

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Fathom Nickel Inc. ("**Fathom**" or the "**Company**")
Suite 730, 521 - 3rd Avenue SW
Calgary, Alberta T2P 3T3

2. Date of Material Change

December 29, 2022

3. News Release

The news release announcing the material change described in this material change report was disseminated through the services of NewsFile on December 30, 2022, and a copy is filed on the Company's SEDAR profile at www.sedar.com.

4. Summary of Material Change

Fathom Nickel announces the closing of flow-through offering.

5.1 Full Description of Material Change

Please see attached Schedule "A".

5.2 Disclosure for Restructuring Transaction

Not applicable.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No significant facts have been omitted from this report.

8. Executive Officer

Doug Porter
President & Chief Financial Officer
(403) 870-4349
Email: dporter@fathomnickel.com

9. Date of Report

January 9, 2023

SCHEDULE "A"



FATHOM NICKEL ANNOUNCES THE CLOSING OF FLOW-THROUGH OFFERING

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.
ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF U.S. SECURITIES LAWS.

Calgary, Alberta - December 30, 2022 – Fathom Nickel Inc. (CSE: FNI) (FSE: 6Q5) (OTCQB: FNICF) (the "Company" or "Fathom"), is pleased to announce that it has closed its non-brokered offering of flow-through shares (the "Offering"), previously announced on November 29, 2022. Pursuant to the Offering, the Company issued 27,411,887 flow-through common shares (the "FT Shares") at a price per FT Share of \$0.08 (the "FT Price") for gross proceeds of \$1,644,700.

Of the total FT Shares issued, 26,245,000 were issued under the listed issuer financing exemption set forth under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions* ("Listed Issuer Exemption") and contain no resale restrictions. The remaining 1,166,887 FT shares were issued to directors and officers of the Company in accordance with the accredited investor exemption under National Instrument 45-106 *Prospectus Exemptions* and are subject to a resale restriction of four months and one day from the date of distribution.

The gross proceeds of the Offering will be used by the Company to incur eligible "Canadian exploration expenses" that will qualify as "flow-through mining expenditures" as such terms are defined in the *Income Tax Act* (Canada) (the "Qualifying Expenditures") related to the Company's Albert Lake Project and the Gochager Lake Project which are located in Saskatchewan, Canada on or before December 31, 2023. All Qualifying Expenditures will be renounced in favour of the subscribers effective December 31, 2022.

As consideration for services in connection with the Offering, the Company has paid to certain qualified ("Finders") a cash commission of \$107,784.80 and 1,778,910 broker warrants ("Broker Warrants"). Each Broker Warrant will entitle the holder thereof to acquire one common share of the Company at the offering price for a period of 36 months from the Closing Date.

There is an offering document related to the Listed Issuer Exemption that can be accessed under the Company's profile at www.sedar.com and at www.fathomnickel.com.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Fathom Nickel Inc.

Fathom is an exploration company that is targeting magmatic nickel sulphide discoveries to support the rapidly growing global electric vehicle market.

The Company has two high-quality exploration projects, Albert Lake and Gochager Lake, located in the prolific Trans Hudson Corridor in Saskatchewan. The Albert Lake Project is a 90,000+ hectare land position that was host to the historic Rottenstone deposit (produced high-grade Ni-Cu+PGE, 1985-1989). The

Gochager Lake Project has a 4,696-hectare land position that is host to a historic NI43-101 non-compliant open pitable resource consisting of 4.3M tons at 0.295% Ni and 0.081% Cu.

ON BEHALF OF THE BOARD

"Doug Porter"
President and CFO, Director

For further information, please contact:

Doug Porter, President and CFO
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Or

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Forward-Looking Statements:

This news release contains "forward-looking statements" that are based on expectations, estimates, projections and interpretations as at the date of this news release. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "seek", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without limitation, statements regarding the Company incurring and renunciation of Qualifying Expenditures. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining and exploration; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to commodity price fluctuations; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward- looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances except in accordance with applicable securities laws. Actual events or results could differ materially from the Company's expectations or projections.