



CANADA NICKEL COMPANY

Canada Nickel Closes Previously Announced US\$10 Million Loan Facility with Auramet International LLC

TORONTO, January 5, 2022 - Canada Nickel Company Inc. ("Canada Nickel" or "The Company") (TSXV:CNC) (OTCQX: CNIKF) announces that it has closed a secured loan facility with Auramet International LLC ("Auramet") of US\$10 million previously announced on December 21, 2021. The proceeds will be used to ensure the Company remains well-funded as it continues to aggressively advance the Crawford Nickel Sulphide Project through the first quarter of 2022 when the Company expects to conclude its strategic investor process.

The loan is due on April 5, 2022 and will carry an interest rate of 1% per month and has an arrangement fee of 2% of the loan amount. In addition, the Company has issued to Auramet 325,000 one-year warrants at a strike price of \$3.94 per share, a 10% premium to the Company's 10 day VWAP when loan terms were agreed. The term of the warrant was reduced from two years to one year, and the number of warrants increased by 75,000 to 325,000. The loan will be subject to such terms and conditions including certain specified positive and negative covenants that are customary for a transaction of this nature. The warrants will be subject to a four month hold period under applicable Canadian securities law.

About Auramet

Auramet is one of the largest physical precious metals merchants in the world with over \$22 billion in annual revenues and provides a full range of services to all participants in the precious metals chain, from extraction and production to manufacturing and consumption. Auramet is a private company established in 2004 by a team who had worked previously together since 1989. Their business is comprised of three main activities: physical metals trading, metals merchant banking and advisory. Auramet has built a consistently successful and prominent franchise in the metals space on the back of an experienced management team that has proven to be innovative and capable of delivering the highest quality service to participants in the sector. In fiscal year 2020, it purchased over 6 million ounces of gold, 70 million ounces of silver and 3.2 million ounces of PGMs sourced from a diversified base of over 75 mining companies, 15 recycling companies and 20 refineries/smelters (with none comprising more than 5%). Auramet has also provided term financing facilities in excess of \$850 million to date in the mining sector and is looking to grow its capital investment business in the precious metals and battery-related metals mining space.

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 NetZeroNickel™, 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.

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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.

Neither the 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.