Canada Nickel Announces Higher Grade Core Extended at Crawford Nickel-Cobalt Sulphide Project

Highlights

- Follow up drilling of hole CR20-74 in West Zone substantially extends higher grade mineralization by 45% or 850 metres to northwest
    - Higher grade mineralization of 0.30% nickel over core length of 308 metres, including 153 metres of 0.32% nickel and ending with an additional 36 metres at 0.32% nickel
- Two holes, CR20-69 and CR-70, defined wide, low grade mineralization across width of 1km within multi-kilometre anomaly and remains open in multiple directions
- Airborne geophysical survey and interpretation work is completed on regional option properties and will guide a regional drilling program expected to commence this winter

TORONTO, January 14, 2021 – Canada Nickel Company Inc. ("**Canada Nickel**" or "**The Company**") (TSX-V:CNC) (OTCQB: CNIKF) today announced encouraging results from the latest drill holes at its Crawford Nickel-Cobalt Sulphide project from its West Zone discovery previous announced on October 22, 2020.

"We are excited to be kicking off the 2021 new year with encouraging assay results from our follow up drilling program. The wide higher-grade intersection from the West Zone has the potential to extend the Higher Grade Core of nickel and cobalt sulphides of the Main Zone by 45% or 850 metres to the northwest. Only seven other holes across entire property have intersected greater true widths of 0.30%+nickel. Additionally, the two other West Zone holes reported today have defined a very wide one kilometre of large, low grade mineralization coincident with the large gravity anomaly on the western part of the West Zone. I look forward to the continued results from both the higher grade and lower grade zones as additional assays become available," said Mark Selby, Chair and CEO of Canada Nickel.

"Additionally, we are expecting assay results from follow-up holes on the previously reported PGM results from hole CR20-32 and further results from the drilling currently underway on prospective geophysical nickel targets across several kilometres of the Crawford structure."

The Crawford Nickel-Cobalt Sulphide Project is located in the heart of the prolific Timmins-Cochrane mining camp in Ontario, Canada, and is adjacent to well-established, major infrastructure associated with over 100 years of regional mining activity.

West Zone Drill Results – Higher Grade Zone

Drilling on the West Zone was guided by the geophysical signature of low gravity gradient of serpentinized dunite and has continued to intersect consistent nickel mineralization similar to that in the resource areas in the Main and East Zones.

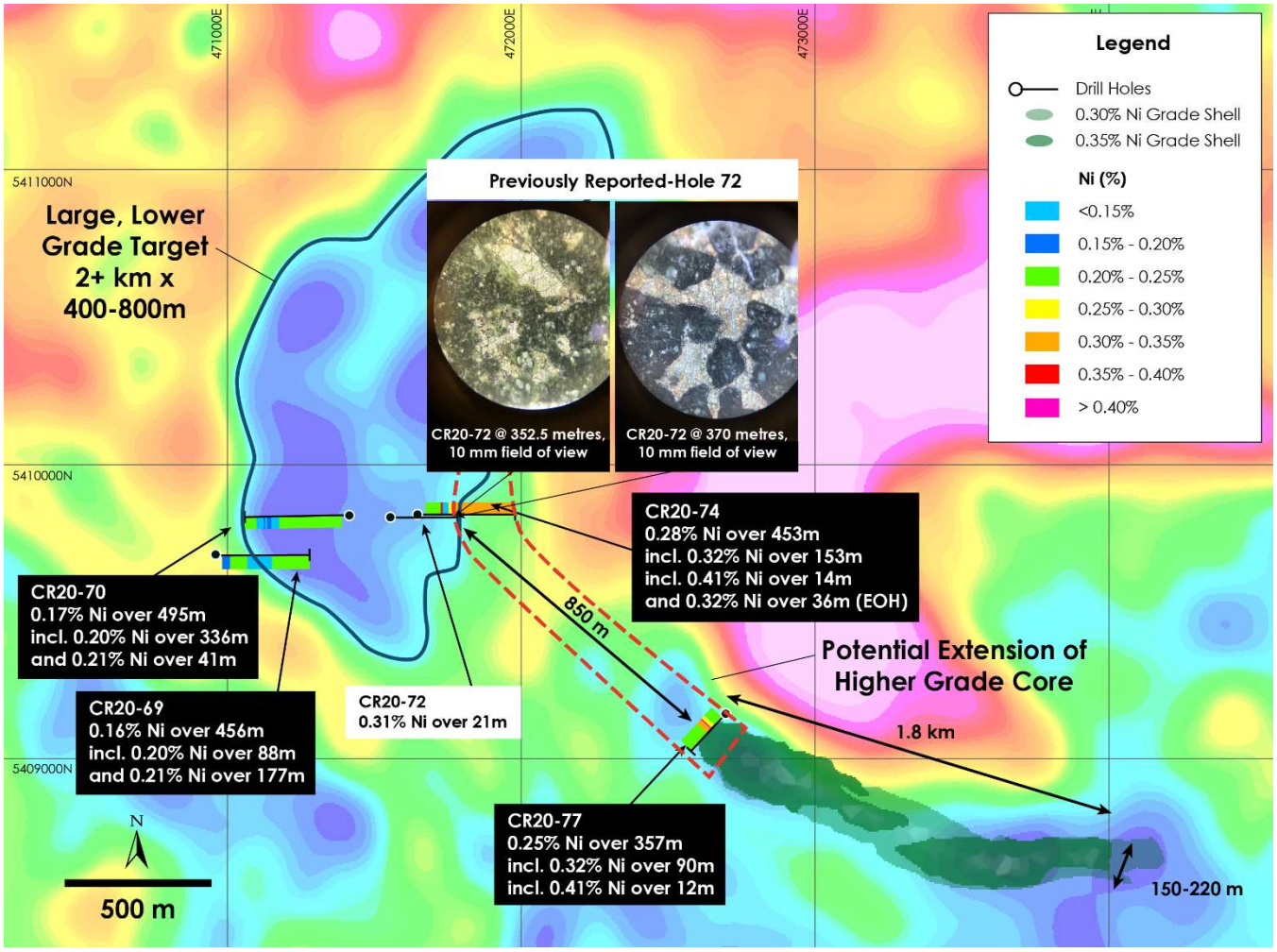
Notably, hole CR20-74 intersected 0.30% nickel over core length of 308 metres (estimated true width of 198 metres) starting at 196 metres downhole, including 0.41% nickel over core length of 13 metres at 271.5 metres downhole, and ended with 0.32% nickel over core length of 36 metres. The entire hole CR20-74 returned 0.28% nickel over core length of 453 metres - 850 northwest of current end of Higher Grade Core of Main Zone mineralization. Hole CR20-77 intersected 0.32% nickel over 90 metres starting at 144 metres downhole, including 0.41% nickel over core length of 12 metres starting at 177 metres downhole, and extends the Main Zone higher grade core by 100 metres to the west.

