FIRST ATLANTIC NICKEL + COBALT
TSXV:FAN · OTC:FANCF · FSE:P21

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FIRST ATLANTIC NICKEL ANNOUNCES ACCEPTANCE INTO DEFENSE INDUSTRIAL BASE CONSORTIUM (DIBC) - PIPESTONE XL SMELTER-FREE NICKEL-COBALT ALLOY PROJECT ADDRESSES MIDSTREAM SMELTING BOTTLENECK IN U.S. DEFENSE SUPPLY CHAIN

GRAND FALLS-WINDSOR, Newfoundland and Labrador, March 31, 2026 - First Atlantic Nickel Corp. (TSXV: FAN | OTCQB: FANCF | FSE: P21) (the "Company" or "First Atlantic") is pleased to announce that it has been accepted as a member of the U.S. Defense Industrial Base Consortium (the “DIBC”). The DIBC operates as a consortium-based contracting vehicle under the Office of the Assistant Secretary of War for Industrial Base Policy, which manages key industrial base investment authorities, including programs funded under Title III of the Defense Production Act (the "DPA") and the Defense Industrial Base Fund under 10 U.S.C. § 4817. These authorities enable the Department of War (the "DoW") to make direct investments designed to expand and sustain domestic industrial capacity, particularly where supply chains are fragile or overly dependent on foreign sources. Canada has been designated a "domestic source" under Title III of the DPA since 1992.

The DIBC aims to expand and diversify the defense industrial base, enable private-sector businesses to work in partnership with the U.S. Government, provide financing for key contractors, and gives the U.S. Government access to commercial solutions for defense requirements. Through these authorities, the DoW utilizes various financing structures, including direct equity stakes, grants, offtake agreements at guaranteed price points, purchase commitments, loans, and loan guarantees, to catalyze domestic mineral production and processing.

Key Points

1. Nickel is the only battery metal listed among 13 defense-critical minerals in the DIBC's first critical minerals Request for Project Proposals (“RPP”), (RPP-CM-26-01)[1], released February 27, 2026.Awaruite addresses three Areas of Interest (“AOI”) outlined in the RPP.
2. In September 2023, the U.S. Department of War stated that nickel is "an essential mineral input to produce high-temperature aerospace alloys, stainless steel, and chemicals for lithium-ion batteries[2]."
3. The Pipestone XL Awaruite Nickel-Cobalt Alloy Project addresses two sectors considered critical to the defense industrial base: "Strategic and Critical Materials" and "Energy Storage and Batteries."
4. Awaruite is a high-grade, naturally occurring magnetic nickel-iron-cobalt alloy mineral containing approximately 77% nickel and 1% cobalt[3]. It is neither a sulfide nor an oxide nickel ore. Awaruite does not require smelting and can be processed at the mine site using magnetic separation and flotation to produce an ~60% nickel concentrate[4], offering large-scale processing capacity that is not capped or limited by smelter availability.
5. Awaruite bypasses the midstream smelting bottleneck in North America. The United States has zero nickel smelters, and only two remain in Canada[5], both of which are subject to capacity limitations and

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technical constraints relating to penalty and deleterious elements. Awaruite's ~60% nickel concentrate can be sent for direct downstream battery chemical refining or for the manufacture of specialty alloys or stainless steel.

6. Awaruite provides a pathway to direct downstream refining of nickel sulphate in the United States, meeting the definition of qualifying nickel under Section 45X of the U.S. Advanced Manufacturing Production Credit: nickel "converted to nickel sulphate" or "purified to a minimum purity of 99 percent nickel by mass[6]."
7. The Carnegie Endowment for International Peace paper *Securing America's Critical Minerals Supply* (October 8, 2025) projects U.S. nickel import reliance of -9,275% by 2035, representing a 740,000+ tonne annual shortfall[7].

DIBC Issues First Critical Minerals Request for Project Proposals

On February 27, 2026, the DIBC issued RPP-CM-26-01, "Domestic Processing Capabilities of Critical Minerals," its first RPP targeting critical gaps in domestic production capacity for thirteen defense-critical minerals: arsenic, bismuth, gadolinium, germanium, graphite, hafnium, nickel, samarium, tungsten, vanadium, ytterbium, yttrium, and zirconium.

Nickel is the most critical battery metal on the list.

