Canada Nickel Confirms Higher Grade Interval at Reid, Announces Discovery at Sothman

Highlights

- Additional assay results confirm scale of discovery at Reid
- Higher grade interval at Reid – REI22-07 325 metres of 0.29% nickel including 81 metres of 0.35% nickel
- New discovery at Sothman

TORONTO, December 1, 2022 – Canada Nickel Company Inc. ("**Canada Nickel**" or the "**Company**" - https://www.commodity-tv.com/ondemand/companies/profil/canada-nickel-company-inc/) (TSXV: CNC) (OTCQX: CNIKF) today announced positive drilling results from its ongoing regional exploration drilling campaign at its Reid and Sothman properties.

Mark Selby, Chair & CEO of Canada Nickel, "We continue to have excellent success with our regional exploration program. The latest results provide further confirmation of the potential at Reid with a large higher-grade interval in hole REI22-07 and multiple holes well-mineralized across their entire core lengths. Our targeting approach was further confirmed with another bulk tonnage discovery at Sothman with all five holes intersecting mineralization. These latest results continue to reinforce the success of our geophysical targeting approach and increase the probability of success at our other 20-plus properties within the 42 km^2 of geophysical targets. We look forward to drilling our high-grade target at Sothman where historical drilling achieved multiple intervals greater than 1% nickel."

Reid Nickel Property

The Reid Property is located just 16 km southwest of Crawford, or 37 km northwest of Timmins, and contains an ultramafic body with a target geophysical footprint of 3.9 km^2 (see Figure 1). Preliminary assay results from our summer/fall drilling program confirms the presence of mineralized dunite, as well as currently undefined higher-grade sections. Partial assay results confirm expected nickel grades (Table 1). Nickel mineralization in serpentinized dunite was found in all 16 holes drilled to date.

This release provides an update with assays from five more holes to a total of eight holes with complete assays. True widths are unknown at this point. Hole REI22-07 collared near the center of the anomaly in dunite containing a series of late dykes and remained in a strongly serpentinized, moderate to strongly mineralized dunite to the end of the hole. The hole averaged 0.29% nickel over 325.5 metres, including a wide higher-grade section with 0.35% nickel over 81.5 metres. The hole then continued through mineralized dunite that averaged 0.27% nickel over the last 132 metres of the hole.

REI22-03 collared in dunite on the east flank of the anomaly and was drilled to the west. The hole intersected 358.4 metres of dunite and finished in dunite, interrupted by a late dyke in the center. The hole shows moderate to strong serpentinization and visible pentlandite-heazlewoodite mineralization averaging 0.24% nickel over 223.1 metres.

REI22-04 collared in peridotite on the east flank of the anomaly 500 metres north of REI22-03, drilling to the northeast. The hole intersected peridotite, followed by dunite only interrupted by minor dykes. The hole averaged 0.19% nickel over 269.8 metres and 0.21% nickel over 79 metres.

REI22-05 collared in dunite and remained in dunite to the end of hole, only interrupted by a small late dyke. The hole was collared near the center of the anomaly and drilled to the west. The hole was strongly serpentinized throughout and averaged 0.24% nickel over 409.5 metres including 0.26% nickel over 55.5 metres.

REI22-08 collared in dunite on the same setup as REI22-03 but drilling to the northwest. The hole remained in dunite to the end of the hole, encountering minor peridotite sections. The hole averaged 0.24% nickel over 372.8 metres, including 0.26% nickel over 63 metres.

Results from the remaining eight holes are still pending, but with the encouraging results as provided in this release, Canada Nickel plans to resume drilling in 2023. The south limb of the anomaly remains to be drilled.

Figure 1 – Plan View of Reid – Drill results Overlain on Total Magnetic Intensity

