



**CANADA NICKEL**  
COMPANY

## **Canada Nickel Confirms Major Discovery at Reid, Provides Financing Update**

### **Highlights**

- All 16 holes at Reid intersected multi-hundred metre intervals of mineralization with 6 holes in Central Core Area intersecting higher grades
- Holes REI22-14 and REI22-16 confirm mineralization of over 500 metres width – approximately 50% wider than Crawford Main Zone and more than 100% wider than Crawford East Zone
- Reid geophysical target footprint of 3.9 km<sup>2</sup>, is more than two times larger than the 1.6 km<sup>2</sup> footprint of the flagship Crawford Nickel Project resource

**TORONTO, January 18, 2023 – Canada Nickel Company Inc. ("Canada Nickel" or the "Company")** (TSXV: CNC) (OTCQX: CNIKF) today announced an exploration update for its Reid Property located within 16 km of the Crawford Nickel discovery which has now been successfully targeted by all 16 drillholes.

Mark Selby, Chair & CEO of Canada Nickel Company, said “Today’s results confirm Reid as a major discovery with a target footprint larger than our flagship Crawford discovery and a mineralized core that is 50% wider than our Crawford Main Zone. Grades and mineralization are consistent with what the Company has observed at the Company’s East Zone deposit. The success of this initial drilling, targeted solely with our team’s proprietary approach using provincial geophysical data, highlights the significant potential of our total regional land package with over 42 km<sup>2</sup> of target geophysical footprint which is more than 20 times larger than our flagship Crawford project.”

Mr. Selby continued “I am also pleased that we are extending repayment of our loan with Auramet to March 3, 2023, utilizing 45 days of the 90 day extension right that we had as part of the original loan agreement which allows us to advance various financing initiatives, which we expect to complete during this timeframe.”

### **Reid Nickel Property**

The Reid Property is located just 16 km southwest of Crawford and 37 km northwest of Timmins, and contains an ultramafic body with a target geophysical footprint of 3.9 km<sup>2</sup> compared to Crawford target footprint of 1.6 km<sup>2</sup>. Assay results from 16 holes continue to confirm nickel mineralization in serpentinitized dunite and peridotite. Similar PGM Zone mineralization as Crawford was also observed in hole REI22-13 which was the only hole to test the contact of mineralization. Information on the first 7 holes can be found in the December 1<sup>st</sup> 2022 release. This release provides an update on the remaining 9 holes which were completed in 2022 (See Figure 1).

### **Reid - Central Core Area Drilling**

Holes REI22-14 and REI22-16 were drilled at the western end of the Central Core area which has a target

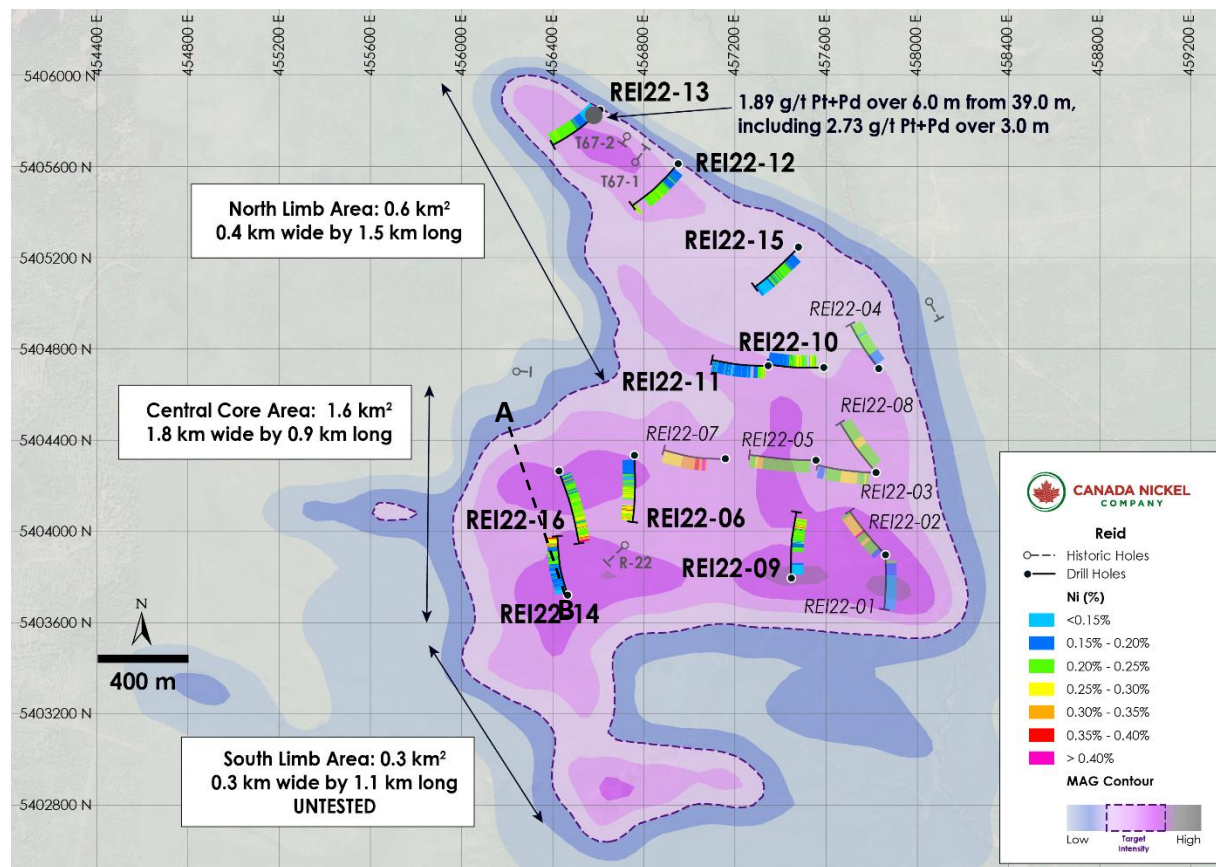
footprint of 1.6 km<sup>2</sup> (1.8km long x 0.9 km width), the same size as the entire Crawford Main & East Zone. The holes delineated mineralization of over 500 metres wide including a higher-grade core. The Central Core remains open in all directions from this section (see Figure 2). The holes were mineralized across their entire core lengths, ending in higher grade mineralization at 402 and 501 metres respectively.

