FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Canada Nickel Company Inc. (the "**Corporation**")
130 King Street West, Suite 1900
Toronto, Ontario
M5X 1E3

Item 2 Date of Material Change

September 14, 2020

Item 3 News Release

A news release with respect to the material change referred to in this report was issued by the Corporation through Canada Newswire on September 14, 2020 and a copy was subsequently filed under the Corporation's profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4 Summary of Material Change

On September 14, 2020, the Corporation announced a "bought deal" private placement of (i) 5,350,000 units of the Corporation (the "**Units**") at a price of $1.50 per Unit for total gross proceeds of $8,025,000 (the "**Unit Offering**") and (ii) 2,950,000 common shares in the capital of the Corporation that will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the "**Flow-Through Shares**") at a price of $1.70 per Flow-Through Share for total gross proceeds of $5,015,000 (the "**Flow-Through Offering**", together with the Unit Offering, the "**Offering**"). The Unit Offering is expected to close on or around September 30, 2020, or such other date as the Corporation and the Echelon Wealth Partners Inc. (the "**Lead Underwriter**") may agree, and the Flow-Through Offering is expected to close on or around October 14, 2020, or such other date as the Corporation and the Lead Underwriter may agree.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On September 14, 2020, the Corporation announced a "bought deal" private placement of 5,350,000 Units and 2,950,000 Flow-Through Shares for aggregate gross proceeds of $13,040,000. The Unit Offering is expected to close on or around September 30, 2020, or such other date as the Corporation and the Lead Underwriter may agree, and the Flow-Through Offering is expected to close on or around October 14, 2020, or such other date as the Corporation and the Lead Underwriter may agree.

Each Unit will consist of one common share (a "**Common Share**") in the capital of the Corporation and one-half of one common share purchase warrant (a "**Warrant**") of the

Corporation. Each whole Warrant is exercisable to acquire one Common Share (a "**Warrant Share**") at a price of $2.10 per Warrant Share for a period of 24 months from the closing date of the Unit Offering, subject to an accelerated expiry option whereby the Corporation can trigger an accelerated 30-day expiry of the Warrants if the closing price of the Corporation's common shares listed on the TSX Venture Exchange (the "**TSX-V**") remains higher than $3.25 for 20 consecutive trading days. On the 20th consecutive trading day above $3.25 (the "**Acceleration Trigger Date**"), the Warrant expiry date may be accelerated to 30 trading days after the Acceleration Trading Date by the issuance of a news release announcing such acceleration, within two trading days of the Acceleration Trigger Date.

The Lead Underwriter will act on behalf of a syndicate of underwriters including Eight Capital Corp. and Haywood Securities Inc. (collectively, the "**Underwriters**") in connection with the Offering. In consideration for their services in connection with the Offering, the Corporation will pay the Underwriters a cash commission equal to 6.0% of the aggregate gross proceeds from the sale of the Units and Flow-Through Shares. As additional consideration for their services in connection with the Offering, the Corporation will issue to the Underwriters non-transferable compensation options of the Corporation ("**Compensation Options**") equal to 6.0% of the aggregate number of Units and Flow-Through Shares issued. Each Compensation Option is exercisable to acquire one Unit at an exercise price of $1.50 per Unit for a period of 24 months from the closing date of the Unit Offering or the Flow-Through Offering, as applicable.

The net proceeds from the sale of the Units will be used to fund feasibility study work through 2021 on the Corporation's Crawford Nickel-Cobalt Sulphide Project, to accelerate exploration on the Corporation's option properties, and for working capital purposes. The gross proceeds received by the Corporation from the sale of the Flow-Through Shares will be used to incur Canadian Exploration Expenses that are "flow-through mining expenditures" (as such terms are defined in the *Income Tax Act* (Canada)) on the Corporation's properties in Ontario, which will be renounced to the subscribers with an effective date no later than December 31, 2020, in the aggregate amount of not less than the total amount of the gross proceeds raised from the issue of Flow-Through Shares.

The Offering will be made by way of private placement pursuant to applicable exemptions from the prospectus requirements under applicable securities laws. The securities issued under the Offering will be subject a hold period under applicable securities laws expiring four months and one day from the closing date of the Unit Offering or the Flow-Through Offering, as applicable. The Offering is subject to the acceptance of the TSX-V.

The securities offered have not been registered under the United States Securities Act of 1933, as amended, or any state securities law, and may not be offered or sold in the United States absent registration or an exemption from such registration requirements. This material change report shall not constitute an offer to sell or the solicitation of an offer to buy in the United States nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

Item 8 Executive Officer

The following executive officer of the Corporation is knowledgeable about the material change and this report and may be contacted as follows:

For further information, please contact Mark Selby, Chief Executive Officer, Phone: 647-256-1954, Email: info@canadanickel.com

Item 9 Date of Report

September 24, 2020