

Fathom Nickel Inc.
Overnight Marketed Offering of Flow-Through Shares
Term Sheet
October 25, 2021

A preliminary short form prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in provinces British Columbia, Alberta, Manitoba, Ontario, and Nova Scotia.

The preliminary short form prospectus is still subject to completion. Copies of the preliminary short form prospectus may be obtained from Echelon Wealth Partners Inc. at ecm@echelonpartners.com. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the preliminary short form prospectus, the final short form prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

- Issuer:** Fathom Nickel Inc. (the “**Company**”).
- Issue:** Treasury offering of • Flow-Through Shares (the “**FT Shares**”, and each, a “**FT Share**”).
- Issue Price:** C\$• per FT Share (the “**Issue Price**”).
- Issue Size:** Approximately C\$• (the “**Offering**”).
- Over-Allotment Option:** The Company will grant the Agents an option to increase the size of the Offering by up to 15.0%, exercisable in whole or in part at any time for a period of 30 days after and including the Closing Date (the “**Over-Allotment Option**”).
- Form of Offering:** Commercially reasonable efforts marketed offering of FT Shares, subject to a formal agency agreement, including standard industry “material adverse change out”, “disaster out”, “regulatory out”, “market out”, “due diligence out” and “breach out” clauses running up to the Closing Date.
- The FT Shares will be offered by way of short-form prospectus to be filed in British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, and such other Canadian jurisdictions as the Company and Echelon Wealth Partners Inc. may agree.
- Flow-Through Income Tax Considerations:** An amount equal to the gross proceeds received by the Company from the sale of FT Shares will be used to incur Canadian exploration expenses (“**CEE**”) that are “flow-through mining expenditures” (as such terms are defined in the Tax Act provided the proposed amendments to subsection 127(9) of the Tax Act become final) on the Company’s properties in the Province of Saskatchewan (the “**Qualifying Expenditures**”), which will be renounced to the subscribers with an effective date no later than December 31, 2021, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of FT Shares.

In the event the Company fails to renounce CEE effective on or prior to December 31, 2021 for each FT Share purchased in an aggregate amount not less than the



gross proceeds raised from the issue of the FT Shares, the Company will indemnify each FT Share subscriber for the additional taxes payable by such subscriber as a result of the Company's failure to renounce the CEE as agreed.

- Use of Proceeds:** The gross proceeds from the Offering will be used by the Company to incur Qualifying Expenditures related to the Company's Albert Lake Project located in Saskatchewan, Canada.
- Listing:** The Company shall use best efforts to obtain the necessary approvals to list the FT Shares (including all common shares underlying the Agents' Warrants) on the Canadian Securities Exchange ("CSE"), which listing shall be conditionally approved prior to the Closing Date. The existing common shares of the Company are currently listed on the CSE under the symbol "FNI".
- Eligibility:** Not eligible for registered accounts.
- Lead Agent and Sole Bookrunner:** Echelon Wealth Partners Inc. ("**Echelon**") on behalf of a syndicate of agents (the "**Agents**")
- Agents' Fee:** The Company will pay to the Agents, on the Closing Date, a cash commission equal to 7.0% of the aggregate gross proceeds received from the sale of the FT Shares. In addition, the Company shall issue warrants to the Agents (the "**Agents' Warrants**") equal to 7.0% of the FT Shares sold in the Offering (including the Over-Allotment Option). Each Agents' Warrant entitles the holder thereof to acquire one common share at the Issue Price for a period of 18 months following the Closing Date.
- Closing Date:** On or about November 10, 2021 or such other date as the Company and Echelon mutually agree.