



PALLADIUM ONE

Mining Inc.

NEWS RELEASE

TSX-V: PDM
FRA: 7N11
OTC: NKORF

Palladium One Announces \$12.5 million Bought Deal Financing

Not for distribution to United States newswire services or for dissemination in the United States

VANCOUVER, January 20, 2020 – Palladium One Mining Inc. (the “Company” or “Palladium One”) (TSXV:PDM | FRA:7N11 | OTC:NKORF) is pleased to announce that it has entered into an agreement with Sprott Capital Partners LP (the “Lead Underwriter”), on its own behalf and, if applicable, on behalf of a syndicate of underwriters (collectively with the Lead Underwriter, the “Underwriters”), pursuant to which the Underwriters have agreed to purchase for their own account or arrange substituted purchasers, on a bought deal basis, \$12,515,000 of securities of the Company (the “Offering”).

The Offering will consist of a combination of (i) 34,500,000 units of the Company (“Units”) at a price of \$0.29 per Unit (the “Issue Price”) for gross proceeds of \$10,005,000; (ii) 1,500,000 units of the Company issued on a flow-through basis (the “FT Units”) at a price of \$0.34 per FT Unit (the “FT Issue Price”) for gross proceeds of \$510,000, and (iii) 5,000,000 units of the Company issued on a charity flow-through basis (the “Charity FT Units”) at a price of \$0.40 per Charity FT Unit (the “Charity FT Issue Price”) for gross proceeds of \$2,000,000. The Units, FT Units and the Charity FT Units shall be collectively referred to as the “Offered Securities”. The Units will be offered pursuant to a short form prospectus in the each of the Provinces of Canada except Quebec. The FT Units and Charity Units will be offered in a concurrent bought deal private placement pursuant to applicable prospectus exemptions and hold periods in such jurisdictions.

Each Unit will consist of one common share of the Company (a “Common Share”) and one-half of one common share purchase warrant (each whole warrant, a “Warrant”). Each FT Unit and Charity FT Unit will consist of one Common Share and one-half of one Warrant, each issued on a “flow through” basis under the *Income Tax Act* (Canada). Each Warrant will entitle the holder thereof to purchase one non flow-through Common Share (a “Warrant Share”) at an exercise price of \$0.45 for a period of 24 months from the date of issuance thereof.

In addition, the Company shall grant the Underwriters an over-allotment option (the “Over-Allotment Option”), exercisable in whole or in part at any time and from time to time, up to and including the date which is 30 days after the closing of the Offering, to purchase up to an additional number of Units as is equal to 15% of the number of the Units issued under the Offering, on the same terms as set forth above, to cover over-allotments, if any, and for market stabilization purposes.

In connection with the Offering, the Underwriters will be entitled to a cash fee in an amount equal to 6% of the gross proceeds from the Offering. In addition, the Underwriters will receive warrants (the “Broker Warrants”) exercisable at any time prior to the date that is 24 months from the Closing Date to acquire that number of Common Shares which is equal to 6.0% of the number of Offered Securities sold under the Offering at an exercise price equal to the Issue Price.

An amount equal to the gross proceeds from the issuance of the FT Units and Charity FT Units will be used to incur, on the Company's directly or indirectly held properties in Ontario, Canadian exploration expenses that will qualify as “flow-through mining expenditures”, as defined in subsection 127(9) of the *Income Tax Act* (Canada) and that will also qualify as “eligible Ontario exploration expenditures” within the meaning of subsection 103(4) of the *Taxation Act, 2007* (Ontario) (collectively, the “Qualifying Expenditures”). The Qualifying Expenditures will be incurred on or before December 31, 2022 and will be renounced by the Corporation to the subscribers with an effective date no later than December 31, 2021 to the initial purchasers of the FT Units and Charity FT Units in an aggregate amount not less than the gross proceeds raised from the issue of the FT Units and Charity FT Units. In the event that the Corporation is



PALLADIUM ONE

Mining Inc.

unable to renounce the FT Issue Price and Charity FT Issue Price on or prior to December 31, 2021 for each FT Unit and Charity FT Unit purchased and/or if the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Corporation will as sole recourse for such failure to renounce, indemnify each FT Unit and Charity FT Unit subscriber for the additional taxes payable by such subscriber to the extent permitted by the *Income Tax Act* (Canada) as a result of the Corporation's failure to renounce the Qualifying Expenditures as agreed.

The net proceeds from the sale of the Units will be used for exploration on the Company's platinum-group-element (PGE)-copper-nickel deposits in Finland, and for general corporate and working capital purposes.

The Offering is expected to close on or about February 18, 2021 or such other date or dates as the Company and the Lead Underwriter may agree (the "**Closing Date**") and is subject to certain conditions, including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities.

About Palladium One

Palladium One Mining Inc. is an exploration company targeting district scale, platinum-group-element (PGE)-copper nickel deposits in Finland and Canada. Its flagship project is the Läntinen Koillismaa or LK Project, a palladium dominant platinum group element-copper-nickel project in north-central Finland, ranked by the Fraser Institute as one of the world's top countries for mineral exploration and development. Exploration at LK is focused on targeting disseminated sulfides along 38 kilometers of favorable basal contact and building on an established NI 43-101 open pit resource.

ON BEHALF OF THE BOARD

"Derrick Weyrauch"

President & CEO, Director

For further information contact: Derrick Weyrauch, President & CEO

Email: info@palladiumoneinc.com

Neither the TSX Venture Exchange nor its Market Regulator (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This press release includes "forward-looking information" that is subject to a few assumptions, risks and uncertainties, many of which are beyond the control of the Company. Statements regarding listing of the Company's common shares on the TSXV are subject to all of the risks and uncertainties normally incident to such events. Investors are cautioned that any such statements are not guarantees of future events and that actual events or developments may differ materially from those projected in the forward-looking statements. Such forward-looking statements represent management's best judgment based on information currently available. Factors that could cause the actual results to differ materially from those in forward-looking statements include regulatory actions and general business conditions. Such forward-looking information reflects the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including those set out in the Company's annual information form dated April 29, 2020 and filed under the Company's profile on SEDAR at www.sedar.com. The Company does not undertake to update forward-looking statements or forward-looking information, except as required by law. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

*This news release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful, including any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws and may not be offered or sold within the United States or to, or for account or benefit of, U.S. Persons (as defined in Regulation S under the 1933*



PALLADIUM ONE
Mining Inc.

Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration requirements is available.