

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

July 27, 2021

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 July 27, 2021 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 July 27, 2021, the Corporation announced that it has completed its previously announced "bought deal" brokered private placement of an aggregate of 2,981,000 "flow-through shares" of the Corporation ("**FT Shares**"), at an issue price of C\$4.10 per FT Share, for aggregate gross proceeds of C\$12,222,100, including the exercise in full of the underwriters' 15% over-allotment option.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, please see the news release attached hereto as Schedule "A", which news release (together with the forward-looking information disclaimers therein) form an integral part of this material change report.

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:

Mark Selby, Chief Executive Officer

Phone: 647-256-1954 | E-mail: info@canadanickel.com

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Date of Report

July 28, 2021

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Schedule "A"
News Release

**Canada Nickel Closes C\$12 Million Bought Deal Private Placement
of Flow-Through Shares**

TORONTO, July 27, 2021 – **Canada Nickel Company Inc.** ("**Canada Nickel**" or the "Company") (TSX-V: **CNC**) (OTCQB: **CNIKF**) is pleased to announce the completion of its previously announced "bought deal" brokered private placement of an aggregate of 2,981,000 "flow-through shares" of the Company ("FT Shares"), at an issue price of C\$4.10 per FT Share, for aggregate gross proceeds of C\$12,222,100, including the exercise in full of the underwriters' 15% over-allotment option (the "Offering").

Mark Selby, Chair and CEO said, "The closing of this financing allows us to remain well-funded through the end of the year and provides significant financial flexibility as we drive our successful exploration program forward, demonstrated by our latest success at Nesbitt, and advance our discussions with potential strategic partners."

The Offering was led by Cantor Fitzgerald Canada Corporation and Echelon Wealth Partners Inc. as joint bookrunners and lead underwriters and a syndicate of underwriters that included Haywood Securities Inc., PI Financial Corp., Research Capital Corp. and Red Cloud Securities Inc., (collectively, the "Underwriters"). In consideration of their services, the Company paid the Underwriters a cash commission of 6.0% of the gross proceeds of the Offering.

The gross proceeds from the sale of the FT Shares will be used by the Company to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the Income Tax Act (Canada) (the "Qualifying Expenditures"), related to the Company's projects in Ontario. The Qualifying Expenditures will be renounced in favour of the subscribers of the FT Shares with an effective date no later than December 31, 2021, and in the aggregate amount not less than the total amount of the gross proceeds raised from the issuance of the FT Shares. Upon completion of the Offering, the Company is expected to have 88,134,185 common shares outstanding.

All securities issued under the Offering will be subject to a hold period expiring four months and one day from the date of issuance, being November 28, 2021.

Certain directors and officers of the Company subscribed for an aggregate 46,500 FT Shares under the Offering on the same terms as arm's length investors. The participation of the directors and officers in the Offering constitutes a "related party transaction" for the purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Offering in reliance on sections 5.5(a) and 5.7(1)(a) of MI 61-101, as neither the fair market value of the securities issued to the directors and officers nor the fair market value of the consideration for the securities issued to the directors and officers exceeds 25% of the Company's market capitalization as calculated in accordance with MI 61-101. The Company did not file a material change report containing all of the disclosure required by MI 61-101 more than 21 days before the expected closing date of the Offering as the aforementioned insider participation had not been confirmed at that time and the Company wished to close the Offering as expeditiously as possible.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities 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 state securities laws and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or

an exemption from such registration is available.

About Canada Nickel Company

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 applied in multiple jurisdictions to trademark the terms NetZero Nickel™, NetZero Cobalt™, 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.

For further information, please contact:

Mark Selby,
Chair and
CEO Phone:
647-256-
1954
Email: info@canadanickel.com

Cautionary Statement Concerning Forward-Looking Statements

This news release contains “forward-looking information” within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. The information in this news release about the Offering; the use of the proceeds from the Offering; the jurisdictions in which the FT Shares will be offered or sold; the number of FT Shares offered or sold; the size of the Offering; the timing and ability of the Company to close the Offering, if at all; the timing and ability of the Company to satisfy the customary listing conditions of the TSX Venture Exchange, if at all; the timing and ability of the Company to obtain all necessary approvals; the tax treatment of the securities issued under the Offering under the Income Tax Act (Canada) and Taxation Act (Ontario); the timing to renounce all Qualifying Expenditures in favour of the subscribers, if at all; and any other information herein that is not a historical fact may be “forward-looking information”. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking information and are intended to identify forward-looking information. This forward-looking information is based on reasonable assumptions and estimates of management of the Company, at the time it was made, involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, risks relating to the Offering; volatility in the trading price of common shares of the Company; risks relating to the ability of the Company to obtain required approvals, complete definitive documentation and complete the Offering; the ability of the Company to complete further exploration activities, including drilling; property interests; the results of exploration activities; risks relating to mining activities; the global economic climate; metal prices; dilution; environmental risks; changes in the tax and regulatory regime; and community and non-governmental actions. Although the forward-looking information contained in this news release is based upon what management believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders and prospective purchasers that actual results will be consistent with such forward-looking information, as there may be other factors that cause results not to be as anticipated, estimated or intended, and neither the Company nor any other person assumes responsibility for the accuracy and completeness of any such forward-looking

information. The Company does not undertake, and assumes no obligation, to update or revise any such forward-looking statements or forward-looking information contained herein to reflect new events or circumstances, except as may be required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release. No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.