Canada Nickel Announces New Discovery at Mann Northwest Property, Provides Update on Regional Drilling at Midlothian and Sothman

Highlights

- First four holes at Mann Northwest intersected multi-hundred metre intervals of mineralized peridotite and dunite
- Long, shallow mineralized intervals reported at both Sothman and Midlothian
  - Midlothian returned 343 metres of 0.28% nickel starting at 2 metres
  - Sothman returned 319 metres of 0.29% nickel starting at 15 metres in East Zone
- High-grade mineralization confirmed at Sothman within larger mineralized intervals
  - 1.28% nickel over core length of 5.3 metres from 58.7 metres, within 192 metres of 0.31% nickel in West Zone

TORONTO, May 24, 2023 – 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 released assay results from its 100% owned Sothman Property located 70 kilometres south of Timmins, Ontario, its optioned Midlothian Property and initial drilling results from the first 4 holes at its optioned Mann Northwest property.

Mark Selby, CEO of Canada Nickel commented "Our regional exploration program successfully continues to deliver positive results, as we add Mann Northwest to the string of successes at Reid, Deloro, Sothman, Texmont and Midlothian. We are very encouraged by the first assay results from Midlothian, which delivered above average nickel grades of 0.28% across the entire core length and our drilling at Sothman has confirmed the historical higher-grade results within a much larger mineralized envelope in Sothman West and a large bulk tonnage target at Sothman East. We look forward to releasing our latest results from our Texmont property shortly."

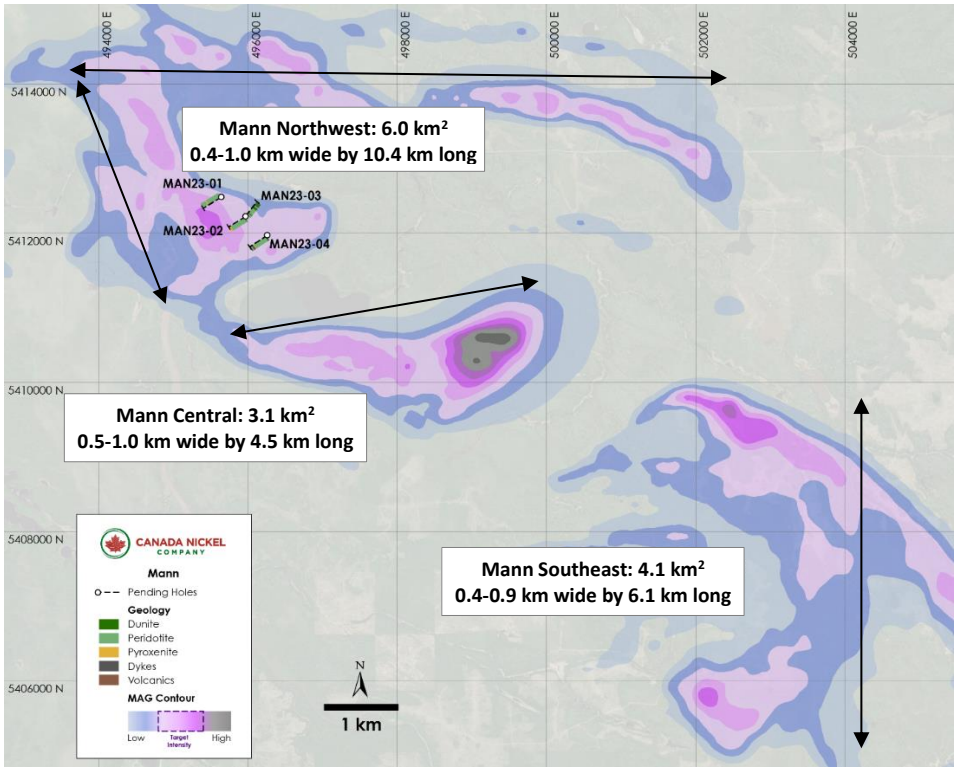
Mann Northwest Property

The Mann property is located 22 kilometres east of Crawford and 45 kilometres northeast of Timmins. The property consists of at least three main ultramafic targets like that at Crawford –Mann Northwest with a target footprint of 6.0 km^2, Mann Central with a target footprint of 3.1 km^2, and Mann Southeast with a target footprint of 4.1 km^2 - compared to Crawford target footprint of 1.6 km^2 (see Figure 1).

