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PREMIUM NICKEL RESOURCES SIGNS DEFINITIVE ASSET PURCHASE AGREEMENT TO ACQUIRE ASSETS IN BOTSWANA

Toronto, Ontario, September 28, 2021 – Premium Nickel Resources ("PNR") is pleased to announce that it has executed a definitive asset purchase agreement ("APA") with the Liquidator of BCL Limited ("BCL") to acquire the Selebi and Selebi North (together, the "**Selebi Assets**") nickel-copper-cobalt ("**Ni-Cu-Co**") assets and related infrastructure formerly operated by BCL. PNR is targeting the closing of this transaction, and transfer of ownership of the assets, within 120 days. PNR is also negotiating a separate asset purchase agreement to finalize terms for any prioritized Tati Nickel Mining Company ("**TNMC**") assets that may be purchased.

PNR submitted its indicative offer to the BCL and TNMC liquidators in June 2020 to acquire the assets of the former producing BCL Mining Complex and separately the TNMC operations located in north-eastern Botswana. On February 10, 2021, PNR was selected as the preferred bidder and on March 22, 2021, PNR entered into a memorandum of understanding providing for a six-month exclusivity period to complete additional work and negotiate the asset purchase agreements (see news release dated March 24, 2021).

PNR CEO, Keith Morrison commented, "During the exclusivity period, PNR has been collecting new information, including approximately 700 kgs of fresh representative ore. The subsequent metallurgical testing, carried out at SGS Lakefield, confirmed our redevelopment plan for Selebi to produce separate copper and nickel-cobalt concentrates. With the completion of this binding APA, PNR will move forward with closing of the transaction and assuming the ownership of the Selebi assets. The Selebi redevelopment plan incorporates the use of less power and water to reach an exportable commodity, and have a much lower environmental impact when compared to the legacy BCL processing and smelting."

The Selebi Assets include two shafts and related infrastructure (rail, power and water). Shaft sinking and plant construction started in 1970. Mining concluded in October 2016 when the operations were placed on care and maintenance due to a failure in the processing facility. PNR's redevelopment plan is based on the re-characterization of the remaining resources and the ability to produce both a Cu concentrate and a separate Ni-Co concentrate.

PNR is preparing plans to perform exploration activities during the 120-day closing period to define the upside potential of the remaining resources at both Selebi and Selebi North through the application of borehole electromagnetic technologies.

PNR continues to monitor the global Covid-19 developments and is committed to working with health and safety as a priority and in full respect of all government and local Covid-19 protocol requirements. PNR has developed Covid-19 travel, living and working protocols and is ensuring integration of those protocols with the currently applicable protocols of The Government of Botswana and surrounding communities.

About Premium Nickel Resources Corporation

PNR is a Canadian company dedicated to the exploration and development of high-quality nickel-copper-cobalt (Ni-Cu-Co) resources. We believe that the medium to long-term demand for these metals will grow through continued global urbanization and the increasing replacement of internal combustion engines with electric motors. Importantly, these metals are key to a low-carbon future.

PNR maintains a skilled team with strong financial, technical and operational expertise to take an asset from discovery to exploration to mining.

PNR has focused its efforts on discovering world class nickel sulphide assets in jurisdictions with rule-of-law that fit a strict criteria that comply with PNR's values and principles which stand up against the highest acceptable industry standards. We are committed to governance through transparent accountability and open communication within our team and our stakeholders.

ON BEHALF OF THE BOARD OF DIRECTORS

Charles Riopel
Chairman of the Board
Premium Nickel Resources Corporation

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION: This news release includes certain "forward-looking statements" and "forward-looking information" under applicable Canadian securities legislation concerning the business, operations and financial performance and condition of PNR. Forward-looking statements and forward-looking information includes, but is not limited to, statements about the ability of PNR to access capital, any spending commitments, the success of exploration activities, the future economics of minerals including nickel and copper, the benefits of the development potential of the properties of PNR, the benefits of drilling and advancement of projects. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors, which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. All forward-looking information contained in this press release is given as of the date hereof and is based upon the opinions and estimates of management and information available to management as at the date hereof. PNR disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Although PNR has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent they involve estimates of the mineralization that will be encountered if the property is developed.