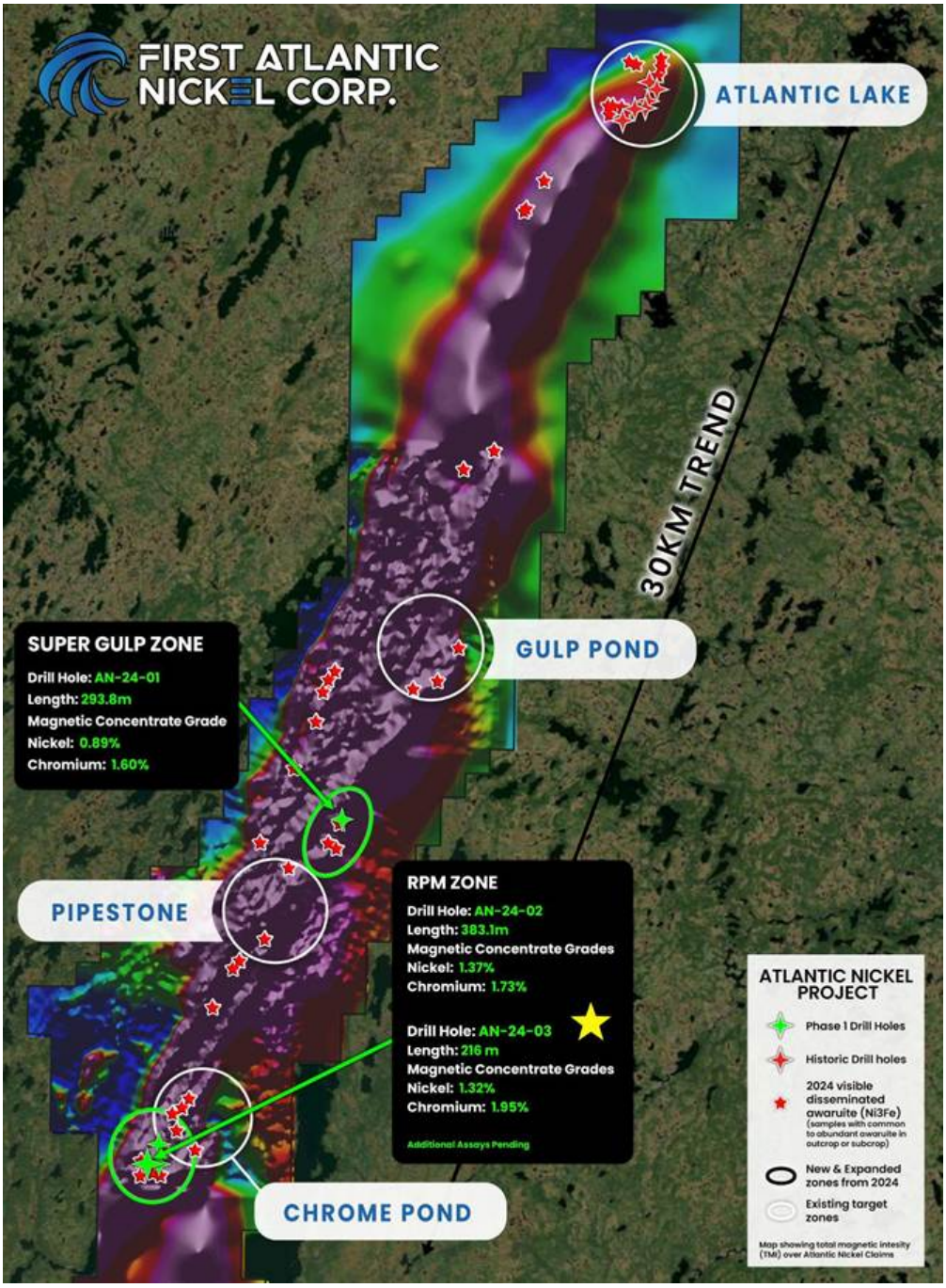

Figure 3: DTR results from Phase 2 drilling, illustrating average magnetic concentrate grades over the entire length of each drill hole.

