



# CANADA NICKEL COMPANY

## Canada Nickel Announces Upsize of “Bought Deal” Private Placement to \$13 Million of Units and Flow-Through Shares

**TORONTO, September 14, 2020** - Canada Nickel Company Inc. (TSX-V: CNC) (“**Canada Nickel**” or the “**Company**” - <https://www.commodity-tv.com/ondemand/companies/profil/canada-nickel-company-inc/>)) is pleased to announce it has amended its agreement with Echelon Wealth Partners Inc., as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters including Eight Capital and Haywood Securities Inc. (the “**Underwriters**”), to increase the size of the previously announced bought deal offering from approximately \$6.5 million to approximately \$13 million. The Underwriters have agreed to purchase, on a “bought deal” private placement basis, 5,350,000 units of the Company (the “**Units**”) at a price of \$1.50 per Unit (the “**Unit Issue Price**”), for total gross proceeds of \$8,025,000, and 2,950,000 flow-through shares of the Company (the “**FT Shares**”, collectively with the Units, the “**Offered Securities**”) at a price of \$1.70 per FT Share, for total gross proceeds of \$5,015,000 (the “**Offering**”).

Each Unit will consist of one common share (a “**Common Share**”) in the capital of the Company and one-half of one common share purchase warrant (a “**Warrant**”) of the Company. Each Warrant shall be exercisable to acquire one Common Share (a “**Warrant Share**”) at a price per Warrant Share of \$2.10 for a period of 24 months from the closing date of the Offering, subject to an accelerated expiry option whereby the Company can trigger an accelerated 30-day expiry of the Warrants if the closing price of the Company’s Common Shares listed on the TSX-V remain 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 Trigger Date by the issuance of a news release announcing such acceleration, within two trading days of the Acceleration Trigger Date.

The net proceeds from the sale of the Units will be used to fund feasibility study work through 2021 on the Company’s Crawford Nickel-Cobalt Sulphide Project, to accelerate exploration on the Company’s option properties, and for working capital purposes. The gross proceeds received by the Company from the sale of the FT Shares will be used to incur Canadian Exploration Expenses (“**CEE**”) that are “flow-through mining expenditures” (as such terms are defined in the Income Tax Act (Canada)) on the Company’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 FT Shares.

The Offering is expected to close on or about September 30, 2020 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the TSX Venture Exchange and the applicable securities regulatory authorities. The Offered Securities to be issued under the Offering will be subject to a hold period in Canada expiring four months and one day from the closing date of the Offering.

In connection with the Offering, the Underwriters will receive a cash commission of 6.0% of the gross proceeds of the Offering and that number of non-transferable compensation options (the “**Compensation**”

**Options**”) as is equal to 6.0% of the aggregate number of Offered Securities sold under the Offering. Each Compensation Option is exercisable into one Unit of the Company at the Unit Issue Price for a period of 24 months from the closing date of the Offering.

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

### **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 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.

### **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 use of proceeds of the Offering; the timing and ability of the Company, if at all, to obtain final approval of the Offering from the TSX Venture Exchange; the tax treatment of the FT Shares; the timing of the tax renunciation to the subscribers; and statements regarding exploration results and exploration plans. Forward-looking information is necessarily based upon a number of 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 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, and failure to obtain regulatory or shareholder approvals. 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 as a result of new information, future events or otherwise, except as required by law.

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