Drilling started in the Northwest zone, with the first four drillholes intersecting very strongly serpentinized peridotite and minor dunite. These first four holes delineated mineralization along 800 metres of strike length and a width of at least 500 metres within a total target length of 10.4 kilometres. Mann Northwest remains open in all directions. Mineralogy and assays are pending. All four holes collared in dunite/peridotite with lesser intersections of pyroxenite and some minor dykes (Figure 1). All holes show

strong serpentinization, and fine-grained mineralization throughout.

Figure 1. Plan View of Mann zones with ongoing drilling in Northwest area.



Midlothian Property

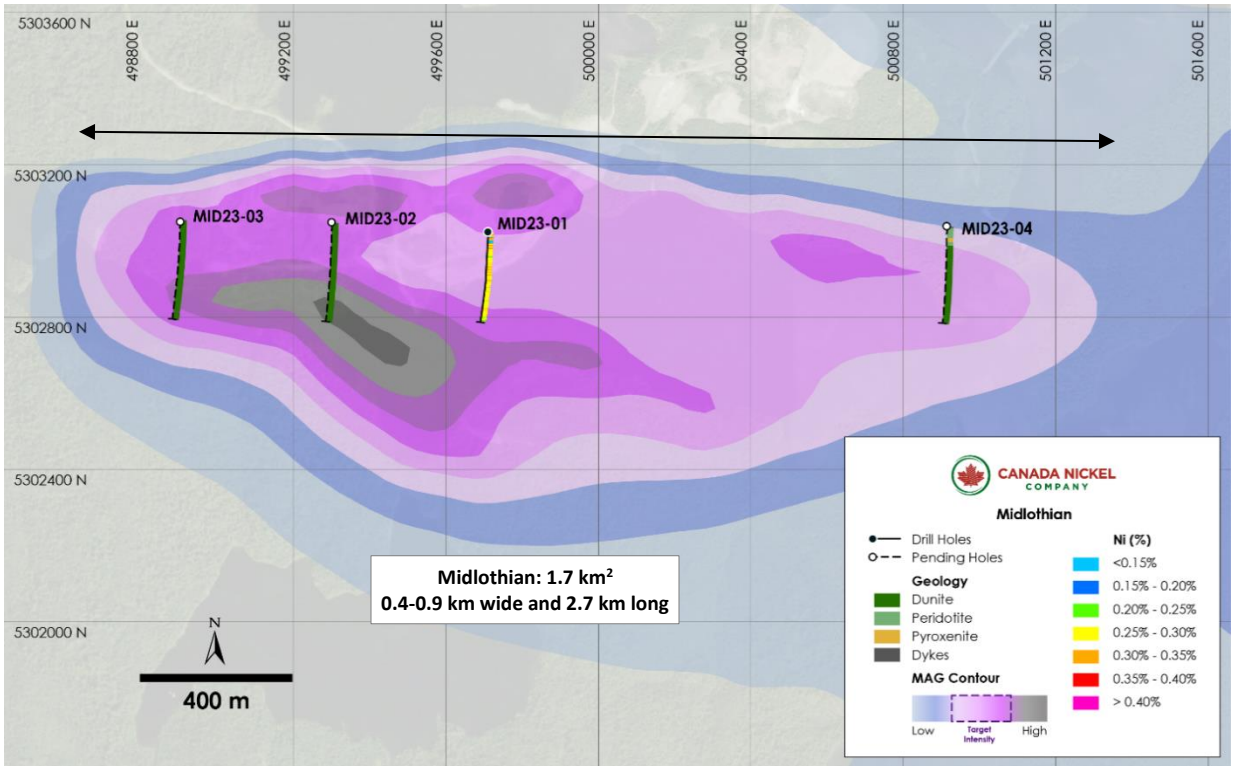
Canada Nickel has an option to acquire the Midlothian property from Canadian Gold Miner. The property is located 70 kilometres south-southeast of Timmins, 25 kilometres west of Matachewan and is directly accessible by road.

