TORONTO, May 5, 2020 - Canada Nickel Company Inc. (TSX-V:CNC) ("Canada Nickel" or the "Company") is pleased to announce that it has closed its previously announced brokered private placement financing for aggregate gross proceeds of $4,449,670 (the "Offering") of (i) 1,642,890 units of the Company (the "Units") at an offer price of $0.35 per Unit, (ii) 4,390,000 common shares of the Company each of which qualifies as a "flow-through share" (the "Flow-Through Shares") as defined in subsection 66(15) of the Income Tax Act (Canada) (the "Tax Act") at an offer price of $0.40 per Flow-Through Share, and (iii) 4,113,900 flow-through units of the Company (the "FT Units") at an offer price of $0.515 per FT Unit.

Mark Selby, Chair & CEO of Canada Nickel commented “With the completion of this financing which was upsized by 80% to $4.4 million despite challenging market conditions, Canada Nickel is well positioned to advance its Crawford Nickel-Cobalt sulphide project. We appreciate the support from our existing investors and welcome a number of new investors to Canada Nickel.”

Each Unit consists of one common share of the Company and one-half of one transferable common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.57 per common share for a period of 30 months following the closing date of the Offering, subject to adjustment and acceleration in certain events.

Each FT Unit consists of one common share of the Company which qualifies as a "flow-through share" as defined in subsection 66(15) of the Tax Act (the "FT Unit Shares") and one-half of one transferable common share purchase warrant of the Company (each whole common share purchase warrant, a "FT Unit Warrant"). Each FT Unit Warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.57 per common share for a period of 30 months following the closing date of the Offering, subject to adjustment and acceleration in certain events.

The Offering was led by PI Financial Corp. on behalf of a syndicate of agents that included Red Cloud Securities Inc. and Haywood Securities Inc. (together, the "Agents"). In consideration for their services, the Company paid the Agents a cash commission equal to 6.0% of the number of Units, FT Units and Flow Through Shares sold under the Offering. In addition, the Company issued to the Agents non-transferable compensation warrants, entitling the Agents to purchase that number of common shares of the Company equal to 6.0% of the number of Units, Flow-Through Shares and FT Units, respectively, issued by the Company under the Offering. The Agents are working with a charitable promoter in respect of the sale of the FT Units.

The net proceeds from the sale of the Units will be used by the Company to fund advancement of the Company’s Crawford Nickel-Cobalt Sulphide Discovery and for general working capital purposes. The gross proceeds from the sale of the FT Shares and FT Units will be used to incur "Canadian exploration expenses"
that qualify as “flow-through mining expenditures” (as both terms are defined in the Tax Act) (the "Qualifying Expenditures") related to the Company's projects in Ontario. The Qualifying Expenditures will be renounced to the subscribers with an effective date no later than December 31, 2020, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of FT Shares and the portion of the aggregate issue price for the FT Units that is allocable to the FT Unit Shares.

Mark Selby an officer and a director of the Company, and Mike Cox and David Smith, directors of the Company, subscribed for an aggregate of 220,357 Units under the Offering on the same terms as arm’s length investors. The participation of Mark Selby, Mike Cox and David Smith in the Offering constitutes a “related party transaction” for the purposes of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities issued to Mr. Selby, Mr. Cox and Mr. Smith nor the fair market value of the consideration for the securities issued to Mr. Selby, Mr. Cox and Mr. Smith exceeds 25% of the Company’s market capitalization as calculated in accordance with MI 61-101. The Company did not file a material change report containing all of the disclosure required by MI 61-101 more than 21 days before the expected closing date of the Offering as the aforementioned insider participation had not been confirmed at that time and the Company wished to close the Offering as expeditiously as possible.

All securities issued under the Offering will be subject to a hold period expiring four months and one day which will expire September 6, 2020. The Offering is subject to final acceptance of the TSX Venture Exchange. The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Neither the Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Exchange) accepts responsibility for the adequacy or accuracy of this release.

About Canada Nickel Company

Canada Nickel Company Inc. is advancing the next generation of nickel-cobalt sulphide projects to deliver nickel and cobalt required to feed the high growth electric vehicle and stainless steel markets. Canada Nickel provides investors with leverage to nickel and cobalt with low political risk. Canada Nickel is currently anchored by its 100% owned flagship Crawford Nickel-Cobalt project in the heart of the prolific Timmins-Cochrane mining camp.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward looking information includes, but is not limited to, the use of proceeds of the Offering; the timing and ability of the Company, if at all, to obtain final approval of the Offering from the TSX Venture Exchange; the tax treatment of the Flow-Through Shares and FT Unit Shares; the timing of the tax renunciation to the subscribers; and statements regarding exploration results and exploration plans. Forward-looking information is necessarily based upon a number of 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. Factors that could affect the outcome include, among others: future prices and the supply of metals, the results of drilling, inability to raise the money necessary to incur the expenditures required to retain and advance the property, environmental liabilities (known and unknown), general business, economic, competitive, political and social uncertainties, results of exploration programs, risks of the mining industry, delays in obtaining governmental approvals, and failure to obtain regulatory or shareholder approvals. 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. Canada Nickel 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.

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