Corporate Update

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The Company is pleased to announce that it has entered into a definitive agreement dated May 6, 2025 (the "Purchase Agreement") with a group of arm's length parties (the "Vendors") to acquire a 100% interest in eight mineral licenses (the "Licenses") totaling approximately 3,350 hectares, strategically located around the Company's Atlantic Nickel Project in central Newfoundland in the Cold Spring Pod and Coy Pond areas. Exploration conducted by Altius Minerals (NFLD/3236.pdf) in these areas returned elevated magnetically recoverable nickel values (DTR Ni%). As consideration, the Company will issue an aggregate of 1,000,000 common shares to the Vendors at a deemed price of $0.205 per share (the "Consideration Shares"). The Licenses are subject to a 2% net smelter return ("NSR") royalty. The Company retains the right to repurchase 1% of the NSR royalty (i.e., half of the total royalty) for $1 million at any time prior to the commencement of commercial production from the property.

The Company also announces that it has entered into a settlement agreement with a former consultant (the "Creditor") to resolve outstanding obligations totaling $202,950, related to accounting services provided under a consulting agreement dating back to 2017. Pursuant to the terms of the settlement, the Company has agreed to make a cash payment of $50,000 and issue 312,500 common shares to the Creditor at a deemed price of $0.32 per share (the "Settlement Shares") in full satisfaction of the debt. The Settlement Shares will be released in three equal tranches over a 12-month period. The completion of the acquisition and the issuance of the Consideration Shares and Settlement Shares are subject to approval by the TSX Venture Exchange. All securities issued will be subject to a statutory hold period of four months and one day from the date of issuance, in accordance with applicable Canadian securities laws. No finders' fees are payable in connection with the Purchase Agreement.

Awaruite (Nickel-iron alloy Ni_2Fe, Ni_3Fe)

Awaruite, a naturally occurring sulfur-free nickel-iron alloy composed of Ni_3Fe or Ni_2Fe with approximately ~75% nickel content, offers a proven and environmentally safe solution to enhance the resilience and security of North America's domestic critical minerals supply chain. Unlike conventional nickel sources, awaruite can be processed into high-grade concentrates exceeding 60% nickel content through magnetic processing and simple floatation without the need for smelting, roasting, or high-pressure acid leaching[1]. Beginning in 2025, the US Inflation Reduction Act's (IRA) $7,500 electric vehicle (EV) tax credit mandates that eligible clean vehicles must not contain any critical minerals processed by foreign entities of concern (FEOC)[2]. These entities include Russia and China, which currently dominate the global nickel smelting industry. Awaruite's smelter-free processing approach could potentially help North American electric vehicle manufacturers meet the IRA's stringent critical mineral requirements and reduce dependence on FEOCs for nickel processing.

The U.S. Geological Survey (USGS) highlighted awaruite's potential, stating, "The development of awaruite deposits in other parts of Canada may help alleviate any prolonged shortage of nickel concentrate. Awaruite, a natural iron-nickel alloy, is much easier to concentrate than pentlandite, the principal sulfide of nickel"[3]. Awaruite's unique properties enable cleaner and safer processing compared to conventional sulfide and laterite nickel sources, which often involve smelting, roasting, or high-pressure acid leaching that can release toxic sulfur dioxide, generate hazardous waste, and lead to acid mine drainage. Awaruite's simpler processing, facilitated by its amenability to

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magnetic processing and lack of sulfur, eliminates these harmful methods, reducing greenhouse gas emissions and risks associated with toxic chemical release, addressing concerns about the large carbon footprint and toxic emissions linked to nickel refining.