Four drillholes were completed during the winter of 2023. Hole MID23-01, which entered mineralized dunite after 2 metres of overburden, intersected 0.28% nickel over 343 metres with the hole ending in mineralized dunite (see Table 1 and Figure 2). The first two holes (MID23-01 and MID23-02) were sent for QEMSCAN that showed awaruite to be the dominant nickel-bearing mineral (April 13, 2023, release). Assays for the remaining holes are pending.

Table 1: Midlothian drilling downhole composite

Hole ID	From (m)	To (m)	Length (m)	Ni (%)	Co (%)	Pd (g/t)	Pt (g/t)	Cr (%)	Fe (%)	S (%)
MID23-01	1.5	345.0	343.5	0.28	0.01	0.003	0.003	0.16	4.55	0.02

Figure 2. Plan View of Midlothian drilling with assay results for MID23-01.



Sothman Property

The Sothman property consists of 50 mining leases acquired from Glencore Canada Corporation ("Glencore") in 2021 and totaling 1,000 hectares. Canada Nickel has a 100% interest in the patents subject to certain royalty and offtake provisions with Glencore. The property has a high-grade West Zone and a large tonnage, low-grade East Zone, both road-accessible by an all-year road (Figure 3). A power line corridor is located less than 6 kilometres east of the property.

Sothman West Zone

Drilling in the West Zone targeted high-grade nickel with ten of eleven holes intersecting mineralization. The best intersections (Table 2) occurred in SOT22-09 which encountered 1.28% nickel over 5.3 metres within 192.3 metres of 0.31% nickel and SOT22-08 which encountered 0.99% nickel over 10.5 metres within 77.7 metres of 0.37% nickel.

The West Zone is mineralized along a strike length of approximately 300 metres, a width of 100-120 metres and remains open at depth. There is a shallow historical resource of approximately 190,000 tons of 1.24% nickel[1]).

[1] The Sothman historical resource estimate is unclassified and does not comply with CIM Definition Standards on Mineral Resources and Mineral Reserves as required by NI 43-101. The historical resource was reported by D. R. Bell for Sothman Mines Limited on Oct. 1, 1969, as 189,753 tons of 1.24% nickel using a 1.00% nickel cut-off. The reliability of these historical resources

