



Canada Nickel Continues to Demonstrate Significant Improvements in Metallurgical Performance at Crawford Nickel Sulphide Project

Highlights:

- Achieves 61% nickel recovery and produces 37% nickel concentrate from lower grade sample of 0.22% nickel and 0.08% sulphur
- Nickel recovery 19 percentage points or 45% higher than the PEA model
- Iron recovery of 63% was 15 percentage points or 31% higher than the PEA model

TORONTO, December 2, 2021 - Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV: CNC) (OTCQX: CNIKF) is pleased to announce further results of metallurgical testing at its Crawford Nickel Sulphide Project that continue to demonstrate significant improvements in metal recoveries relative to the Preliminary Economic Assessment ("PEA").

The latest metallurgical test work results are from a sample taken from the South Low Grade region of the Crawford Main Zone. The achievement of 61% nickel recovery from a low grade sample is consistent with results from other samples in the news release dated October 5, 2021. The Company is commencing the first phase of metallurgical variability testing for the feasibility study to better understand metallurgical performance from samples taken throughout the Crawford resource.

Mark Selby, Chair and CEO said, "These metallurgical testing results continue to demonstrate the potential from our flowsheet optimization program to deliver improvements in recovery well in excess of the 4-5 percentage point improvement that we are targeting for our feasibility study. Each percentage point improvement in nickel recovery would yield a US\$92 million improvement in the value of the NPV_{8%} of the project, based on the PEA metrics. While we continue to expect a broad range of recoveries from the samples which will be tested during the variability program, the ability to achieve 60+% recovery from samples from the lower grade portion of the resource is an excellent outcome."

Description of Current Results

This open circuit test ("OCT") was completed at COREM on a heazlewoodite dominant sample with a head grade of 0.22% nickel, 6.8% iron and a sulphur to nickel ratio of 0.36. The sample was selected from the South Low Grade region of the Crawford Main Zone and achieved a nickel recovery of 61%, which is 19 percentage points higher than what was modelled for this type of sample in the PEA. In addition to the excellent nickel recovery, the iron and chromium recoveries were also 15 and 18 percentage points higher than what was modelled in the PEA respectively.

This test used the same flowsheet that was used in the news release dated October 5th, 2021, which demonstrated nickel recovery improvements that were more than 5% higher than what was modelled in the PEA on four samples from the high grade core. The result presented in the current release shows that recovery gains of more than 5% using the new flowsheet are also being achieved in the lower grade portions of the resource.

Table 1 – Open Circuit Test - Summary of Results Compared to the PEA Model

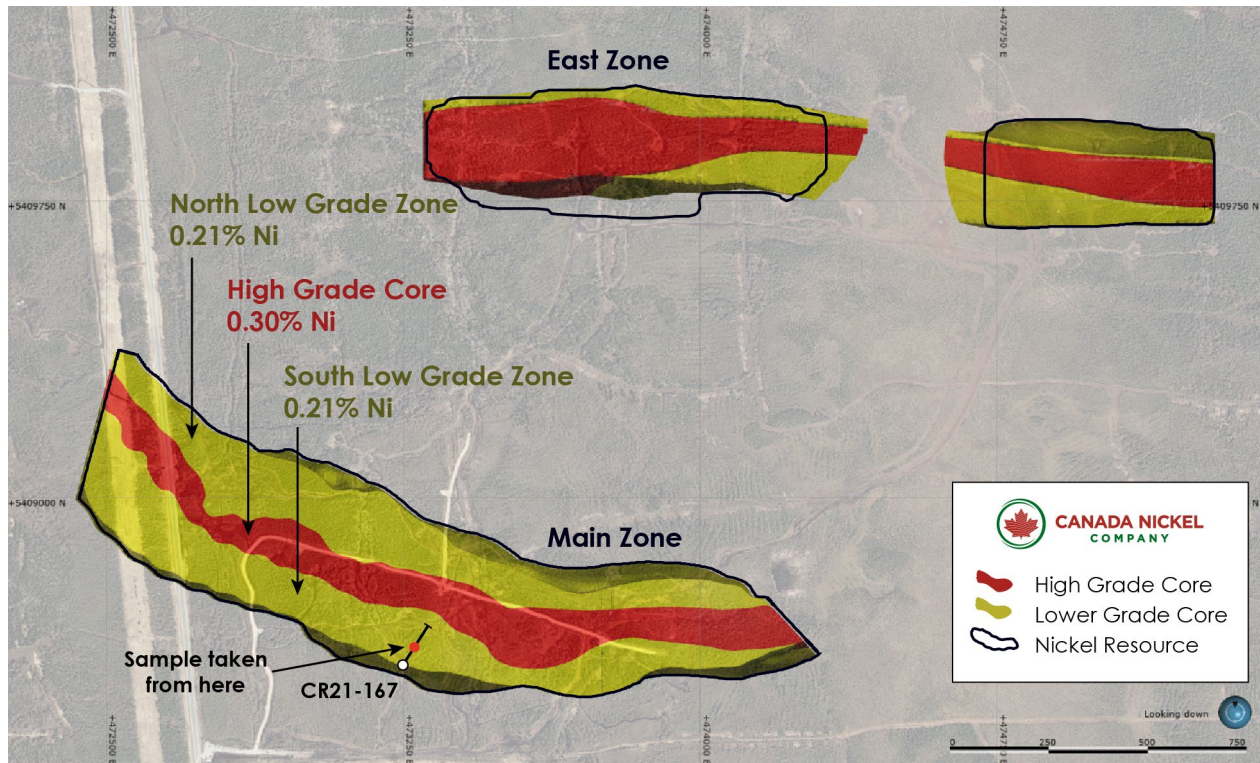
	Recovery (%)				Concentrate Grades (%)			
					Final Nickel Concentrate		Magnetite Concentrate	
	Ni	Co	Fe	Cr	Ni	Co	Fe	Cr
Actual	61	5.2	63	45	37	0.2	51	3.1
PEA Modelled	42	4.4	48	27	35	-	47.5	3.3
Difference	+19	+0.8	+15	+18	+2	-	+3.5	-0.2

