



# CANADA NICKEL COMPANY

## Canada Nickel Announces Improved Metallurgical Testing Results at Crawford Nickel-Cobalt Sulphide Project

### Highlights:

- 20% increase in primary grind size accomplished with no loss in recovery – results in increased throughput and lower energy costs per tonne
- Release of Preliminary Economic Assessment (PEA) delayed until April 30, 2021 to include these significant improvements

TORONTO, March 4, 2021 - Canada Nickel Company Inc. ("**Canada Nickel**" or the "**Company**") (TSX-V:CNC) (OTCQB: CNIKF) is pleased to announce further positive results from its latest metallurgical testing on its 100% owned Crawford Nickel-Cobalt Sulphide project ("**Crawford Project**").

*"These latest results demonstrated that a 20% increase in grind size resulted in no material change in recovery. For large scale, lower grade projects such as Crawford, this significant improvement in primary grind requirements reduces the amount of energy needed to grind each tonne of material by 15%, which would allow for both higher throughput and lower costs per tonne,"* said Mark Selby, Chair & CEO. *"While the Company is eager to publish our PEA as soon as possible, it is important we include these significant improvements as they contribute to the overall project economics. Therefore, we now intend to release the PEA by the end of April 2021. In addition, work on the Kidd Creek smaller start-up option for Crawford is progressing well – our review of related capital and operating costs were in line with our expectations."*

These latest open cycle metallurgical tests were completed at both XPS Expert Process Solutions, a Glencore Company ("XPS") and Corem, a center of expertise and innovation in mineral processing. Each of the tests compared changes in recovery performance for coarser primary grind sizes of 165 microns and 180 microns using a different combination of reagents versus the 150 microns reported in the third locked cycle test (see Canada Nickel press release dated January 25, 2021).

The open cycle tests confirmed that the improved combination of reagents and change in grind size resulted in no change in recovery. As coarser primary grind utilizes less energy per tonne, it has the double benefit of lowering energy costs per tonne of material milled and increasing throughput for a given primary grind configuration.

Given the scale of improvement, this change in flowsheet design will now be confirmed in subsequent locked cycle tests and a broader set of variability samples as metallurgy testing continues. The flowsheet design utilizes a typical nickel sulphide ultramafic flowsheet of two stages of grind-deslime-float with magnetic separation to support recovery of magnetic minerals. Subsequent testing during 2021 will continue to optimize various flowsheet parameters towards a final flowsheet for the feasibility study expected by year-end 2021.

The Crawford Project is located in the heart of the prolific Timmins-Cochrane mining camp in Ontario, Canada, and is adjacent to well-established, major infrastructure associated with over 100 years of regional mining activity. Canada Nickel has launched wholly-owned NetZero Metals Inc. with the aim to develop zero-carbon production of nickel, cobalt, and iron at the Crawford Project. The Crawford Project is expected to produce among the highest-

grade nickel sulphide concentrates in the world, providing maximum flexibility for potential partners and offtake parties, including the battery and stainless steel markets.

## **Phase II Metallurgy Testing**

The initial results from this phase of testing confirmed the potential of coarser grind sizes and changes in reagents could provide overall improvements for the Crawford flowsheet, which were highlighted in a previous press release dated January 25, 2021. The results were not intended to provide overall recovery and concentrate grades that can only be meaningfully demonstrated through locked cycle tests.

Metallurgy testing during 2021 has two key areas of focus. The first area of focus will be further optimization of both the recovery and concentrate grades and the amount of grinding and reagents utilized to produce these concentrates. The second area of focus will be the further optimization of recovery from using coarser grind sizes and more aggressive desliming as well as the potential to improve nickel recovery from the slimes portion of the material produced. A broad base of test samples will be developed, which are essential given the wide range of mineralogy in these types of deposits which typically results in nickel recoveries for a specific block ranging from 10-15% to as much as 60%.

## **Qualified Person and Data Verification**

Stephen J. Balch P.Geo. (ON), VP Exploration of Canada Nickel and a "qualified person" as such term is defined by National Instrument 43-101, has verified the data disclosed in this news release, and has otherwise reviewed and approved the technical information in this news release on behalf of Canada Nickel Company Inc.

## **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](http://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 timing of the PEA and feasibility study for the Crawford Nickel-Cobalt Sulphide Project, 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, 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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