Fig 3. Sothman 2022 drilling with assays

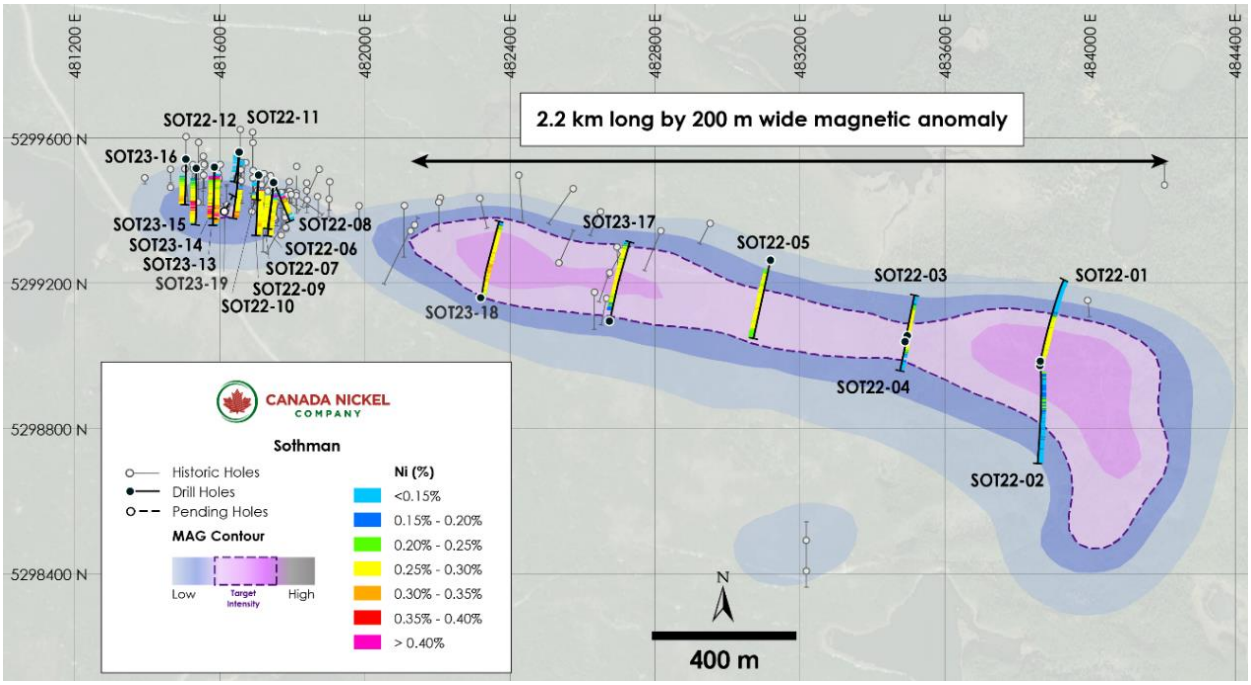
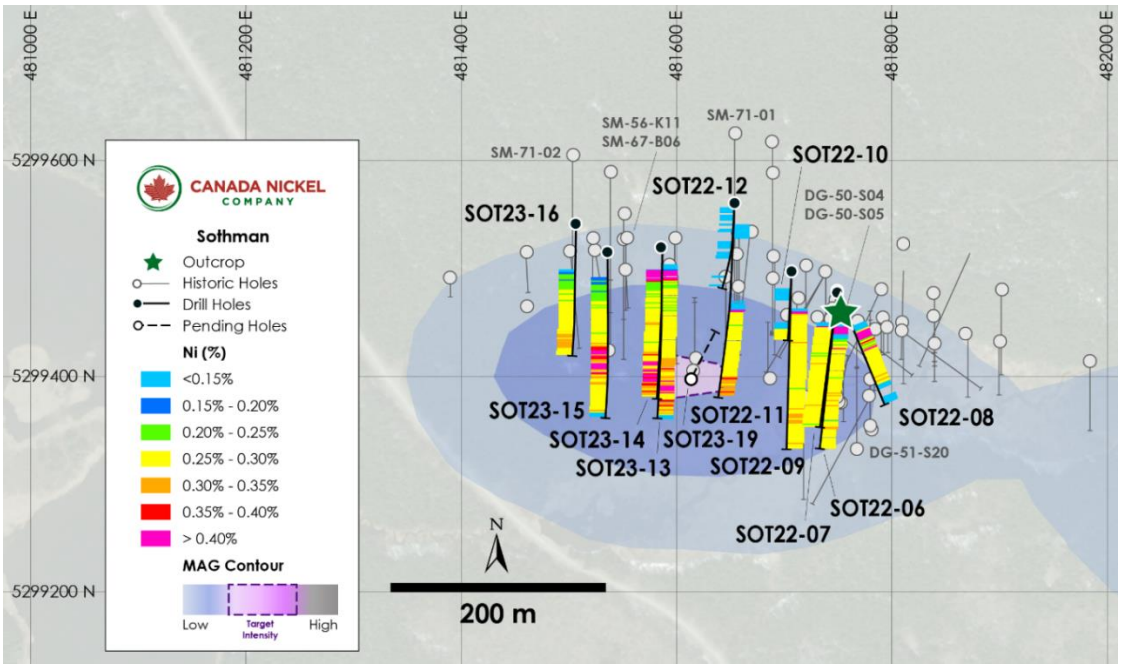


Fig 4. Sothman 2022 West zone, drilling with assays



is considered reasonable, but a qualified person has not done sufficient work to classify the historical resource estimate as a current mineral resource and the Company is not treating the historical resource estimate as a current resource.