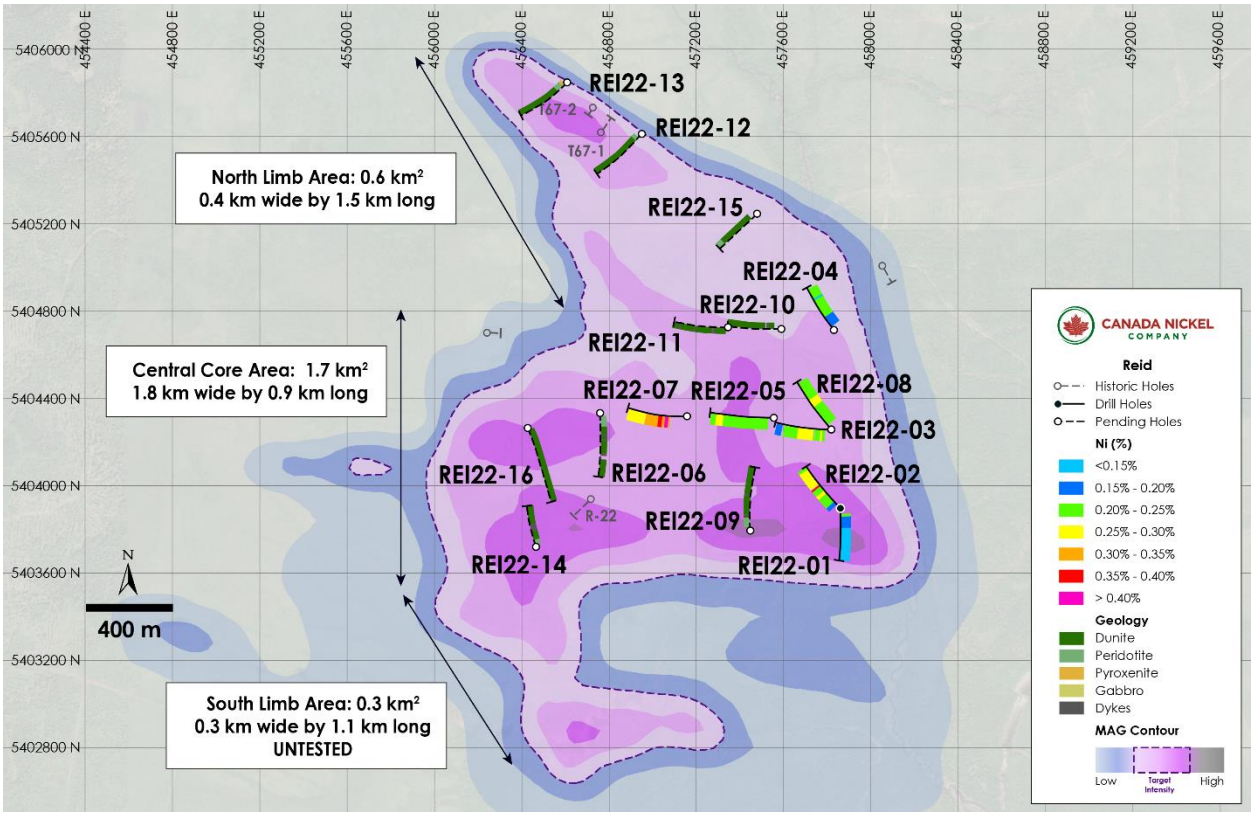


Table 1: Reid exploration drilling results

Hole ID	From (m)	To (m)	Length (m)	Ni (%)	Co (%)	Pd (g/t)	Pt (g/t)	Cr (%)	Fe (%)	S (%)
REI22-03	58.6	354.0	295.4	0.24	0.01	0.003	0.003	0.80	5.51	0.04
including	140.8	259.5	118.7	0.25	0.01	0.003	0.003	0.84	5.34	0.04
REI22-04	48.5	318.3	269.8	0.19	0.01	0.005	0.007	0.61	6.31	0.08
and	338.0	417.0	79.0	0.21	0.01	0.010	0.007	0.57	6.30	0.11
REI22-05	52.5	462.0	409.5	0.24	0.01	0.004	0.005	0.76	5.63	0.06
including	380.5	436.0	55.5	0.26	0.01	0.007	0.005	0.82	4.90	0.09
REI22-07	136.5	462.0	325.5	0.29	0.01	0.028	0.010	0.75	5.38	0.08
including	147.0	228.5	81.5	0.35	0.01	0.050	0.015	0.74	5.40	0.10
REI22-08	57.2	430.0	372.8	0.24	0.01	0.004	0.006	0.85	6.11	0.08
including	229.0	292.0	63.0	0.26	0.01	0.003	0.005	0.94	5.59	0.07