Pipestone XL Addresses Two Critical Defense Industrial Base Sectors and Three Areas of Interest

First Atlantic's Pipestone XL Nickel Alloy Project directly addresses two sectors considered critical to the defense industrial base - Strategic and Critical Materials, and Energy Storage and Batteries - and three of the RPP's six Areas of Interest:

1. raw mineral sourcing and beneficiation, including extraction, concentration, and beneficiation of mineral ores;
2. separation and processing of raw or beneficiated materials into intermediate chemical forms; and
3. metal production, metallization, refining, and upscaling to achieve purified forms suitable for critical applications.

The RPP encourages innovative commercial solutions that offer capabilities across multiple stages of the value chain, as well as solutions that produce multiple minerals as co-products or by-products.

Awaruite Nickel-Cobalt Concentrate: Direct Alloy From Mine to Refinery Without Smelting

Pipestone XL represents a large-scale, onshore source of nickel and cobalt in Newfoundland positioned to supply the North American defense industrial base. Awaruite (Ni_3Fe) is a naturally occurring, sulfur-free magnetic nickel-iron-cobalt alloy with nickel content of ~77%. Its unique magnetic properties and amenability to flotation enable the production of a high-grade nickel-cobalt concentrate of ~60% nickel that can proceed directly into downstream

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battery chemical refining or stainless steel and specialty alloy manufacturing.

As stated in the August 2025 report *From Rocks to Power: Strategies to Unlock Canada's Critical Minerals for Global Leadership in Energy Storage, EVs, & Beyond* from the Battery Metals Association of Canada:

"Awaruite is not a sulfide nor an oxide nickel ore but a high-content native nickel-iron ore. Simple beneficiation processes after mining could provide 60% Ni concentrate, ready for leaching for battery cathode purposes and would yield MHP as a by-product. This process would bypass pyrometallurgy or early hydrometallurgy stages and be among the lowest carbon-intensive nickel production sites in the global nickel market."

Unlike conventional nickel sulfide deposits, which require pyrometallurgical smelting, or laterite deposits, which rely on high-pressure acid leaching or roasting, awaruite can be processed using magnetic separation and flotation, eliminating reliance on constrained or foreign-controlled processing infrastructure.

As stated in the White House proclamation of January 14, 2026[8]:

"Mining a mineral domestically does not safeguard the national security of the United States if the United States remains dependent on a foreign country for the processing of that mineral."

No Domestic U.S. Nickel Smelting Capacity - Only Two Nickel Smelters Remain in Canada

The United States has no operating domestic nickel smelters. North America has only two remaining operational pyrometallurgical nickel smelters - Glencore's Sudbury Smelter and Vale's Copper Cliff Smelter & Refinery, both located in Ontario. Vale's Thompson Smelter in Manitoba was permanently closed in 2018, further constraining already limited processing capacity. This represents a critical vulnerability in the North American defense supply chain that awaruite's smelter-free processing pathway directly addresses.

The U.S. Geological Survey identified awaruite as a potential solution to nickel shortages in its 2012 annual report on nickel, 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."

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Figure 1: Quote from USGS on Awaruite Deposits[9]

Carnegie Endowment for International Peace Projects U.S. Nickel Deficit at 741,987 Tonnes (-9,275%) by 2035

According to the Carnegie Endowment for International Peace paper *Securing America's Critical Minerals Supply* (October 8, 2025), the United States could face an annual nickel supply deficit of approximately 741,987 tonnes by 2035 under the paper's scenario, with projected domestic supply of 8,000 tonnes against projected total consumption of 749,987 tonnes[10].

Table 1: U.S. Critical Minerals Supply and Demand Projections to 2035. Source: Carnegie Endowment for International Peace, *Securing America's Critical Minerals Supply* (October 8, 2025)

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All units in metric tonnes.

