



## Canada Nickel Announces Closing of Anglo American Investment and Bought Deal Public Offering for Total Proceeds of C\$44 Million

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**TORONTO, March 2, 2023** – Canada Nickel Company Inc. ("**Canada Nickel**" or the "**Company**") (TSXV: CNC) (OTCQX: CNIKF) is pleased to announce that it has closed its previously-announced investments from Anglo American for aggregate gross proceeds of C\$26,154,294.71 whereby Anglo American subscribed for (i) 12,569,235 common shares in the capital of the Company ("**Common Shares**") at C\$1.95 per Common Share, and (ii) 952,623 Common Shares at C\$1.77 per Common Share (collectively, the "**Anglo American Investment**"). Upon completion of the Anglo American Investment, Anglo American will hold 9.9% of the issued and outstanding Common Shares.

The Company also concurrently closed its "bought deal" prospectus offering (the "**Offering**") for aggregate gross proceeds of C\$18,208,763. Under the Offering, the Company sold the following:

- an aggregate of 7,462,500 Common Shares at a price of C\$1.77 per Common Share; and
- an aggregate of 1,748,300 Common Shares issued as "flow-through shares" (the "**FT Shares**") within the meaning of *the Income Tax Act* (Canada) at a price of C\$2.86 per FT Share.

The Offering was completed pursuant to an underwriting agreement dated February 14, 2023, entered into among the Company and a syndicate of underwriters led by Scotiabank, as lead underwriter and sole bookrunner, and including Red Cloud Securities Inc., Cormark Securities Inc., Echelon Wealth Partners Inc., Haywood Securities Inc., and Research Capital Corporation (collectively, the "**Underwriters**"). In connection with the Offering the Underwriters received an aggregate cash commission of 6.0% of the gross proceeds of the Offering. No Commission was paid to the Underwriters in respect of the Anglo American Investment.

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 net proceeds raised from the Anglo American Investment and the sale of the Common Shares under the Offering will be used primarily 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.

The Company filed a final short form prospectus (the "**Prospectus**") in the provinces of Ontario, British Columbia and Alberta, pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* to qualify for distribution the Common Shares and FT Shares offered pursuant to the Offering. Copies of the Prospectus and documents incorporated by reference therein are available electronically on SEDAR ([www.sedar.com](http://www.sedar.com)) under Canada Nickel's issuer profile.

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.

#### **About Canada Nickel**

Canada Nickel 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 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. 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 and the Anglo American Investment; the timing and ability of the Company, if at all, to obtain final approval of the

Offering and Anglo American Investment 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.

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