Sothman Nickel Property

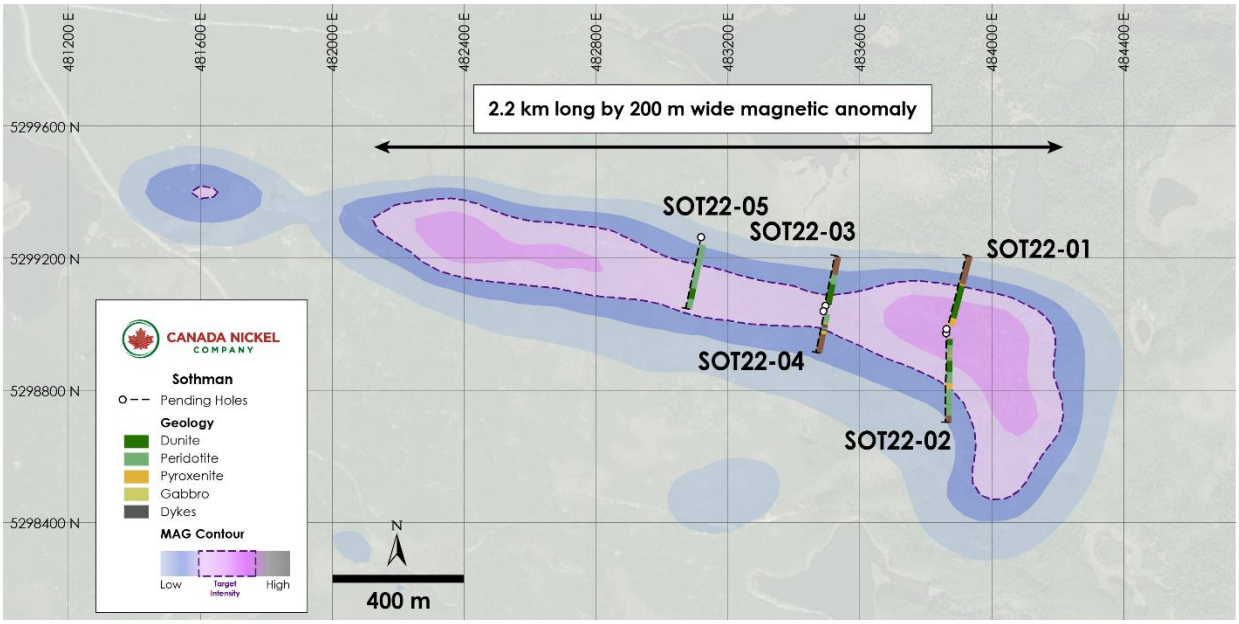
The Sothman property is located 70 km south of Timmins and contains an ultramafic target that measures 2.2 km east-west by 200 metres north-south (Figure 2).

Five drillholes were drilled on the eastern half of the target anomaly (SOT22-01 to SOT22-05). These holes succeeded in confirming the continuation of ultramafic lithologies, primarily peridotite, with moderate to strong serpentinization and variable amounts of mineralization throughout (see Table 2). Assays from all holes are pending.

Table 2: Sothman Selected lithology intervals

Hole #	From	To	length	Rock Type
SOT22-01	39.7	77.0	37.3	Pyroxenite
	77.0	234.7	157.7	Dunite
SOT22-02	48.3	77.0	33.3	Dunite
	77.0	149.0	72.0	Peridotite
	149.0	201.5	52.5	Dunite
	201.5	266.0	64.5	Peridotite
SOT22-03	39.5	143.0	103.5	Dunite
	143.0	184.9	41.9	Peridotite
SOT22-03	39.5	143.0	103.5	Dunite
	143.0	184.9	41.9	Peridotite
SOT22-04	40.0	90.0	50.0	Peridotite
	117.0	125.0	8.0	Peridotite
SOT22-05	38.0	245.0	207.0	Peridotite
	245.0	315.5	70.5	Dunite
	315.5	353.0	37.5	Peridotite

Figure 2 – Plan View of Sothman – Drill results Overlain on Total Magnetic Intensity



Assays, Quality Assurance/Quality Control and Drilling and Assay

Edwin Escarraga, MSc, P.Geo., a "qualified person" as defined by National Instrument 43-101, is responsible for the on-going drilling and sampling program, including quality assurance (QA) and quality control (QC). The core is collected from the drill in sealed core trays and transported to the core logging facility. The core is marked and sampled at 1.5 metre lengths and cut with a diamond blade saw. One set of samples is transported in secured bags directly from the Canada Nickel core shack to Actlabs Timmins, while a second set of samples is securely shipped to SGS Lakefield for preparation, with analysis performed at SGS Burnaby or SGS Callao (Peru). All are ISO/IEC 17025 accredited labs. Analysis for precious metals (gold, platinum and palladium) are completed by Fire Assay while analysis for nickel, cobalt, sulphur and other elements are performed using a peroxide fusion and ICP-OES analysis. Certified standards and blanks are inserted at a rate of 3 QA/QC samples per 20 core samples making a batch of 60 samples that are submitted for analysis.

Qualified Person and Data Verification

Stephen J. Balch P.Geo. (ON), VP Exploration of Canada Nickel and a "qualified person" as is defined by National Instrument 43-101, has verified the data disclosed in this news release, and has otherwise reviewed and approved the technical information in this news release on behalf of Canada Nickel Company Inc.

The magnetic images shown in this press release were created from Canada Nickel's interpretation of datasets provided by the Ontario Geological Survey.

About Canada Nickel Company

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 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 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 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 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, 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.