



Canada Nickel Announces Carbon Storage Testing Results Better than Anticipated; Integrated Feasibility Study Expected in September

Highlights

- *Carbon capture test work confirms ability to store one million tonnes of carbon annually*
- *Crawford Project has potential to achieve 7% of Canada's 15 megatonne carbon removal goal*
- *Canada Nickel has received approaches from several large multinational companies seeking carbon storage solutions*

TORONTO, June 8, 2023 – Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV:CNC) (OTCQX:CNICKF) today announced that test work for its novel carbon storage process, In-Process Tailings ("IPT") Carbonation, is demonstrating results that are significantly above expectations.

The Company also announced that its Integrated Feasibility Study ("IFS") is expected to be released in September, following the completion of final engineering design for IPT Carbonation. All other engineering work for the Crawford feasibility study has been successfully completed.

Mark Selby, CEO of Canada Nickel, said, "We believe the IPT Carbonation process has transformative potential for the Company. Our test work demonstrates the ability to efficiently store one million tonnes of CO₂ annually when the project is fully ramped up utilizing a process plant design of only 6.5 hours of residence time versus an initial design target of 12-24 hours. These results can help contribute to delivering this solution at relatively low capital and operating costs."

Canada Nickel's Crawford Project is hosted in ultramafic rock, which naturally absorbs and sequesters CO₂. Canada Nickel has developed the novel IPT Carbonation process which involves injecting a concentrated source of CO₂ into tailings generated by the milling process for a brief period of time. This simple process captures CO₂ geologically in the tailings while they are still in the processing circuit, rather than after they have been finally deposited.

"Crawford is poised to be a leader in the energy transition through the large-scale production of critical minerals, including nickel and cobalt, and to become the sole North American producer of chromium, while also supporting Canada's climate objectives through large scale carbon capture and storage and providing an anchor for a Zero Carbon Industrial Cluster in the Timmins-Cochrane region," Selby added.

Access to the required testing facilities for pilot scale tests to confirm the engineering design for IPT Carbonation has been delayed to this summer and as a result, the integrated feasibility study for the project is now expected to be delivered in September 2023. This delay has no impact on the overall timeline to production as the Company continues to target receipt of permits by mid-2025 with

construction to follow. Permitting remains on-track and good progress is being made through the second stage of the federal permitting process.

“We are very pleased to reach successful completion of the remainder of the engineering for the Crawford project. Our decision to incorporate our IPT Carbonation into an integrated feasibility study has been validated by the multiple approaches we’ve received from multinationals pursuing comprehensive carbon solutions. I am very proud of our team that is taking our IPT Carbonation process from breakthrough to a feasibility study engineered design in just 14 months.”

The Company believes that the successful incorporation of IPT Carbonation could potentially allow a portion of the Company’s project capital expenditures to become eligible for the carbon capture and storage refundable investment tax credits of 37.5% to 60% for years 2022-2030 and 18.75% to 30% for years 2031-2040, as announced in the 2022 federal budget. The interest received from multiple large multinational companies pursuing carbon storage solutions further supports the Company’s belief that the mineral sequestration utilized by the Company may be considered an effective carbon storage approach that would meet Environment and Climate Change Canada requirements.

“Canada Nickel has generated significant momentum in 2023 with the strategic investment by Anglo American, our successful completion of the first phase of federal permitting for Crawford, our appointment of Cutfield Freeman & Co. to support the debt portion of our project financing team alongside our equity advisors, Scotiabank and Deutsche Bank, and our ongoing success in our regional exploration program. We expect this momentum to continue through the rest of the year with the completion of the integrated feasibility study, our initial resource estimate and Preliminary Economic Analysis for potential near-term production at our Texmont Project, and advancing both the permitting and financing to allow a construction decision to be made for Crawford by mid-2025, when permits are expected to be received,” said Selby.

IPT Carbonation Test Work

In the current phase of test work, Canada Nickel has conducted a series of variability tests to establish the IPT Carbonation Process engineering design criteria and develop predictive CO₂ storage models. The results have exceeded expectations. Testing was done on samples based on their brucite content as well as their location within the deposit with a bias towards material that is expected to be processed in the initial project phases. The results received to date have confirmed the ability to store more than one million tonnes of CO₂ per year.

Qualified Person and Data Verification

Arthur G. Stokreef, P.Eng (ON), Manager of Process Engineering & Geometallurgy and a “qualified person” as such term is defined by National Instrument 43-101, has reviewed and approved the technical information in this news release on behalf of Canada Nickel Company Inc.

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 Note and 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, the Texmont Project and the other 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.