



NEWS RELEASE

TSX Venture: NKL

CONIC RELEASES RAMU Q2 2020 PERFORMANCE

TORONTO, ONTARIO, August 17, 2020 — Conic Metals Corp. (“Conic” or the “Company”) (TSXV: NKL) is pleased to provide operating results for the quarter ending June 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.

“Despite the impact of the COVID pandemic on the global economy, Ramu continued to demonstrate solid operating performance, and sales in the quarter and half year results are consistent with 2019 performance” stated Justin Cochrane, President and CEO. “Nickel production for the half year are 1% lower in comparison to the same period in 2019 and we expect Ramu to meet guidance of 32,000-33,000 in 2020. We are pleasantly surprised considering other operations had to shut down in the quarter and Ramu continues to operate at full capacity” added Mr. Cochrane, who also noted “sales numbers in the quarter at 7,555 tonnes of nickel contained combined with industry leading cash costs of \$2.18 per pound continue to support our belief that Ramu is the best performing HPAL operation in the world. Ramu is able to generate significant free cash flow due to vigilance in keeping costs low.” Actual cash costs for six months ending June 30, 2020 were \$2.11 per pound of nickel produced, net of byproduct credits.

According to Wood Mackenzie, the lowest quartile of C1 Cash Cost of nickel production is forecast to be \$3.26 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 contains approximately 40% nickel and 3.5% cobalt. MHP is a desired raw material for the manufacture of lithium ion battery cathode materials such as NCA and NMC, which are being extensively adopted in the electric vehicles.

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

| | 2019 | | | 2020 | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Half Year | Q1 | Q2 | Half Year |
| Ore Processed (dry kt) | 800 | 959 | 1,759 | 920 | 814 | 1,734 |
| MHP Produced (dry tonne) | 19,653 | 22,490 | 42,143 | 21,177 | 18,975 | 40,152 |
| Contained Nickel (tonne) | 7,663 | 8,767 | 16,430 | 8,635 | 7,603 | 16,238 |
| Contained Cobalt (tonne) | 704 | 793 | 1,497 | 720 | 655 | 1,375 |
| Nickel Capacity Utilization (% of design ₁) | 94% | 108% | 101% | 106% | 93% | 100% |
| MHP Shipped (dry tonne) | 17,219 | 24,607 | 41,826 | 15,121 | 19,024 | 34,145 |
| Contained Nickel (tonne) | 6,588 | 9,457 | 16,045 | 6,108 | 7,555 | 13,663 |
| Contained Cobalt (tonne) | 609 | 861 | 1,470 | 522 | 644 | 1,166 |
| Cash Cost Actual: | \$2.44 | \$2.41 | \$2.42 | \$2.05 | \$2.18 | \$2.11 |

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.

Update on Timing of Reporting of Q2 2020 Financial Results

In response to the ongoing global COVID-19 pandemic, the Canadian Securities Administrators have announced additional temporary blanket relief allowing market participants an additional 45 days in which to complete certain regulatory filings required to be made between June 1, 2020 and August 31, 2020 (including financial statements and management’s discussion and analysis). Accordingly, the Company intends to rely on this blanket relief for the filing of the Company’s quarterly financial statements for the period ended June 30, 2020 (and related management’s discussion and analysis thereon) (collectively, the “**Q2 2020 Disclosure Documents**”) as a result of delays caused by the COVID-19 pandemic. The Company, under this temporary relief, is making every effort to issue and file the Q2 2020 Disclosure Documents at the earliest opportunity and currently expects to file them no later than October 13, 2020.

The Company confirms that there have been no material business developments since filing its Interim Financial Statements (related management’s discussion and analysis thereon) filed on July 14, 2020, which are available on SEDAR at www.sedar.com. Until such time as the Q2 2020 Disclosure Documents are filed, the Company’s management and other insiders will observe a trading blackout consistent with the principles contained in section 9 of National Policy 11-207 – *Failure to File Cease Orders and Revocations in Multiple Jurisdictions*.

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 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; statements with respect to the timing of the filing of the Q2 2020 Disclosure Documents; 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.

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