



Canada Nickel Announces Upsize of Bought Deal Public Offering to C\$45.0 Million

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TORONTO, March 9, 2022 – **Canada Nickel Company Inc.** (“**Canada Nickel**” or the “**Company**”) (TSXV:CNC) (OTCQX:CNKF) is pleased to announce that due to significant investor demand, the Company has agreed to amend its agreement with Red Cloud Securities Inc. (“**Red Cloud**”) as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters that includes Clarksons Platou Securities AS. (collectively, the “**Underwriters**”), to increase the size of the Company’s previously announced offering from C\$25.0 million to C\$45.0 million. Under the revised offering, the Underwriters have agreed to purchase for resale the following equity securities of the Company on a bought deal basis to raise aggregate gross proceeds to the Company of C\$45,000,000 (the “**Offering**”):

- 8,325,806 common shares of the Company (each, a “**Common Share**”) at a price of C\$3.10 per Common Share; and
- 3,424,658 flow-through shares of the Company (each, a “**FT Share**”) to be sold to traditional flow-through purchasers (each, a “**Traditional FT Share**”) at a price of C\$3.65 per Traditional FT Share;
- 1,500,000 FT Shares to be sold to charitable purchasers (each, a “**Charity FT Share**”) at a price of C\$4.46 per Charity FT Share.

The Common Shares, Traditional FT Shares and Charity FT Shares shall be collectively referred to as the “**Offered Securities**”. A “**FT Share**” is a common share of the Company to be issued as a “flow-through share” within the meaning of the *Income Tax Act* (Canada).

The Company has granted to the Underwriters an option, exercisable for a period of 30 days after and including the closing date of the Offering, to purchase any combination of additional Offered Securities for additional gross proceeds of up to 15% of the gross proceeds raised under the Offering to cover over-allotments, if any, and for market stabilization purposes.

The Company plans to use the net proceeds of the Offering to repay the Company’s current loan with Auramet and for general working capital and corporate purposes such as advancing the project through Feasibility Study. The gross proceeds from the issuance of the FT Shares will be used for “Canadian Exploration Expenses” (within the meaning of the *Income Tax Act* (Canada)) (the “**Qualifying Expenditures**”), which will be renounced with an effective date no later than December 31, 2022 to the purchasers of the FT Shares in an aggregate amount not less than the gross proceeds raised from the issue of the Traditional FT Shares and Charity FT Shares. If the Qualifying Expenditures are reduced by the Canada Revenue Agency, the Company will indemnify each purchaser of Traditional FT Shares and Charity FT Shares for any additional taxes payable by such purchaser as a result of the Company’s failure to renounce the Qualifying Expenditures.

The Offered Securities will be sold by way of a short form prospectus to be filed in British Columbia, Alberta and Ontario. The Offering is scheduled to close on or around April 7, 2022 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities.

In connection with the Offering, the Underwriters will receive a cash commission of 6.0% of the gross proceeds of the Offering. A reduced cash commission of 3.0% will be payable on specific orders.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

About Canada Nickel

Canada Nickel Company Inc. is advancing the next generation of nickel-sulphide projects to deliver nickel 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™ 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 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. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur", or "be achieved".

Forward looking information includes, but is not limited to, the use of proceeds of the Offering; the timing and ability of the Company, if at all, to obtain final approval of the Offering from the TSX Venture Exchange; the tax treatment of the FT Shares; the timing of the tax renunciation to the subscribers; and statements regarding exploration results and exploration plans. 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.