Mineral	Supply			Demand			Balance	
	Production	Pipeline	2035 Supply	Consum-ption+	Grid+Mfg Build Scenario	2035 Consumption	By Volume	Import Dependence
Copper	1,100,000	700,000	1,800,000	2,000,000	915,875	2,915,875	-1,115,875	-62%
Graphite	0	350,000	350,000	60,000	966,795	1,026,795	-676,795	-193%
Lithium	4,000	24,000	28,000	8,000	98,936	106,936	-78,936	-282%
Manganese	0	0	0	751,000	59,300	810,300	-810,300	N/A
Molybdenum	33,000	3,000	36,000	14,000	2,664	16,644	19,336	54%
Nickel	8,000	0	8,000	200,000	549,987	749,987	-741,987	-9,275%
Silver	1,100	300	1,400	7,100	9496	16,596	-15,196	-1,085%
Zinc	750,000	200,000	950,000	910,000	60,000	970,000	-20,000	-2%

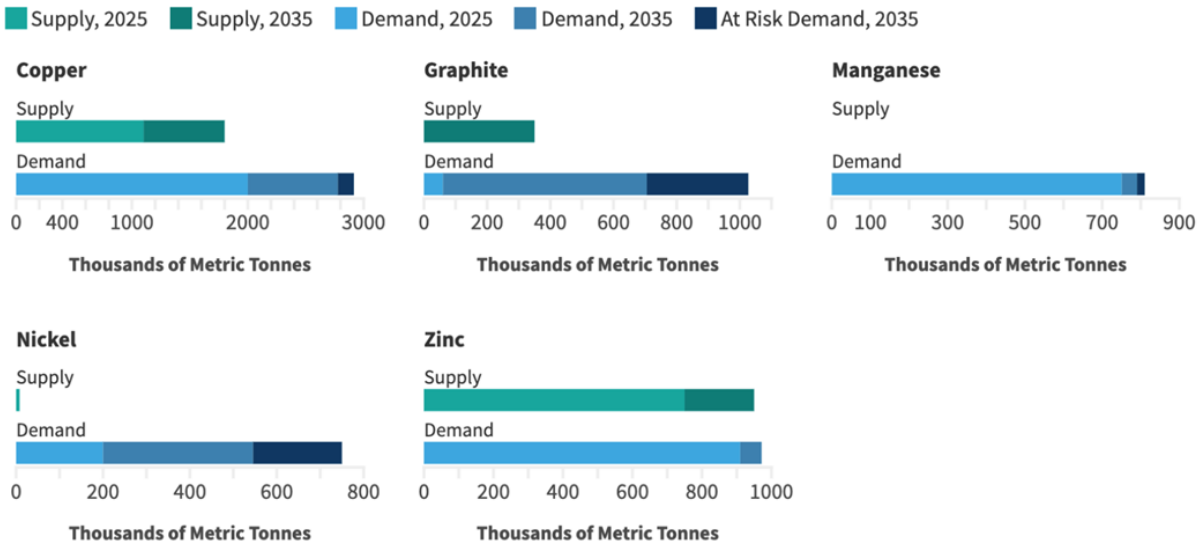

Figure 2: Domestic Mineral Extraction and U.S. Demand. Source: Carnegie Endowment for International Peace, *Securing America's Critical Minerals Supply* (October 8, 2025)

Section 45X Advanced Manufacturing Production Credit

Section 45X of the U.S. Advanced Manufacturing Production Credit defines qualifying nickel as nickel which is "converted to nickel sulphate" or "purified to a minimum purity of 99 percent nickel by mass[11]." Awaruite concentrate may be directly converted to nickel sulfate without intermediate smelting or roasting, positioning it favorably within this framework.

INVESTOR INFORMATION

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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 www.fanickel.com.

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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 critical mineral exploration company in Newfoundland & Labrador developing the Pipestone XL Nickel-Cobalt Alloy Project. The project spans the entire 30-kilometer Pipestone Ophiolite Complex, where multiple zones, including RPM, Alloy Max, Super Gulp, Atlantic Lake, and Chrome Pond, contain awaruite (Ni_3Fe), a naturally occurring magnetic nickel-iron-cobalt alloy of approximately ~77% nickel with no-sulfur and no-sulfides, along with secondary chromium mineralization. Awaruite's sulfur-free composition removes acid mine drainage (AMD) risks, while its unique magnetic properties enable processing through magnetic separation, eliminating the electricity requirements, emissions, and environmental impacts of conventional smelting, roasting, or high-pressure acid leaching while reducing dependence on overseas nickel processing infrastructure.

The U.S. Geological Survey recognized awaruite's strategic importance in its 2012 Annual Report on Nickel, noting that these deposits may help alleviate prolonged nickel concentrate shortages since the natural alloy is much easier to concentrate than typical nickel sulfides. The Pipestone XL Nickel-Cobalt Alloy Project is located near existing infrastructure with year-round road access and proximity to hydroelectric power. These features provide favorable logistics for exploration and future development, strengthening First Atlantic's role to establish a secure and reliable source of North American nickel production for the stainless steel, electric vehicle, aerospace, and defense industries. 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.

