



CANADA NICKEL COMPANY

Canada Nickel Signs MOU with Glencore Canada for Potential Use of the Kidd Concentrator and Metallurgical Site

TORONTO, January 11, 2020 - Canada Nickel Company Inc. ("**Canada Nickel**" or "**The Company**") (TSX-V:CNC) (OTCQB: CNIKF) is pleased to announce that it has entered into a non-binding Memorandum of Understanding ("MOU") with Glencore Canada Corporation ("Glencore") in order to examine the potential use of Glencore's Kidd concentrator and metallurgical site ("Met Site") in Timmins, Ontario for the treatment and processing of material mined from Canada Nickel's 100% owned Crawford Nickel-Cobalt Sulphide project ("Crawford"). Crawford is located 40 km north of Glencore's operations.

"The opportunity to utilize the excess capacity and existing infrastructure at the Kidd Met Site provides the potential to allow a faster, simpler, smaller scale start-up of Crawford at a vastly lower capital cost while the Company continues to permit and develop the much larger scale project currently being contemplated. Given the potential for this significant change in the scope of the project start-up, the release of the Preliminary Economic Assessment (PEA) will be delayed until the end of March 2021 to allow this option, if successful, to be incorporated," said Mark Selby, Chair and CEO of Canada Nickel.

Canada Nickel has completed an initial high-level assessment and will now proceed with a detailed study on the potential for upgrading excess capacity at the Kidd Concentrator and/or utilizing the existing infrastructure in place at the Kidd Met Site for milling and further processing the nickel-cobalt and magnetite concentrates that are expected to be produced from Crawford. Should the study deliver a positive outcome for both parties, the parties will continue good faith negotiations towards a binding agreement. The MOU is non-exclusive.

This detailed study is expected to be completed by the end of March 2021. Ausenco Engineering Canada Inc. ("Ausenco"), currently retained as the lead study consultant for the Crawford Preliminary Economic Assessment that is underway, has been engaged to support the assessment of the Kidd Met Site facilities.

About Kidd Operations

Located in Timmins, Ontario, Glencore Canada Corporation operates the Kidd Operations consisting of the Kidd Metallurgical Site and the Kidd Mine.

The Concentrator is located on the property of the Kidd Metallurgical Site (Kidd Met Site). The Kidd Met Site is located 27 km east of Timmins, Ontario in the Townships of Hoyle and Matheson, within the Timmins City Limits. Built in 1966 with numerous upgrades over the years, the Concentrator currently processes metal ore to produce copper and zinc concentrates. The facility has a design rated capacity of 12,500 tonne-per-day and is fully permitted with water taking and discharge permits and thickened tailings storage. The site has incoming and outgoing rail service via Ontario Northland Railway.

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. For more information please visit www.canadanickel.com.

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 potential of the Crawford Nickel-Cobalt Sulphide Project, timing for completion of the Proposed Transaction, 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, risks of the mining industry, delays in obtaining governmental approvals, failure to obtain regulatory or shareholder approvals, and the impact of COVID-19 related disruptions in relation to the Company's business operations including upon its employees, suppliers, facilities and other stakeholders. 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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