



CANADA NICKEL COMPANY

Canada Nickel Announces \$1.5 Million Non-Brokered Private Placement, Extends the Accelerated Expiry Date of its Common Share Purchase Warrants to September 14, 2020

TORONTO, August 11, 2020 - Canada Nickel Company Inc. (TSX-V:CNC) ("Canada Nickel" or the "Company") announced today an offering (the "Offering") of up to 600,000 flow-through common shares ("FT Shares") at a price of \$2.60 per FT Share, for total gross proceeds of approximately \$1.5 million. The FT Shares will be offered by way of a best efforts non-brokered private placement to "accredited investors" resident in a Canadian jurisdiction.

The gross proceeds of the Offering will be used to fund advancement of the Company's nickel-cobalt sulphide exploration activities through the incurrence of expenses that are eligible "Canadian Exploration Expenses" which will also qualify as "flow-through mining expenditures" within the meaning of s. 127(9) of the *Income Tax Act* (Canada), and will be eligible for the 5% Ontario Focused Flow-Through Share Credit pursuant to the Ontario Taxation Act.

The closing of the Offering is anticipated to occur on or around September 10, 2020, and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the acceptance of the TSX Venture Exchange. All securities issued under the Offering will be subject to a statutory hold period in Canada expiring four months and one day from the closing date.

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.

Extension to Accelerated Expiry Date applicable to Warrants

The Company also announced today that it is extending the Accelerated Expiry Date applicable with respect to the common share purchase warrants (the "Warrants"), issued on May 5, 2020 under the warrant indenture (the "Warrant Indenture") between TSX Trust Company (the "Warrant Agent") and the Company, from August 21, 2020 to September 14, 2020 (the "Accelerated Expiry Date") to allow Warrant holders additional time to exercise their Warrants. The Company has delivered to the Warrant Agent a notice of the occurrence of an Early Expiry Event (as defined in the Warrant Indenture) and its election to extend the expiry date of the Warrants the Accelerated Expiry Date.

Mark Selby, Chair and CEO of Canada Nickel, commented "We are making this change after receiving several requests from some of our retail shareholders, particularly those who have shares in registered accounts, to extend the original accelerated expiry date beyond the four-month hold period of the underlying shares. We appreciate the support that all of our investors have shown Canada Nickel since listing in February 2020 and we are glad to be in a position to accommodate this request. We are also pleased to announce this financing which will allow us

to aggressively pursue additional exploration targets once our in-fill drilling for the current resource is completed this month.”

Any Warrants that have not been exercised by 5:00 p.m. (Toronto time) on the extended Accelerated Expiry Date (September 14, 2020) will automatically expire and no longer be exercisable. Warrant holders who have already exercised their Warrants need not take any action. Questions regarding this acceleration or the exercise of the Warrants should be directed to the Company at info@canadanickel.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture 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 Company has applied in multiple jurisdictions to trademark the terms NetZero Nickel™, NetZero Cobalt™, NetZero Iron™ and is pursuing the development of processes to allow the production of net zero carbon nickel, cobalt, and iron products. Canada Nickel provides investors with leverage to nickel and cobalt in low political risk jurisdictions. Canada Nickel is currently anchored by its 100% owned flagship Crawford Nickel-Cobalt Sulphide 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, timing of the completion and size of the Offering, drill results relating to the Crawford Nickel-Cobalt Sulphide Project, the potential of the Crawford Nickel-Cobalt Sulphide Project, timing of economic studies and resource estimates, strategic plans, including future exploration and development results, and corporate and technical objectives. 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 future demand for 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, timing of the updated resource estimate, 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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