Canada Nickel Announces Initial Resource at Reid Nickel Sulphide Project

Highlights:

- Initial Reid Indicated Resource of 0.59 billion tonnes grading 0.24% nickel containing 1.4 million tonnes of nickel, an Inferred Resource of 0.99 billion tonnes grading 0.23% nickel containing 2.2 million tonnes of nickel. Exploration Target[1] potential of an additional 0.9-2.1 billion tonnes grading 0.20-0.22% nickel
- Reid is the second of seven new nickel resources expected to be published by mid-2025 demonstrating the potential scale of the Timmins Nickel District
- 2024 drilling program across the Timmins Nickel District completed over 119,000 metres across fourteen properties

TORONTO, December 23, 2024 - Canada Nickel Company Inc. ("**Canada Nickel**" or the "**Company**") (TSX-V:CNC) (OTCQB: CNIKF) today announced an initial mineral resource (the "Mineral Resource Estimate") for its 100% owned Reid Nickel Sulphide Project ("Reid") near Timmins, Ontario.

The Reid Nickel Sulphide Project is located just 16 kilometres southwest of the Company's Crawford Nickel Sulphide Project ("Crawford") and is more than twice the size of Crawford based on the outline of its geophysical target of 3.9 square kilometres. The area of the geophysical target covered by the Reid resource represents approximately 55% of the total target area. The Reid project is now accessible year-round by an exploration road constructed by Canada Nickel during the fall of 2024.

Mark Selby, CEO of Canada Nickel said, "The size and scale of the Reid resource, which is significantly larger than the initial Crawford resource, validates our belief in the potential of the Timmins Nickel District. Reid's target footprint is more than twice the size of our initial Crawford project and is only the second of seven new mineral resources we expect to announce by mid-2025. We look forward to continuing to demonstrate the potential of this world class district."

Reid Mineral Resource Estimate

For the initial Mineral Resource Estimate, a total of 26,508 metres of core drilling in 55 drill holes were utilized to calculate the Reid Resources in two categories as provided in Table 1. Indicated Resources totalled 0.59 billion tonnes grading 0.24% nickel, for a total of 1.4 million tonnes of contained nickel and Inferred Resources totalled 0.99 billion tonnes grading 0.23% nickel, for a total of 2.2 million tonnes of contained nickel. The approximate dimensions of the resource are 2.2 kilometres long, 900 metres wide, extending to 700 metres deep and remaining open in multiple directions. An additional 0.9 - 2.1 billion tonnes grading between 0.20 and 0.22% nickel remain as a potential Exploration Target pending further drilling. This Exploration Target is based on core drilling by the

[1]the potential quantity and grade is conceptual in nature; there has been insufficient exploration to define a mineral resource; it is uncertain if further exploration will result in the target being delineated as a mineral resource (also see below).

Company and geophysical survey on the Project. The Exploration Target potential was derived by modelling the identified nickel sulphide mineralization within the current estimation envelope but outside of the current Mineral Resource Estimate area.

The volume of the modelled Exploration Target area determines the potential tonnage statement in the Exploration Target. The grade range given in the Exploration Target is determined with consideration to the drill core results within the modelled Exploration Target area, consideration of the geological setting in a well understood nickel deposit type where grades are observed and well understood and based on the experience of the Company and the Qualified Persons. The potential tonnages and grades are conceptual in nature and are based on drill holes and geophysical results that define the approximate length, thickness, depth and grade of the Exploration Target potential. There has been insufficient exploration to define a current mineral resource and the Company cautions that there is a risk that further exploration will not result in the delineation of a current mineral resource.

Drilling at Reid was completed in 2022 and 2024. The 2024 campaign successfully completed the goal of infilling previous sections to define an initial mineral resource estimate, gain understanding on the geology of the deposit as well as systematically collecting samples for mineralogical analysis that would help define the potential of nickel recovery.

The Reid Mineral Resource Estimate was prepared by Caracle Creek International Consulting Inc. in accordance with CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (2019) and CIM Definition Standards for Mineral Resources & Mineral Reserves (2014). A Technical Report in support of the Mineral Resource Estimate will be filed on SEDAR+ (www.sedarplus.ca) within 45 days of this news release.

