



NEWS RELEASE

TSX Venture: NKL

CONIC RELEASES RAMU Q3 2020 PERFORMANCE

TORONTO, ONTARIO, November 2, 2020 — Conic Metals Corp. (“**Conic**” or the “**Company**”) (TSXV: **NKL**) is pleased to provide operating results for the quarter ending September 30, 2020 of the Company’s largest asset, being the Ramu Nickel-Cobalt (“**Ramu**”) integrated operation in Papua New Guinea. Conic currently holds an 8.56% joint-venture interest in the Ramu operation. Ramu is operated by the Metallurgical Corporation of China which, along with its partners, owns an 85.0% interest in Ramu.

“Conic is pleased to announce Ramu’s Q3 operating results have not been negatively impacted by the global pandemic and in fact Q3 represented one of our best production quarters” stated Justin Cochrane, President and CEO. “Nickel production was 8% higher in the quarter compared to Q3 2019 and year to date is 2% higher in comparison to the same period in 2019. Ramu is on track to meet guidance of 32,000-33,000 of nickel production in 2020. Although shipments in the quarter were negatively impacted by the pandemic, we expect sales to rebound in Q4 and into 2021 as the world economy emerges from COVID 19. We are already seeing increased demand for nickel in batteries and the LME nickel price has improved from \$5.54 per pound in Q2 to an average of \$6.47 per pound in Q3. As global electric vehicle (EV) penetration continues to gain traction, we expect nickel suitable for lithium ion battery production will become supply constrained. Our internal estimates suggest that as much as 120,000 tonnes of nickel will be consumed by the rechargeable battery industry in 2020, higher than original forecasts despite the impacts of COVID 19. We also calculate that only 400,000 tonnes of refined nickel from the global market of 2.4 million tonnes is suitable for battery manufacturing. The projects that are slated to produce battery suitable nickel continue to face delays in commissioning which we expect will add to supply pressures in the future. Conic and Ramu remain very well positioned to meet battery producer’s requirements for the long term”

Actual cash costs for Q3 were \$1.84 per pound of nickel produced and for the nine months ending September 30, 2020 were \$2.02 per pound of nickel produced, net of byproduct credits. According to Wood Mackenzie, the lowest quartile of C1 Cash Cost^(A) of nickel production is forecast to be \$3.11 per pound in 2020. C1 Cash Cost differs from actual production cost as it includes transportation and refining costs to produce Class I or Class II nickel. Ramu produces nickel in the form of mixed hydroxide product (“**MHP**”) which is a desired raw material for the manufacture of lithium ion battery cathode materials for EV’s and battery storage applications.

Ramu’s production and Actual Cash Cost are presented in the table below.

	2019		2020	
	Q3	YTD	Q3	YTD
Ore Processed (dry kt)	911	2,670	954	2,688
MHP Produced (dry tonne)	21,186	63,329	23,015	63,167
Contained Nickel (tonne)	8,390	24,820	9,048	25,286
Contained Cobalt (tonne)	740	2,911	821	2,196
Nickel Capacity Utilization (% of design ¹)	103%	102%	111%	103%

MHP Shipped (dry tonne)	37,605	79,431	16,529	50,674
Contained Nickel (tonne)	14,531	30,576	6,584	20,247
Contained Cobalt (tonne)	1,329	2,799	584	1,750
Cash Cost Actual^{2, A}	\$2.75	\$2.53	\$1.84	\$2.02

Note (1) – Ramu design capacity of 32,600 tonne per year of contained nickel

Note (2) – Actual Cash Cost net of byproduct credits

- A. Conic has included certain performance measures in this press release that do not have any standardized meaning prescribed by international financial reporting standards (“IFRS”) including (i) C1 Cash Cost and (ii) Cash Cost Actual. C1 Cash Cost is a metric published independently by Wood Mackenzie. The C1 Cash Cost presented is annualized cash cost to produce one pound of finished nickel product based on Wood Mackenzie’s analysis of global refined nickel operations. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Other companies may calculate these non-IFRS measures differently. Note these figures have not been audited and are subject to change.

About Conic

Conic Metals Corp. is a base metals company offering direct exposure to nickel and cobalt, both being critical elements of electric vehicles and energy storage systems. Conic holds an 8.56% joint-venture interest in the producing, long-life and world-class Ramu Nickel-Cobalt Operation located in Papua New Guinea which provides Conic with significant attributable nickel and cobalt production. In addition, Conic manages a portfolio of 11 nickel and cobalt royalties on development and exploration projects in Canada and Australia. Conic will continue to invest in a battery metals-focused portfolio of streams, royalties and direct interests in mineral properties containing battery metals.

Cautionary Note Regarding Forward-Looking Statements

This news release contains certain information which constitutes ‘forward-looking statements’ and ‘forward-looking information’ within the meaning of applicable Canadian securities laws. Any statements that are contained in this news release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as “may”, “should”, “anticipate”, “expect”, “potential”, “believe”, “intend” or the negative of these terms and similar expressions. Forward-looking statements in this news release include, but are not limited to: statements and figures with respect to the operational and financial results; statements with respect to the prospects of nickel and cobalt in the global electrification of vehicles; statements related to the impact of COVID-19 on the Company; and statements with respect to the business and assets of Conic and its strategy going forward. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties, most of which are beyond the Company’s control. Should one or more of the risks or uncertainties underlying these forward-looking statements materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements.

The forward-looking statements contained herein are made as of the date of this release and, other than as required by applicable securities laws, the Company does not assume any obligation to update or revise

them to reflect new events or circumstances. The forward-looking statements contained in this release are expressly qualified by this cautionary statement.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No securities regulatory authority has either approved or disapproved of the contents of this news release.

Investor Contact:

Justin Cochrane

Tel: 647.846.7765

Email: info@conicmetals.com