Sothman East Zone

Seven drillholes were drilled within the East Zone, a large, highly serpentinized, ultramafic sill composed mostly of peridotite and dunite and delineated mineralization across 1.6 kilometres length and ranging in width between 160 and 300 metres open at depth. The magnetic anomaly measures 2.2 kilometres along strike.

All seven holes intersected mineralized peridotite and dunite (see Table 3). SOT23-18 intersected 319.3 metres of mineralized peridotite at 0.29% nickel starting at 15 metres downhole. Six of the seven holes had mineralized intervals over 140 metres. SOT22-02 intersected 31.5 metres of 0.62 g/t Pt+Pd hosted in a Pyroxenite-Peridotite transitional contact.

Table 2: Sothman drilling, Higher Grade Nickel and PGM intersects of assays.

Hole ID	From (m)	To (m)	Length (m)	Ni (%)	Pt+Pd (g/t)	Pd (g/t)	Pt (g/t)	Co (%)	S (%)
West Zone									
SOT22-06	42.5	53.5	11.0	**0.55**	**0.149**	0.102	0.047	0.02	1.37
SOT22-08	*57.5*	*68.0*	*10.5*	**0.99**	**0.225**	0.154	0.070	0.03	2.64
SOT22-09	58.7	64.0	5.3	**1.28**	**0.406**	0.297	0.109	0.03	3.11
SOT22-11	139.4	141.9	2.5	**0.71**	**0.177**	0.125	0.052	0.02	0.68
SOT23-13	*30.5*	*41.0*	*10.5*	**0.87**	**0.243**	0.173	0.070	0.02	2.73
SOT23-14	43.7	59.0	15.3	**0.69**	**0.176**	0.128	0.048	0.02	1.68
SOT23-15	*141.5*	*183.5*	*42.0*	**0.42**	**0.084**	0.054	0.030	0.01	0.15
SOT23-19	98.0	107.0	9.0	**0.60**	**0.352**	0.204	0.148	0.01	0.26
East Zone									
SOT22-02	107.0	138.5	31.5	0.15	**0.626**	0.368	0.258	0.01	0.04

Table 3: Sothman drilling downhole composites

Hole ID	From (m)	To (m)	Length (m)	Ni (%)	Co (%)	Pd (g/t)	Pt (g/t)	Cr (%)	Fe (%)	S (%)
WEST ZONE										
SOT22-06	39.5	200.0	160.5	0.29	0.01	0.010	0.009	0.17	5.46	0.15
SOT22-07	64.1	251.0	186.9	0.27	0.01	0.005	0.006	0.15	5.04	0.06
SOT22-08	51.7	129.4	77.7	0.37	0.01	0.031	0.020	0.21	6.55	0.50
SOT22-09	58.7	251.0	192.3	0.31	0.01	0.011	0.011	0.16	5.44	0.14
SOT22-10	151.0	179.0	28.0	0.27	0.01	0.004	0.009	0.18	6.02	0.03
SOT22-11	139.4	251.0	111.6	0.29	0.01	0.012	0.013	0.14	5.43	0.05
SOT23-13	26.5	219.5	193.0	0.33	0.01	0.023	0.015	0.15	5.50	0.29
SOT23-14	43.7	266.0	222.3	0.33	0.01	0.030	0.016	0.15	5.75	0.21
SOT23-15	37.5	243.9	206.4	0.30	0.01	0.016	0.013	0.15	5.39	0.09