Table 1 – Initial Mineral Resource Estimate (in-pit resources) for the Reid Nickel Sulphide Deposit, Ontario

Mineral Resource Estimate										Contained Metal					
Domain	**Class (Category)**	**Tonnes (Mt)**	**Ni (%)**	**Co (%)**	**Fe (%)**	**Cr (%)**	**S (%)**	**Pd (g/t)**	**Pt (g/t)**	**Ni (kt)**	**Co (kt)**	**Fe (Mt)**	**Cr (kt)**	**Pd (koz)**	**Pt (koz)**
Higher Grade	Indicated	525.6	0.25	0.012	6.0	0.71	0.048	0.010	0.007	1,294	63.7	31.7	3,742	167.0	120.2
	Inferred	754.0	0.24	0.012	6.1	0.71	0.050	0.009	0.007	1,792	92.0	46.3	5,337	227.3	182.7
Lower Grade	Indicated	70.2	0.19	0.013	7.3	0.60	0.045	0.014	0.011	135	9.1	5.1	418	30.7	24.0
	Inferred	233.4	0.19	0.013	7.2	0.59	0.049	0.012	0.010	443	29.9	16.9	1,368	93.0	76.9
Total	**Indicated**	**595.7**	**0.24**	**0.012**	**6.2**	**0.70**	**0.048**	**0.010**	**0.007**	**1,430**	**72.9**	**36.8**	**4,161**	**197.7**	**144.3**
	Inferred	**987.4**	**0.23**	**0.012**	**6.4**	**0.68**	**0.050**	**0.010**	**0.008**	**2,235**	**121.9**	**63.1**	**6,705**	**320.3**	**259.6**

**Totals may not add due to rounding.*

[1]the potential quantity and grade is conceptual in nature; there has been insufficient exploration to define a mineral resource; it is uncertain if further exploration will result in the target being delineated as a mineral resource (also see below).

1. *The independent Qualified Person for the Mineral Resource Estimate ("MRE"), as defined by NI 43-101, is Dr. Scott Jobin-Bevans (P.Geo., PGO #0183), of Caracle Creek International Consulting Inc. The effective date of the Mineral Resource Estimate is December 5, 2024.*
2. *The quantity and grade of reported Inferred Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.*
3. *A cut-off grade of 0.10% Ni was used to define potentially economic material for inclusion within the MRE. Cut-offs were determined on the based on core assay geostatistics and drill core lithologies for the deposit, and by comparison to analogous nickel deposit types.*
4. *Geological and block models for the MRE used data from a total of 55 surface drill holes, completed by Canada Nickel in 2022 and 2024. The drill hole database was validated prior to resource estimation and QA/QC checks were made using industry-standard control charts for blanks, core duplicates and commercial certified reference material inserted into assay batches by Canada Nickel and by comparison of umpire assays performed at a second laboratory.*
5. *Estimates have been rounded to two significant figures.*
6. *The MRE was prepared following the CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines (November 29, 2019) and the CIM Definition Standards for Mineral Resources & Mineral Reserves (May 19, 2014).*
7. *The geological model as applied to the MRE comprises two mineralized domains hosted by variably serpentinized ultramafic rocks: a relatively higher-grade core (dunite) and a lower grade (transitional dunite). Individual wireframes were created for each domain in Leapfrog Geo 2024.1 software.*
8. *A 20 m x 20 m x 15 m block model was created, and samples were composited at 7.5 m intervals. Grade estimation from drill hole data was carried out for Ni, Co, Fe, Cr, S, Pd and Pt using the Ordinary Kriging interpolation method in Isatis 2024.04 software.*
9. *The MRE has been constrained by a conceptual pit envelope that was developed using the following optimization parameters. Metal prices used were US$21,000/t nickel, US$40,000/t cobalt, US$325/t iron, US$3,860/t chromium, US$1,350/oz palladium, and US$1,150/oz platinum. Different pit slopes were used for each layer (in degrees): 9.5 in overburden, and 45.0 in rock. Exchange rate utilized was US$/C$ at $0.76. Mining costs utilized different values for overburden (clay, gravel), and rock mining, ranging from C$1.59 to C$3.38/t mined. Processing costs and general and administration costs for a 120 ktpd operation (similar to the ultimate scope of Crawford) were C$7.65/t. Based on the range of grade and ratio of sulphur to nickel, calculated recovery averages 49% for Ni, 11% for Co, 57% for Fe, 30% for Cr and 32% for Pt and Pd.*
10. *Grade estimation was validated by comparison of input and output statistics (Nearest Neighbour and Inverse Distance Squared methods), swath plot analysis, cross-plots of declustered samples against the nearest OK estimate, and by visual inspection of the assay data, block model, and grade shells in cross-sections.*
11. *Density estimation was carried out for the mineralized domains using the Ordinary Kriging interpolation method, based on 3,189 specific gravity measurements collected during the core logging process, using the same block model parameters of the grade estimation. As a reference, the average estimated density value within dunite is 2.65 g/cm^3 (t/m^3), while the transitional dunite domain yielded an average of 2.69 g/cm^3 (t/m^3).*

Figure 1 – Plan View of Reid Nickel Sulphide Resources, Reid Nickel Sulphide Project, Ontario.