REI22-14 collared in peridotite and ended in higher grade mineralization. The hole averaged 0.20% nickel over 327.0 metres, including 0.30% nickel over 58.5 metres at the end of hole. REI22-16 collared in peridotite approximately 540 metres north of REI22-14. The hole also ended in higher grade mineralization and averaged 0.25% nickel over 471.0 metres, including 0.31% nickel over 60.0 metres at the end of hole (Table 3).

REI22-06 collared in peridotite and transitioned into dunite for the remainder of the hole, only interrupted by a few late dykes. The hole was collared near the western end of the anomaly and drilled to the south. The hole displayed moderate to strong serpentinization throughout. The dunite averaged 0.25% nickel over 97.5 metres and 0.28 % nickel over 110.9 metres, including 0.30% nickel over 54.0 metres.

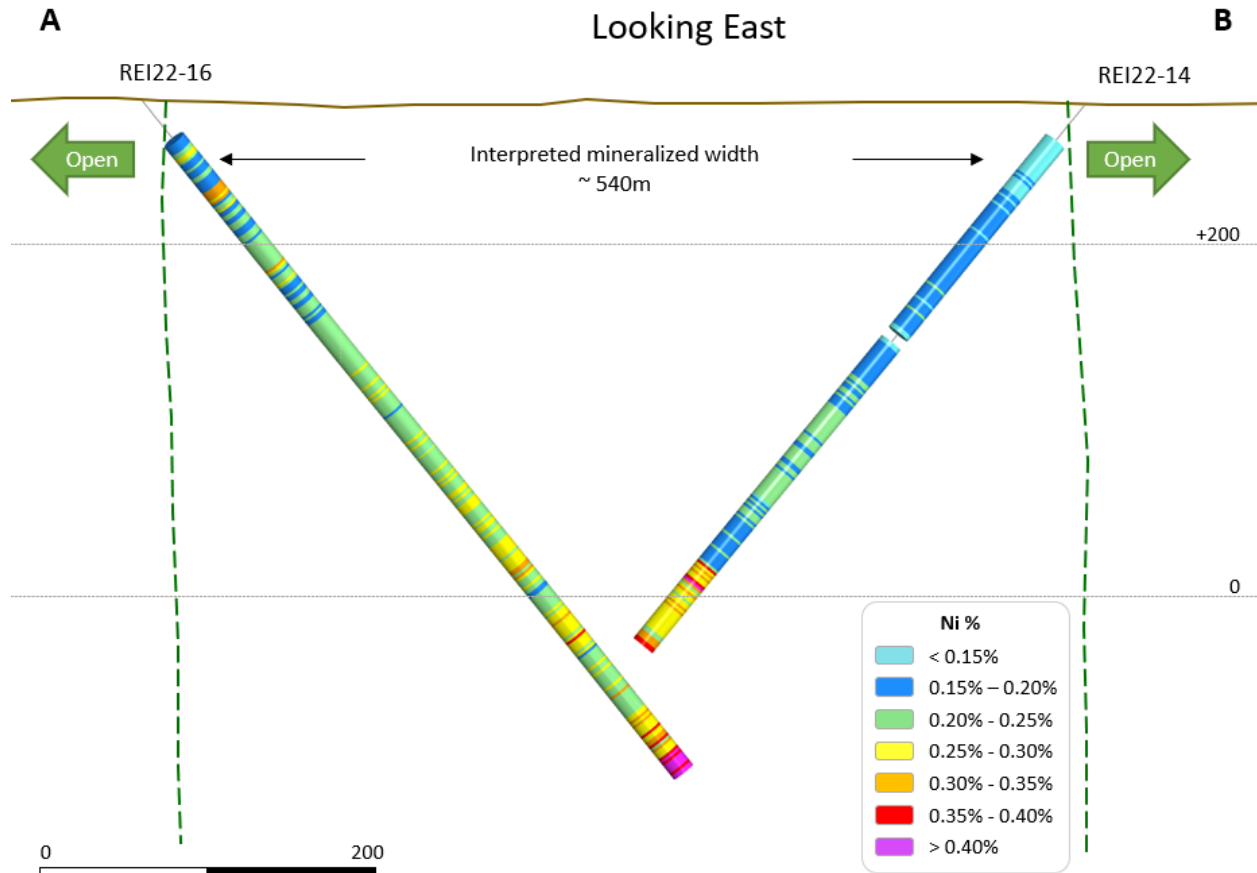
REI22-09 also collared in peridotite and transitioned into dunite to the end of hole, only interrupted by two late dykes. The hole was collared on the south of the anomaly and drilled to the north. The hole displayed moderate serpentinization throughout with an increase of nickel mineralization at depth. Partial assays contain 0.22% nickel over 226.5 metres, including 0.26% nickel over 67.5 metres.