SOT23-16	89.0	239.0	150.0	0.27	0.01	0.005	0.008	0.14	5.56	0.06
SOT23-19	26.0	245.0	219.0	0.28	0.01	0.014	0.013	0.17	5.44	0.08
EAST ZONE										
SOT22-01	39.7	234.7	195.0	0.26	0.01	0.003	0.003	0.22	5.43	0.03
SOT22-02	43.7	260.0	216.3	0.17	0.01	0.073	0.067	0.42	7.72	0.07
SOT22-03	39.5	184.9	145.4	0.25	0.01	0.003	0.005	0.16	5.62	0.02
SOT22-04	39.7	89.8	50.1	0.23	0.01	0.006	0.006	0.48	6.30	0.02
SOT22-05	38.0	353.0	315.0	0.26	0.01	0.003	0.004	0.20	5.42	0.01
SOT23-17	67.4	344.9	277.5	0.26	0.01	0.003	0.006	0.19	5.46	0.04
SOT23-18	14.7	334.0	319.3	0.29	0.01	0.003	0.005	0.16	5.17	0.04

Table 4: Drillhole Orientation

Hole ID	Zone	Easting (mE)	Northing (mN)	Azimuth (°)	Dip (°)	Length (m)
SOT22-01	Sothman East	483862	5298973	10	-50	377
SOT22-02	Sothman East	483863	5298985	195	-50	431
SOT22-03	Sothman East	483490	5299040	10	-50	281
SOT22-04	Sothman East	483495	5299055	190	-50	245
SOT22-05	Sothman East	483119	5299264	190	-50	353
SOT22-06	Sothman West	481748	5299478	183	-45	200
SOT22-07	Sothman West	481748	5299479	183	-60	251
SOT22-08	Sothman West	481748	5299478	150	-45	170
SOT22-09	Sothman West	481706	5299498	180	-50	251
SOT22-10	Sothman West	481706	5299498	180	-70	179
SOT22-11	Sothman West	481653	5299561	180	-45	251
SOT22-12	Sothman West	481653	5299561	180	-80	455
SOT23-13	Sothman West	481585	5299520	180	-45	281
SOT23-14	Sothman West	481585	5299520	180	-62	266
SOT23-15	Sothman West	481535	5299516	180	-50	287
SOT23-16	Sothman West	481506	5299542	180	-60	239
SOT23-17	Sothman East	482675	5299095	10	-50	381
SOT23-18	Sothman East	482320	5299160	10	-50	345
SOT23-19	Sothman West	481613	5299398	25	-78	245
MID23-01	Midlothian	499710	5303026	180	-50	345
MID23-02	Midlothian	499299	5303052	180	-50	401
MID23-03	Midlothian	498902	5303053	180	-50	401
MID23-04	Midlothian	500915	5303042	180	-50	401
MAN23-01	Mann NW	495641	5412486	235	-50	432
MAN23-02	Mann NW	495967	5412226	235	-50	402
MAN23-03	Mann NW	495967	5412226	35	-50	402
MAN23-04	Mann NW	496257	5411972	235	-50	402

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, exploration results and development of processes to allow the production of net zero carbon nickel, the carbon capture approach could allow production of Net Zero nickel and generation of an additional tonnes of CO2 credits per tonne of nickel produced after offsetting all emissions, the potential to turn nickel mine into a generator of carbon credits rather than generator of carbon emissions, the production of estimated average of 710,000 tonnes of carbon credits annually and 18 million total tonnes of CO2 of credits over expected life of mine at Crawford, the ability to monetize carbon credits, the ability to quantify carbon capture, emission estimates, the brucite content of the deposit, the scalability of the process, the metallurgical results, the timing and results of the feasibility study including the viability of the inclusion of the IPT Carbonation Process and related facilities as part of the project, 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, 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, 5 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 forwardlooking 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. 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 applicable laws; 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.

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