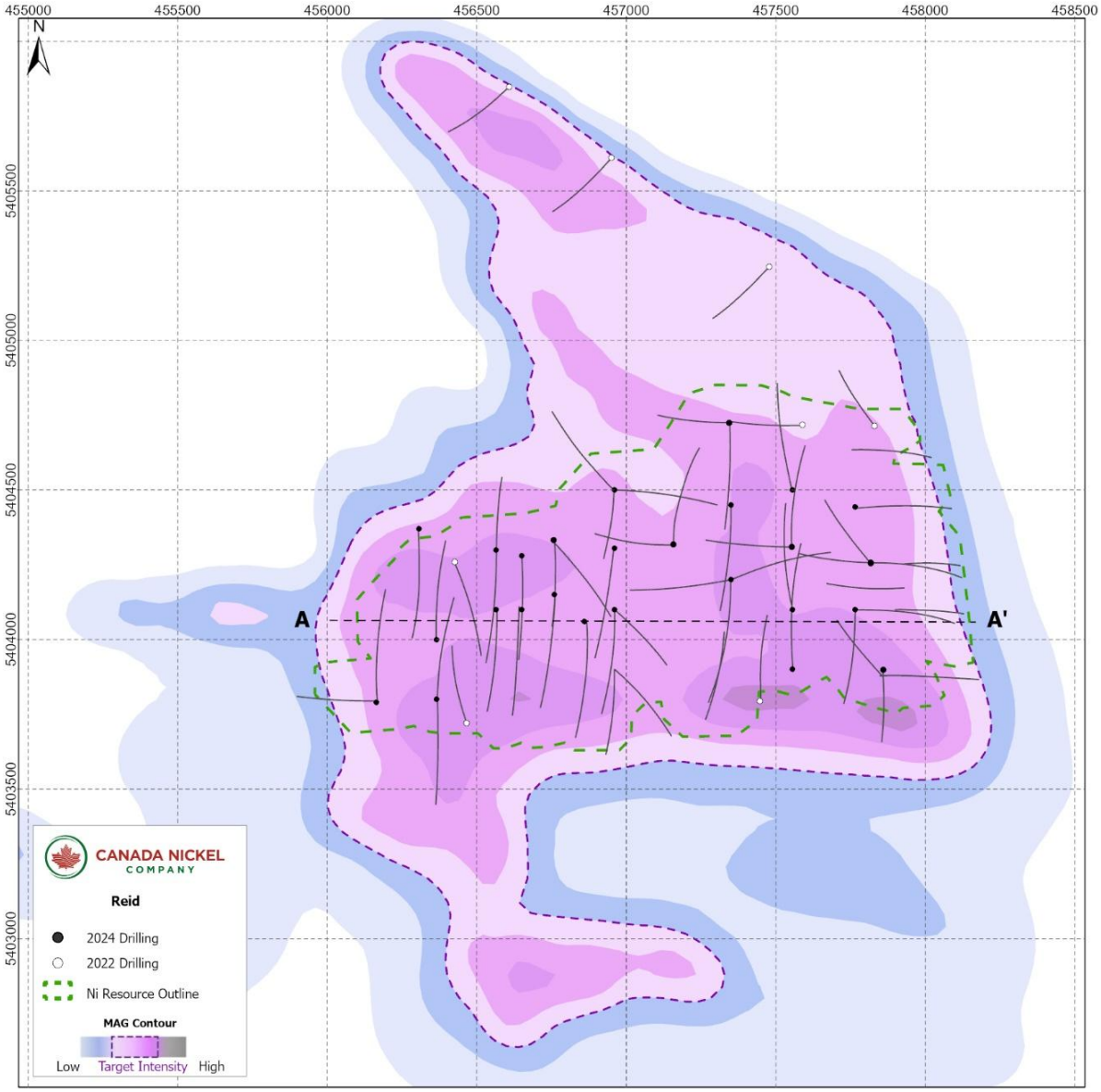
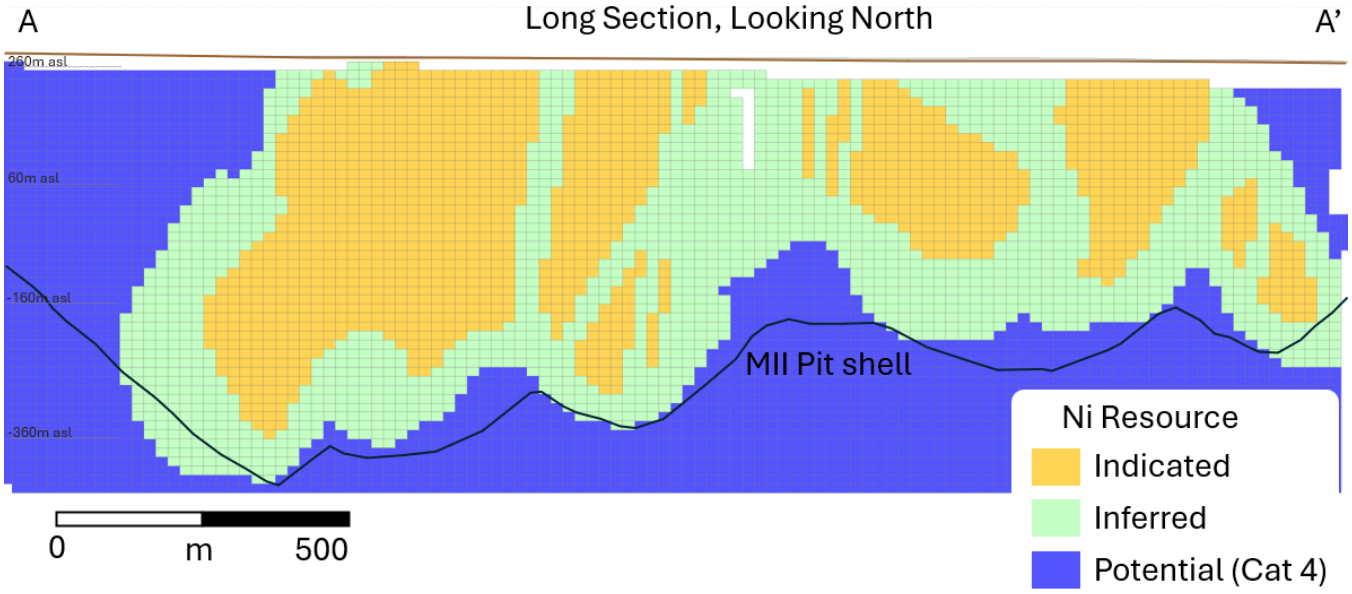