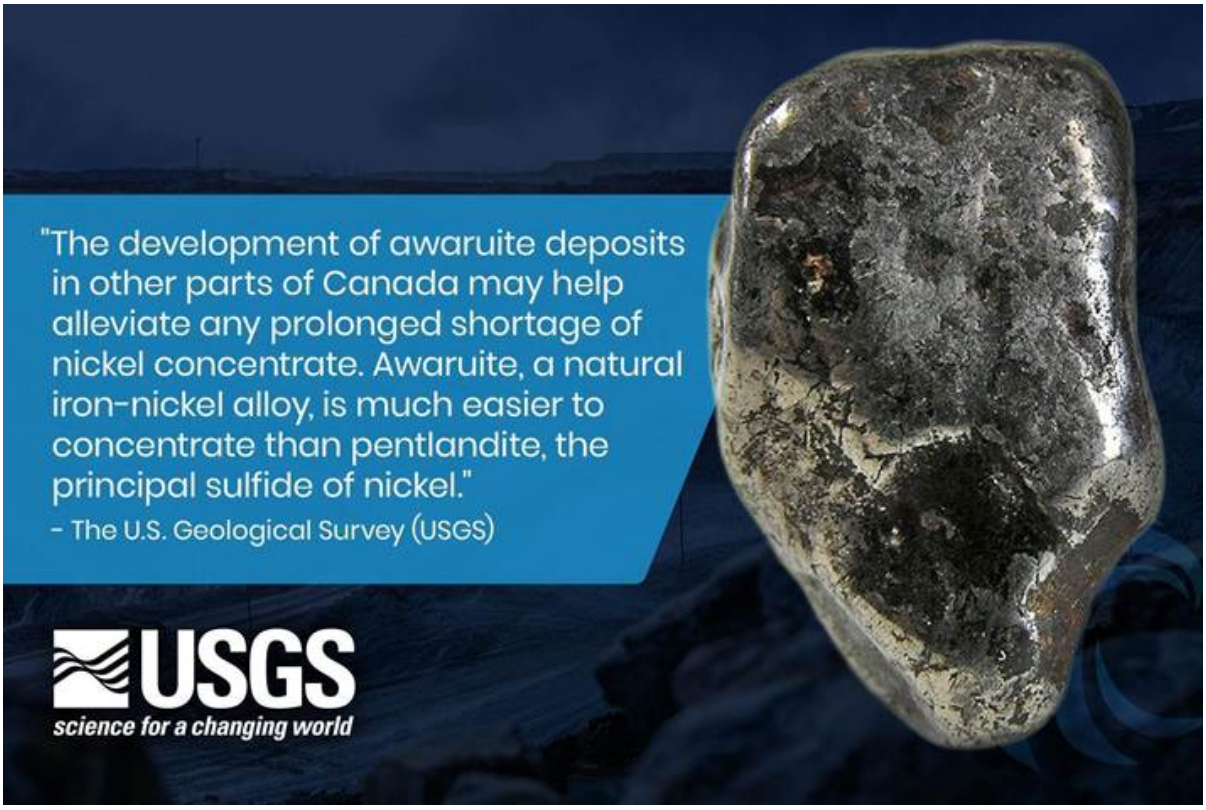

Figure 4: Quote from USGS on Awaruite Deposits in Canada

The development of awaruite resources is crucial, given China's control in the global nickel market. Chinese companies refine and smelt 68% to 80% of the world's nickel[4] and control an estimated 84% of Indonesia's nickel output, the largest worldwide supply[5]. Awaruite is a cleaner source of nickel that reduces dependence on foreign processing controlled by China, leading to a more secure and reliable supply for North America's stainless steel and electric vehicle industries.

Investor Information

The Company's common shares trade on the TSX Venture 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

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Disclosure

Adrian Smith, P.Geo., a director and the Chief Executive Officer of the Company 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)[6].

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

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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: expectations regarding the timing, scope, and results of the Company's Phase 1 and Phase 2 work and drilling programs; future project developments; the Company's objectives, goals, and future plans; statements and estimates of market conditions; the potential for Newfoundland and Labrador to emerge as a clean energy leader; the viability of magnetic separation as a low-impact processing method for awaruite; the strategic and economic implications of the province's geological features in supporting the clean energy transition, statements regarding the proposed acquisition of the Licenses, the issuance of the Consideration Shares and Settlement Shares, TSX Venture Exchange approval and the geological potential of the Licenses . 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 and clean energy industries. 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 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.

[1] *https://fpxnickel.com/projects-overview/what-is-awaruite/*

[2] *https://home.treasury.gov/news/press-releases/jy1939*

[3] *https://d9-wret.s3.us-west-2.amazonaws.com/assets/palladium/production/mineral-pubs/nickel/mcs-2012-nicke.pdf*

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[4] *https://www.brookings.edu/wp-content/uploads/2022/08/LTRC_ChinaSupplyChain.pdf*

[5] *https://web.archive.org/web/20250417033842/https://www.airuniversity.af.edu/JIPA/Display/Article/3703867/the-rise-of-great-mineral-powers/*

[6] *https://home.treasury.gov/news/press-releases/jy1939*