



Canada Nickel Completes Private Placement of Flow-Through Units & Announces Agnico Eagle as an Investor

Highlights

- Canada Nickel to receive flow through funding of \$34.7 million
- Agnico Eagle to become a 12% shareholder

TORONTO, January 2, 2024 – Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV: CNC) (OTCQX:CNIKF) has completed a brokered private placement consisting of 19,600,000 units of the Company (the "**Flow-Through Units**") at a price of C\$1.77 per Flow-Through Unit, with each unit consisting of one flow-through common share of the Company and 0.35 of one flow-through common share purchase Warrant (the "**Warrant**"), as more particularly described below, for aggregate gross proceeds of C\$34,692,000 (the "**Offering**").

Following closing of the Offering, Agnico Eagle Mines Limited ("**Agnico Eagle**") acquired the units, and as a result, holds approximately 12% of the Company's issued and outstanding common shares on a non-diluted basis, and 15.6% on a partially-diluted basis (assuming exercise of all of the Warrants).

"We are very pleased to welcome Agnico Eagle, one of the largest mining companies in Canada, as an investor in Canada Nickel. Agnico Eagle has a long operating history in the Abitibi region, deep technical expertise and a track record of operating success with its core open pit, bulk-tonnage, gold assets in the Abitibi at both Canadian Malartic and Detour Lake. The proceeds from this Offering will help us continue to unlock the potential of our Timmins Nickel District, which we believe has the potential to be one of the world's largest nickel sulphide district. This potential, combined with our novel IPT Carbonation process to capture and store CO₂, provides a foundation for a Zero Carbon Industrial Cluster in northern Ontario. As well, we continue to advance various offtake initiatives which we expect to complete prior to January 18, 2024, the current repayment date for the Auramet debt facility" said Mark Selby, CEO of Canada Nickel.

Private Placement Offering

Pursuant to the Offering, each Flow-Through Unit consists of (i) one common share of the Company, each of which will qualify as a "flow-through share" (as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the "**Tax Act**")), and (ii) 0.35 of one purchase Warrant each of which will qualify as a "flow-through share" (as defined in subsection 66(15) of the Tax Act). Each whole Warrant shall entitle the holder thereof to acquire one Common Share of the Company (each, a "**Warrant Share**") at a price of C\$1.77 per Warrant Share until the date that is 36 months from the closing date of the Offering, subject to acceleration in certain circumstances.

Beginning three months from the closing date of the Offering, if the trading price of the common shares on the TSX Venture Exchange equals or exceeds C\$2.65 per common share for at least 20 consecutive

trading days, Canada Nickel shall have the right to accelerate, by notice to the holders of Warrants, the expiry date of the Warrants to 30 calendar days after the date of such notice (such that the holder may either exercise all or a portion of the Warrants in such 30 day period, or failing such exercise, any unexercised Warrants would expire).

All securities issued under the Offering will be subject to a hold period expiring four months and one day from the closing date of the Offering.

In addition, the Company entered into an investor rights agreement with Agnico Eagle. Under the Investor Rights Agreement, Agnico Eagle is entitled to certain rights, provided Agnico Eagle maintains certain ownership thresholds in Canada Nickel, including: (a) the right to participate in future issuance of Common Shares (or any securities that are or may become convertible, exchangeable or exercisable into Common Shares) in order to maintain its *pro rata* ownership interest in Canada Nickel or acquire up to a 15.6% ownership interest, on a partially diluted basis, in Canada Nickel; and (b) the right (which Agnico Eagle has no present intention of exercising) to nominate one person to the Canada Nickel Board of Directors.

Advisors

Scotiabank acted as sole bookrunner and agent for the Offering. Scotiabank and Deutsche Bank acted as financial advisors to Canada Nickel for the Offering.

Clarification to News Release Dated December 18, 2023

Canada Nickel also makes a clarification to its news release entitled "Canada Nickel Provides Financing Update" issued on December 18, 2023 (the "Initial News Release").

The Initial News Release stated the 350,000 common share purchase warrants (the "Extension Warrants") issued as part of the terms to extend the US\$12 million loan facility with Auramet International, Inc. had a one-year term. For clarification, the Company agreed to issue, subject to the approval of the TSX Venture Exchange, 350,000 Extension Warrants for a nine month term, with the Extension Warrants expiring on September 18, 2024. This clarification does not change the other terms related to the extension of the loan facility or any other information reported in the Initial News Release.

The warrants and the underlying shares 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 sulphide projects to deliver nickel required to feed the high growth electric vehicle and stainless steel markets. Canada Nickel 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. 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, IPT Carbonation process 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 Properties, 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.