Figure 2 – Reid Nickel Sulphide Project Long-Section (Looking North) of Resource Categories and Nickel Grade (Potential = Exploration Target)



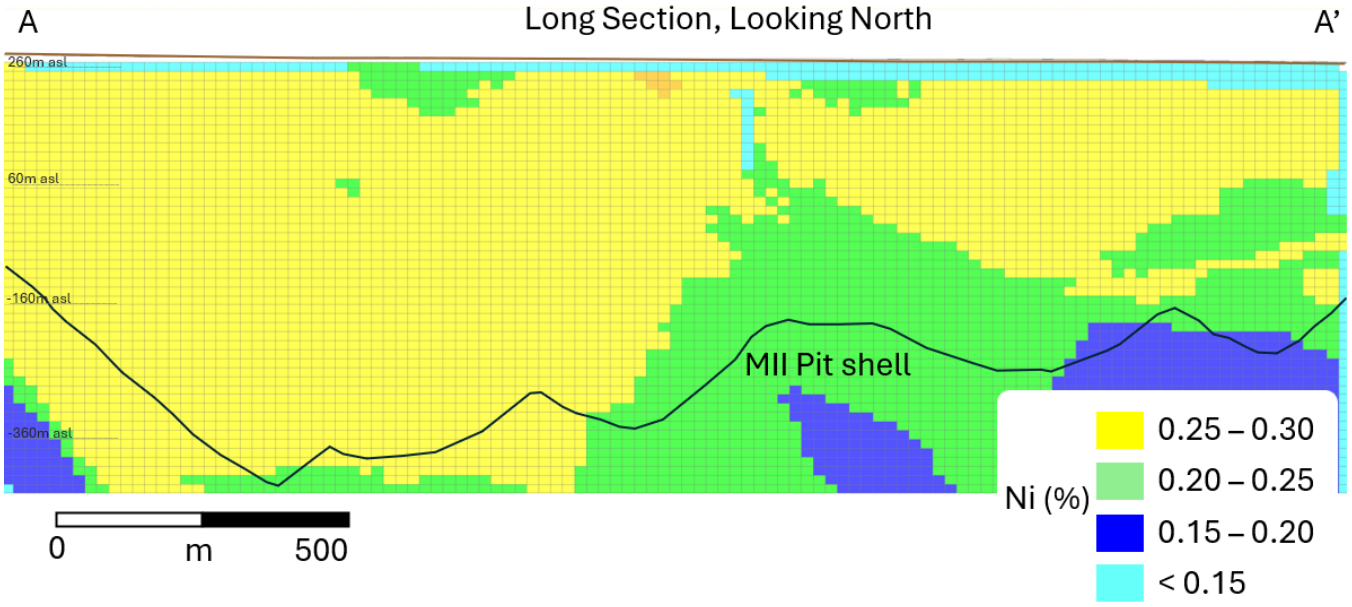
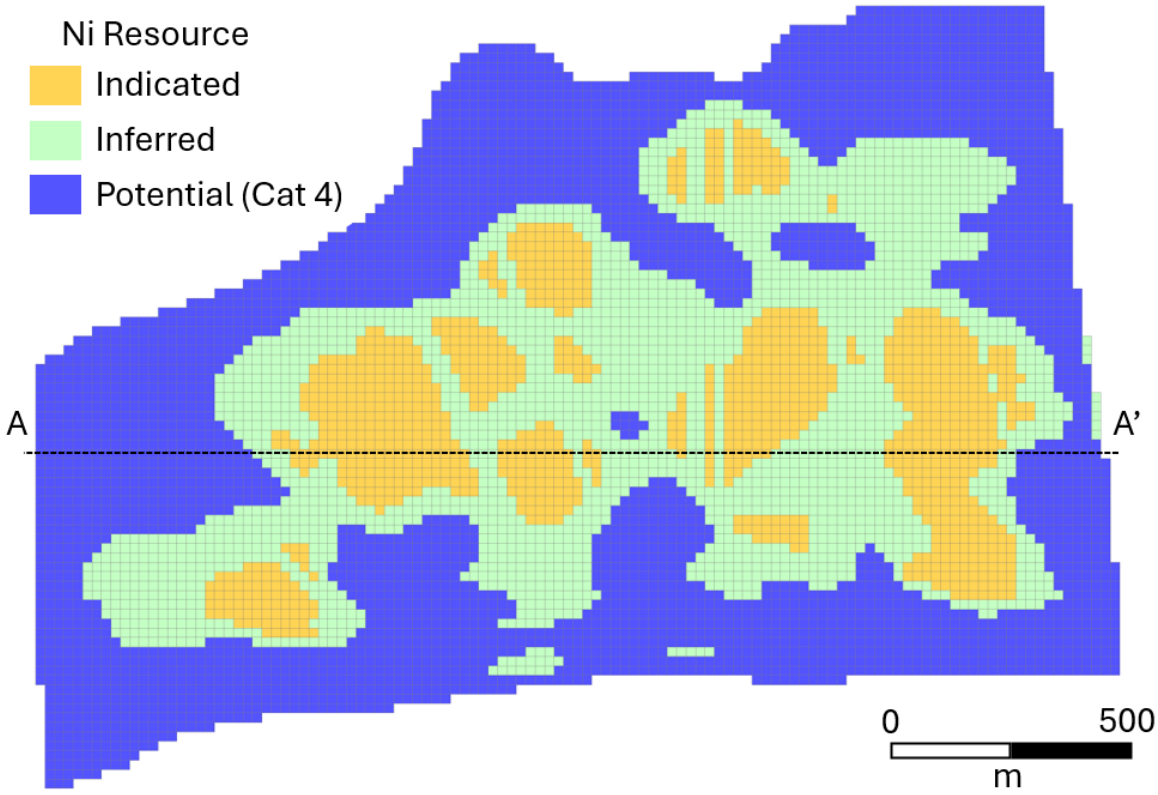
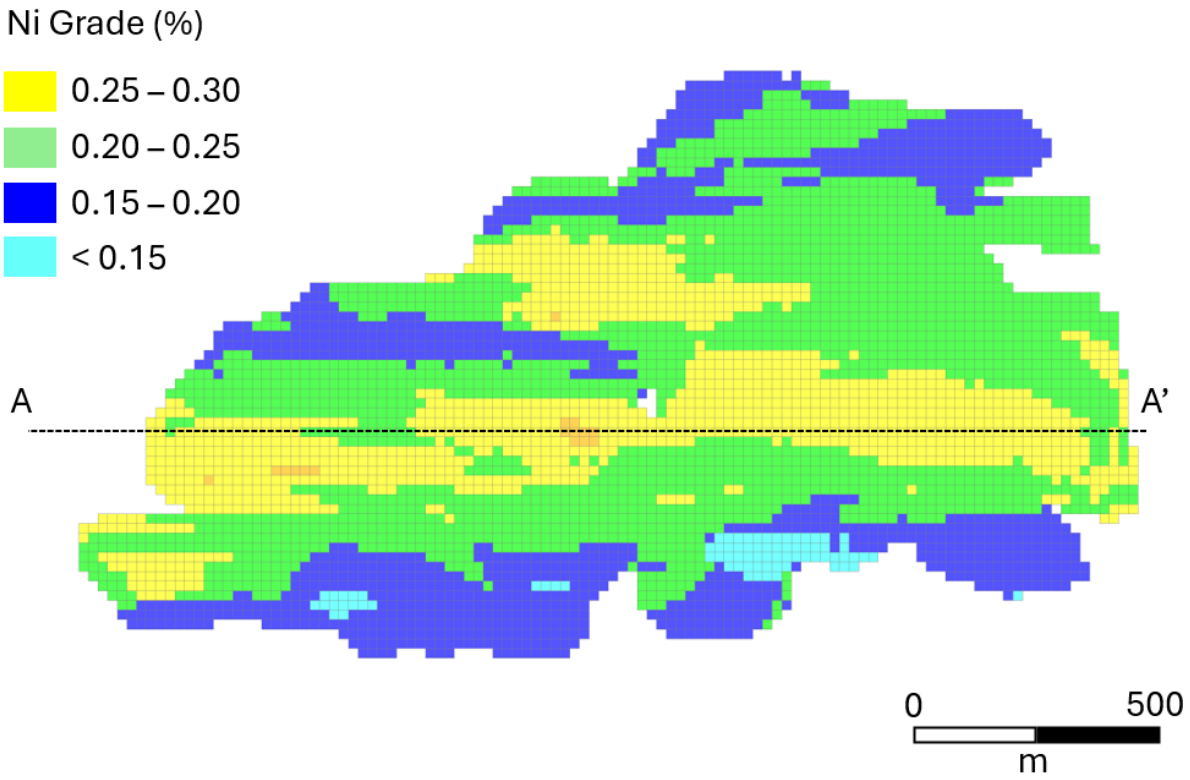