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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 is based on a number of estimates and/or assumptions made by and information currently available to the Company, including with respect to the Company's exploration and financing activities, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors that may cause 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 regarding: the significance of the Company's acceptance into the DIBC; the Company's eligibility to participate in, respond to, or benefit from DIBC programs, initiatives, funding opportunities, financing structures, or future requests for project proposals; the applicability of the Company's Pipestone XL project to the sectors, AOI and objectives identified by the DIBC and related U.S. industrial base policies; the potential for awaruite mineralization and awaruite concentrate to support domestic or allied nickel and cobalt supply chains; the potential for smelter-free processing, downstream refining, nickel sulphate production, specialty alloy manufacturing, stainless steel applications, and onshore vertical integration from mining to refining; the relevance of the Company's project to North American defense supply chains, industrial base priorities, critical minerals strategies, and energy storage and battery supply chains; the potential strategic, technical, economic, commercial or geopolitical advantages of awaruite; the Company's ability to advance the Pipestone XL project, complete further exploration and development activities, obtain permits, financing, strategic partnerships, offtake arrangements or government support, and execute its business plans; and statements regarding future supply, demand, shortages, import reliance, processing constraints, and market opportunities for nickel, cobalt and other critical minerals.

Forward-looking information is based on a number of assumptions, including, without limitation: that the Company will remain in good standing with the DIBC and may be eligible to participate in future DIBC-related opportunities; that the Company's projects and proposed activities will continue to align with applicable government policies, programs, priorities and eligibility criteria; that awaruite mineralization and concentrate may be processed as currently expected; that metallurgical results, processing characteristics and technical assumptions will support contemplated development scenarios; that the Company will be able to obtain required permits, approvals, financing, services, equipment and personnel on reasonable terms and within expected timeframes; that market fundamentals, including commodity prices, demand, supply constraints and policy support for critical minerals, will remain favourable; and that the Company will be able to continue advancing its projects in a manner consistent with management's current expectations.

Readers are cautioned that forward-looking information is neither a promise nor a guarantee, and is subject to a variety of risks and uncertainties, many of which are beyond the Company's control. Such risks and uncertainties

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include, without limitation: the risk that acceptance into the DIBC does not result in any specific opportunity, funding, contract, partnership, commercial benefit or other advancement for the Company; changes in government policy, priorities, funding levels, procurement processes, legislation or program requirements in Canada or the United States; the risk that the Company's projects or products may not satisfy future technical, commercial, strategic, legal or regulatory criteria for participation in government-supported initiatives; risks relating to exploration, metallurgy, development and mining; uncertainty of geological interpretation and results; the speculative nature of mineral exploration and development; permitting and environmental risks; delays in obtaining governmental approvals; risks relating to financing, capital markets and the availability of capital; commodity price fluctuations; supply chain constraints; operating hazards; labour and contractor availability; title matters; Indigenous and community relations; and general business, economic, competitive, political and social uncertainties. Additional risks and uncertainties are described in the Company's public disclosure documents available under the Company's profile on SEDAR+ at www.sedarplus.ca.

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. The Company undertakes no obligation to update forward-looking information, except as required by applicable securities laws.

[1] https://www.dibconsortium.org/wp-content/uploads/2026/02/P02-Critical-Minerals-RPP-Final.pdf

[2] https://www.war.gov/News/Releases/Release/Article/3522652/department-of-defense-enters-an-agreement-to-strengthen-the-us-supply-chain-for/

[3] https://www.sciencedirect.com/science/article/abs/pii/S0892687522003648

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

[5] https://transitionaccelerator.ca/wp-content/uploads/2025/08/From-Rocks-to-Power-Nickel.pdf

[6] https://www.federalregister.gov/d/2023-27498/p-460

[7] https://carnegieendowment.org/research/2025/10/securing-americas-critical-minerals-supply

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[8] https://www.whitehouse.gov/presidential-actions/2026/01/adjusting-imports-of-processed-critical-minerals-and-their-derivative-products-into-the-united-states/

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

[10] https://carnegieendowment.org/research/2025/10/securing-americas-critical-minerals-supply

[11] https://www.federalregister.gov/d/2023-27498/p-460