**Figure 1 – Plan View of Reid – Drill results Overlain on Total Magnetic Intensity**



Labels: Current Holes “REI22-14”. Prior holes from the December 2022 release “REI22-05”

Figure 2 – Section View of Reid – REI22-14 and REI22-16 (Section width ~150m)



\* True widths are unknown

### Reid - North Limb Area Drilling

The north Limb Area extends northwest for 1.5 kilometres strike length and around 400 metres width, with a target footprint of 0.6 km<sup>2</sup>. Six drillholes targeted this area, with all intersecting mineralized dunite and peridotite sections.

REI22-10 was collared near the center of the anomaly in a transitioning dunite-peridotite lithology, interrupted by a late mafic dyke. The hole displayed moderate to strong serpentinization. Dunite-peridotite in this hole averaged 0.20% nickel over 275 metres including 0.24% nickel over 125.1 metres.

REI22-11 collared approximately 250 metres west of REI22-10, near the western contact of the anomaly and continued on transitional peridotite-dunite lithology, interrupted by several late dykes. The hole averaged 0.15% nickel over 378.4 metres.

REI22-12 collared in peridotite and into dunite to the end of hole. The hole was collared on the northwest extension of the anomaly and drilled to the southwest. The hole displayed strong serpentinization

throughout. Partial assays of the top of the hole contain 0.22% nickel over 306.0 metres

REI22-13 collared approximately 400 metres northwest of REI22-12 in a gabbro to pyroxenite to peridotite sequence. The hole ended in moderate to strongly serpentinized dunite. Peridotite-dunite averaged 0.19% nickel over 360.0 metres, including 0.24% nickel over 163.5 metres. At the top of the hole, a section of the pyroxenite averaged 1.89 g/t Pt+Pd over 6.0 metres (Table 4).

REI22-15 collared in dunite approximately 640 metres southeast of REI22-12 and ended in peridotite. The dunite averaged 0.20% nickel over 249.0 metres.

With these encouraging results, Canada Nickel plans to resume drilling at Reid in 2023. The south limb of the anomaly remains to be drilled.