Figure 3 – Plan View of the Reid Block Model, Resource Category and Nickel Grade (Potential = Exploration Target).





Next Steps at Reid:

- A technical report with respect to the Mineral Resource Estimate disclosed today will be filed within 45 days
- Mineralogical studies and metallurgical testwork will continue through 2025, as well as infill drilling to further upgrade the mineral resource

Overall Exploration Update

The Company's 2024 exploration program focused on demonstrating the potential of the Company's portfolio in the Timmins Nickel District through the initial drilling of several promising ultramafic targets to the delineation of mineral resources on targets previously drilled by the Company. Canada Nickel has completed 59 drill holes at Reid since acquiring the Project for a total of 34,615 metres. In 2024, the Company drilled 32 holes at Crawford to better define the Crawford PGM Zone, 26 holes at Texmont, 93 holes at Mann, 16 holes at Bannockburn and 12 holes at Midlothian. The Company then plans to publish five additional resources before the end of the first half of 2025.

Assays, Quality Assurance/Quality Control and Drilling

Edwin Escarraga, MSc, P.Geo., a "Qualified Person" within the meaning of NI 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 secure core logging facility (core shack). 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. 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 (QA/QC samples) are inserted at a rate of three 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" within the meaning of NI 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 news 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 Note and 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 potential of the Reid Nickel Sulphide Project, timing for filing a technical report in support of the Mineral Resource Estimate, the significance of drill results, the ability to continue drilling, the impact of drilling on the definition of any resource, timing and completion (if at all) of additional mineral resource estimates, the potential of the Timmins Nickel District, strategic plans, including future exploration and development plans and 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. 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

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