



# CANADA NICKEL COMPANY

## Canada Nickel Announces Filing of Preliminary Prospectus and Provides Corporate Update

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**TORONTO, February 17, 2023** – Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV: CNC) (OTCQX: CNIKF) is pleased to announce that it has filed and been receipted for a preliminary short form prospectus in connection with its bought deal offering of (i) 7,462,500 common shares in the capital of the Company (the "Common Shares") at a price of \$1.77 per Common Share and (ii) 1,748,300 common shares issued as "flow-through shares" (the "Flow-Through Shares") within the meaning of *the Income Tax Act* (Canada) at a price of \$2.86 per Flow-Through Share, for aggregate gross proceeds to the Company of \$18,208,763 (the "Offering"), as further described in the news release of the Company dated February 8, 2023. In connection with the Offering, the Company has entered into an underwriting agreement with Scotia Capital Inc. Inc., as lead underwriter and sole bookrunner, together with a syndicate of underwriters including Red Cloud Securities Inc., Cormark Securities Inc., Echelon Wealth Partners Inc., Haywood Securities Inc., and Research Capital Corporation.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals including the approval of the TSX Venture Exchange and the securities regulatory authorities.

The securities offered in the Offering have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

### Corporate Update

The Company has adopted a new stock option plan (the "Stock Option Plan") and restricted share unit plan (the "RSU Plan", together with the Stock Option Plan, the "New Incentive Plans") which will replace the Company's current option plan and RSU plan. The number of common shares of the Company reserved for issuance under the New Incentive Plans, collectively, cannot exceed 10% of the number of common shares of the Company that are outstanding on each applicable grant date. Each of the Stock Option Plan and RSU Plan are subject to approval by the shareholders of the Company at the meeting to be held on April 6, 2023 (the "Meeting") and final TSXV approval.

The Company has granted its executives, employees and directors a total of: (i) 1,890,000 stock options, issued at an exercise price of \$1.78 per share, vesting over a three-year period and expiring five years from the date of the grant, and (ii) 1,563,449 restricted share units, vesting after a one-year period. The portion of such grants made under the New Incentive Plans are subject to approval by the shareholders at the Meeting.

In addition, the Company has entered into a property option agreement with a group of vendors under which the Company has acquired an option to earn a 100% interest in 170 single cell mining claims and 23 boundary cell mining claims located in the Timmins area. The agreement provides for certain annual expenditure commitments by the Company, the issuance by the Company of up to a total of 100,000 common shares, and the payment to the vendors of a total of \$90,000 over the option term to exercise the option. The vendors will retain a 2.00% NSR with a 1.00% buy-back provision to the Company for \$1.0 million. The completion of the transaction is subject to customary closing conditions, including the approval of the TSX Venture Exchange. The common shares issued and issuable to the vendors will be subject to a four month hold period under applicable Canadian securities laws.

### **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](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 results relating to the Crawford Nickel Sulphide Property, the potential of the Crawford Nickel Sulphide Property, 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 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.