



Canada Nickel Announces US\$10 Million Loan Facility and Provides Corporate Update

TORONTO, December 21, 2021 - Canada Nickel Company Inc. ("Canada Nickel" or "The Company") (TSXV:CNC) (OTCQX: CNIKF) is pleased to provide an update on its discussions with strategic investors and financing activities.

"Canada Nickel is engaged in ongoing and constructive discussions with strategic investors which have been extended into the new year. The Company continues to aggressively advance the Crawford Nickel Sulphide Project and has arranged a US\$10 million loan facility from Auramet which will ensure the Company remains well-funded through the first quarter when the Company expects to conclude its strategic investor process," said Mark Selby, Chair and CEO of Canada Nickel.

"Canada Nickel has made significant strides over the past year by continuing to deliver promising drilling results, delivering a robust Preliminary Economic Assessment, demonstrating significant improvements to our metallurgical performance, and consolidating a Timmins nickel district. We look forward to maintaining our momentum into 2022 in a market that is demonstrating a strong interest in both nickel sulphide assets and low-carbon projects," Mr. Selby continued.

Loan Facility

The Company has arranged a US\$10 million secured loan facility with Auramet which is expected to close on or before January 5, 2022. The loan is due April 5, 2022, and will carry an interest rate of 1% per month and has an arrangement fee of 2% of the loan amount and the issuing of 250,000 2-year warrants at a strike price of \$3.94 per share on the closing date.

This transaction is subject to customary closing conditions, including TSX Venture Exchange approval. The loan will be subject to such terms and conditions including certain specified positive and negative covenants that are customary for a transaction of this nature.

About Auramet

Auramet is one of the largest physical precious metals merchants in the world with over \$22 billion in annual revenues and provides a full range of services to all participants in the precious metals chain, from extraction and production to manufacturing and consumption. Auramet is a private company established in 2004 by a team who had worked previously together since 1989. Their business is comprised of three main activities: physical metals trading, metals merchant banking and advisory. Auramet has built a consistently successful and prominent franchise in the metals space on the back of an experienced management team that has proven to be innovative and capable of delivering the highest quality service to participants in the sector. In fiscal year 2020, it purchased over 6 million ounces of gold, 70 million ounces of silver and 3.2 million ounces of PGMs sourced from a diversified base of over 75 mining companies, 15 recycling companies and 20 refineries/smelters (with none comprising more

than 5%). Auramet has also provided term financing facilities in excess of \$850 million to date in the mining sector and is looking to grow its capital investment business in the precious metals and battery-related metals mining space.

About Canada Nickel

Canada Nickel Company Inc. 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 Company has successfully registered and applied for trademarks in various jurisdictions for NetZeroNickel™, 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.

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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, the metallurgical results, the timing and results of the feasibility study, the results of Crawford's PEA, including statements relating to net present value, future production, estimates of cash cost, proposed mining plans and methods, mine life estimates, cash flow forecasts, metal recoveries, carbon footprint and sequestration levels, estimates of capital and operating costs, timing for permitting and environmental assessments, realization of mineral resource estimates, capital and operating cost estimates, project and life of mine estimates, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates, the timing and amount of estimated future production and capital, operating and exploration expenditures and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Canada Nickel to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The PEA results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. There are no assurances that Crawford will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals or project costs could differ substantially and make any commercialization uneconomic; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes, the availability and productivity of skilled labour and other risks of the mining industry; political instability,

terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities; mineral resource estimates relating to Crawford could prove to be inaccurate for any reason whatsoever; additional but currently unforeseen work may be required to advance to the feasibility stage; and even if Crawford goes into production, there is no assurance that operations will be profitable.

Although Canada Nickel has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and Canada Nickel disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.