**Table 3: Reid exploration drilling results**

Hole ID	From (m)	To (m)	Length* (m)	Ni (%)	Co (%)	Pd (g/t)	Pt (g/t)	Cr (%)	Fe (%)	S (%)
<b>Central Core</b>										
REI22-06	28.8	312.5	283.7	0.19	0.01	0.008	0.008	0.59	7.68	0.06
including	215.0	312.5	97.5	0.25	0.01	0.007	0.005	0.77	7.35	0.07
and	360.1	471.0	110.9	0.28	0.01	0.017	0.007	0.74	6.99	0.07
<b>including</b>	<b>369.0</b>	<b>423.0</b>	<b>54.0</b>	<b>0.30</b>	<b>0.01</b>	<b>0.021</b>	<b>0.007</b>	<b>0.73</b>	<b>7.36</b>	<b>0.07</b>
REI22-09	30.0	105.5	75.5	0.12	0.01	0.007	0.014	0.56	8.23	0.07
and	180.0	406.5	226.5	0.22	0.01	0.008	0.007	0.61	5.92	0.10
REI22-14	27.4	402.0	374.6	0.19	0.01	0.007	0.006	0.60	6.18	0.04
including	286.5	402.0	115.5	0.25	0.01	0.014	0.006	0.68	5.40	0.06
<b>including</b>	<b>343.5</b>	<b>402.0</b>	<b>58.5</b>	<b>0.30</b>	<b>0.01</b>	<b>0.025</b>	<b>0.008</b>	<b>0.71</b>	<b>5.30</b>	<b>0.08</b>
REI22-16	30.0	501.0	471.0	0.25	0.01	0.015	0.009	0.64	6.32	0.04
<b>including</b>	<b>441.0</b>	<b>501.0</b>	<b>60.0</b>	<b>0.31</b>	<b>0.01</b>	<b>0.016</b>	<b>0.009</b>	<b>0.66</b>	<b>5.36</b>	<b>0.04</b>
<b>North Limb</b>										
REI22-10	60.3	100.6	40.3	0.25	0.01	0.003	0.005	0.83	5.84	0.11
and	129.4	404.4	275.0	0.20	0.01	0.011	0.014	0.71	7.42	0.06
REI22-11	23.6	402.0	378.4	0.15	0.01	0.010	0.011	0.52	8.59	0.09
REI22-12	40.0	346.0	306.0	0.22	0.01	0.003	0.005	0.86	6.41	0.02
REI22-13	45.0	405.0	360.0	0.19	0.01	0.006	0.007	0.77	6.98	0.03
including	241.5	405.0	163.5	0.24	0.01	0.006	0.006	0.99	6.01	0.04
REI22-15	60.0	309.0	249.0	0.20	0.01	0.003	0.005	0.71	6.25	0.03

\* True widths are unknown

**Table 4: Reid selected PGM results**

Hole ID	From (m)	To (m)	Length (m)	Pd+Pt (g/t)	Pd (g/t)	Pt (g/t)	Ni (%)	Co (%)	Cr (%)	Fe (%)	S (%)
REI22-13	39.0	45.0	6.0	1.89	0.89	1.00	0.02	0.01	0.31	6.25	0.01
including	39.0	42.0	3.0	2.73	1.28	1.45	0.03	0.01	0.34	6.37	0.02

## **Auramet Financing**

The Company has extended the repayment of the Auramet \$US 10 million loan facility (see news release dated October 18, 2022) to March 3, 2023 by issuing 200,000 one year common share purchase warrants with a strike price of \$1.94 per share and an extension fee of \$US 150,000. The loan will carry an interest rate of 1.25% per month commencing January 19, 2023. The warrants and the underlying common shares are subject to a four month hold period under Canadian securities laws. This extension is subject to TSX-V approval.

## **Assays, Quality Assurance/Quality Control and Drilling and Assay**

Edwin Escarraga, MSc, P.Geo., a "qualified person" as defined by National Instrument 43-101, is responsible for the on-going drilling and sampling program, including quality assurance (QA) and quality control (QC). The core is collected from the drill in sealed core trays and transported to the core logging facility. The core is marked and sampled at 1.5 metre lengths and cut with a diamond blade saw. One set of samples is transported in secured bags directly from the Canada Nickel core shack to Actlabs Timmins, while a second set of samples is securely shipped to SGS Lakefield for preparation, with analysis performed at SGS Burnaby or SGS Callao (Peru). All are ISO/IEC 17025 accredited labs. Analysis for precious metals (gold, platinum, and palladium) are completed by Fire Assay while analysis for nickel, cobalt, sulphur and other elements are performed using a peroxide fusion and ICP-OES analysis. Certified standards and blanks are inserted at a rate of 3 QA/QC samples per 20 core samples making a batch of 60 samples that are submitted for analysis.

## **Qualified Person and Data Verification**

Stephen J. Balch P.Geo. (ON), VP Exploration of Canada Nickel and a "qualified person" as 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.

The magnetic images shown in this press release were created from Canada Nickel's interpretation of datasets provided by the Ontario Geological Survey.

## **About Canada Nickel Company**

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™, 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](http://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, drill and exploration results relating to the target properties described herein (the "Properties"), the potential of the Crawford Nickel Sulphide Project and the Properties, timing of economic studies and mineral resource estimates, the ability to sell marketable materials, strategic plans, including future exploration and development results, and corporate and technical objectives. Forward-looking information is necessarily based upon several 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 because of new information, future events or otherwise, except as required by law.