As expected, all of the nickel recovered to the nickel concentrate was to the high grade concentrate, because heazlewoodite was the primary nickel sulfide mineral in this sample. The sample also contained quantities of awaruite which, as expected, reported to the magnetite concentrate. The nickel concentrate grade of 37% is 2% higher than our target 35% grade for this product and highlights the Company's ability to produce the one of the highest grade concentrates on the market. As anticipated, the cobalt recovery for this sample was low because cobalt does not typically associate with the mineral heazlewoodite.

Sample Location

This sample was taken from drill hole CR21-167 from the South Low Grade Zone of the Crawford Main Zone. The average nickel grade of this zone of the deposit is 0.21% nickel and the sample head grade was 0.22% nickel. The company is encouraged by nickel recoveries in excess of 60% by lower grade samples such as the one used in this test, which is attributed to the optimization and development work completed by the Company since issuing the PEA. In the next phase of metallurgical test work, Canada Nickel will complete variability testing on samples from the Crawford Main and East Zones starting with samples from the East Zone.

Figure 1 – Location of Sample within the South Low Grade Zone



For further details, including key assumptions, parameters and methods used to estimate the results of the PEA, and data verification, please refer to the "Crawford Nickel-Sulphide Project National Instrument 43-101 Technical Report and Preliminary Economic Assessment", with an Effective Date of May 21, 2021, as filed July 12, 2021, and available for viewing on the Company's website www.canadanickel.com.

Qualified Person and Data Verification

Arthur G. Stokreef, P.Eng (ON), Project Metallurgist of Canada Nickel and a "qualified person" as such term is defined by National Instrument 43-101, has reviewed and approved the technical information in this news release on behalf of Canada Nickel Company Inc.

About Canada Nickel

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 successfully registered and applied for trademarks in various jurisdictions for NetZero Nickel™, NetZero Cobalt™ and 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.

For further information, please contact:

Mark Selby, Chair and CEO

Phone: 647-256-1954

Email: info@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 metallurgical results, the timing and results of the feasibility study, the results of Crawford's PEA, including statements relating to net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, carbon footprint and sequestration levels, estimates of capital and operating costs, timing for permitting and environmental assessments, realization of mineral resource estimates, capital and operating cost estimates, project and life of mine estimates, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates, the timing and amount of estimated future production and capital, operating and exploration expenditures and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Canada Nickel to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The PEA results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals or project costs could differ substantially and make any commercialization uneconomic; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes, the availability and productivity of skilled labour and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; mineral resource estimates relating to Crawford could prove to be inaccurate for any reason whatsoever; additional but currently unforeseen work may be required to advance to the feasibility stage; and even if Crawford goes into production, there is no assurance that operations will be profitable.

Although Canada Nickel has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and Canada Nickel disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.