



Canada Nickel Announces C\$20 Million Bought Deal Public Offering and Concurrent Private Placement

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TORONTO, February 8, 2023 - Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV:CNC) (OTCQX:CNIF) is pleased to announce that it has entered into an agreement with Scotiabank to act as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters (collectively, the "Underwriters") pursuant to which the Underwriters have agreed to purchase for resale (or arrange for purchase by substituted purchasers) the following equity securities of the Company on a bought deal basis for aggregate gross proceeds to the Company of approximately C\$18.2 million (the "Public Offering"):

- (a) 7,462,500 common shares of the Company (each, a "Common Share") at a price of C\$1.77 per Common Share; and
- (b) 1,748,300 common shares of the Company to be issued as "flow-through shares" within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") (each, a "FT Share", and together with the Common Shares, the "Offered Securities") at a price of C\$2.86 per FT Share.

In addition, the Company will provide Anglo American plc with the right to concurrently subscribe for Common Shares in order to maintain a 9.9% interest (which interest Anglo American plc would acquire on the closing of the subscription previously announced by the Company) on a non-brokered private placement basis for aggregate gross proceeds to the Company of approximately C\$1.8 million (the "Concurrent Private Placement" and together with the Public Offering, the "Offering"). Assuming completion of the Concurrent Private Placement, the aggregate gross proceeds to the Company from the Offering will be approximately C\$20 million.

In connection with the Public Offering, the Company has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part for a period of 30 days after and including the closing date of the Public Offering, to purchase any combination of additional Offered Securities for additional gross proceeds of up to 15% of the gross proceeds raised under the Public Offering to cover over-allotments, if any, and for market stabilization purposes.

An amount equal to the gross proceeds from the issuance of the FT Shares will be used to incur eligible resource exploration expenses which will qualify as (i) "Canadian exploration expenses" (as defined in the Tax Act), and (ii) "flow-through critical mineral mining expenditures" (as defined in subsection 127(9) of the Tax Act) (collectively, the "Qualifying Expenditures"). Qualifying Expenditures in an aggregate amount equal to the gross proceeds raised from the issuance of the FT Shares will be renounced to the initial purchasers of the FT Shares with an effective date no later than December 31, 2023. If the Company is unable to renounce such Qualifying Expenditures, or if the Qualifying Expenditures renounced are reduced by the Canada Revenue Agency, the Company will, to the extent permitted by the Tax Act, indemnify each purchaser of FT Shares for any additional taxes payable by such purchaser as a result of the Company's failure to renounce the Qualifying Expenditures. The Company plans to use the net proceeds raised from the sale of the Common Shares under the Offering for the exploration and advancement of the Company's

Crawford Nickel-Cobalt Sulphide Project and its other Ontario properties, repayment of the Auramet loan facility and for general working capital purposes.

In connection with the Public Offering, the Offered Securities will be offered and sold by way of a short form prospectus to be filed in the provinces of British Columbia, Alberta and Ontario.

The Offering is expected to close on or around March 2, 2023 and such closing 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.

The Underwriters will receive a cash commission of 6.0% of the gross proceeds of the Public Offering. No commission is payable to the Underwriters in respect of the Concurrent Private Placement.

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 Public Offering and Concurrent Private Placement; the timing and ability of the Company, if at all, to obtain final approval of the Public Offering and Concurrent Private Placement from the TSX Venture Exchange; the tax treatment of the FT Shares; the timing of the tax renunciation to the subscribers; the ability of the Company to advance the Crawford Nickel-Cobalt

Sulphide Project; 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.