West Zone Drilling Results – Lower Grade Zone

Complete assays from the first two holes in the western part of the West Zone confirm wide, lower grade mineralization more than 800 metres wide. Hole 20-69 returned 0.16% nickel over entire core length of 456 metres including 177 metres of 0.21% nickel. Hole 20-70 returned 0.17% nickel over entire core length of 495 metres including 41 metres of 0.21% nickel.

See Figure 1 and Table 1 for results.

Figure 1 – West Zone Discovery Holes and Main Zone Nickel Resource over top of gravity gradient (Crawford Township airborne gravimetric survey completed in 2018), Crawford Nickel-Cobalt Sulphide Project, Ontario.



Next Steps

An airborne geophysical survey and interpretation work has been completed on regional option properties and will guide a regional drilling program expected to commence this winter. Canada Nickel continues to work with its lead consultant, Ausenco, on assessing utilizing Glencore Canada's Kidd Operations for a start-up scenario. Additional metallurgical recovery work combined with those recently announced locked cycle test results will be incorporated into a Preliminary Economic Analysis to be completed by the end of first quarter 2021.

Table 1 – West Zone Nickel – Drilling Results, Crawford Nickel-Cobalt Sulphide Project, Ontario

DDH ID	From	To	Length	Estimated True Width	Ni	Co	Pd	Pt	S	Fe
	(m)	(m)	(m)	(m)	(%)	(%)	(g/t)	(g/t)	(%)	(%)
Higher Grade Core										
CR20-74	51.4	504.0	452.6	290.9	0.28	0.014	0.016	0.008	0.07	7.55
including	**196.5**	**504.0**	**307.5**	**197.7**	**0.30**	**0.014**	**0.016**	**0.007**	**0.08**	**7.73**
including	**229.5**	**382.5**	**153.0**	**98.3**	**0.32**	**0.015**	**0.019**	**0.008**	**0.09**	**7.67**
including	**271.5**	**285.0**	**13.5**	**8.7**	**0.41**	**0.016**	**0.025**	**0.010**	**0.14**	**7.58**
and	**468.0**	**504.0**	**36.0**	**23.1**	**0.32**	**0.015**	**0.015**	**0.006**	**0.07**	**8.85**
CR20-77	48.0	405.0	357.0	147.5	0.25	0.013	0.007	0.005	0.04	6.54
including	**144.0**	**234.0**	**90.0**	**37.2**	**0.32**	**0.012**	**0.018**	**0.005**	**0.10**	**6.23**
including	**177.0**	**189.0**	**12.0**	**5.0**	**0.41**	**0.013**	**0.032**	**0.009**	**0.20**	**6.49**
Large Lower Grade Target										
CR20-69	45.0	501.0	456.0	293.1	0.16	0.011	0.014	0.011	0.05	7.50
including	**90.0**	**177.5**	**87.5**	**56.2**	**0.20**	**0.013**	**0.015**	**0.010**	**0.04**	**7.72**
and	**324.1**	**501.0**	**176.9**	**113.7**	**0.21**	**0.014**	**0.017**	**0.012**	**0.03**	**7.58**
CR20-70	46.0	541.0	495.0	318.2	0.17	0.012	0.008	0.009	0.03	7.26
including	**46.0**	**382.0**	**336.0**	**216.0**	**0.20**	**0.014**	**0.005**	**0.007**	**0.01**	**7.41**
and	**500.4**	**541.0**	**40.6**	**26.1**	**0.21**	**0.014**	**0.024**	**0.020**	**0.03**	**7.64**

Note: Holes drilled at a 50 degree or 65 degree inclination – see Table 2 below. The lengths reported are core lengths and not true widths. True widths are estimated based on dip and core lengths but may change once Canada Nickel has sufficient information to determine the attitude, either of the ultramafic body or of mineralized zones within it.

Table 2 – Drill Hole Orientation, Crawford Nickel-Cobalt Sulphide Project, Ontario

DDH ID	Northing	Easting	Azimuth	Dip	Length
	(mN)	(mE)	(°)	(°)	(m)
CR20-69	5409690.0	470960.0	90.0	-50.0	501
CR20-70	5409823.7	471416.6	269.5	-50.4	541
CR20-74	5409828.0	471648.0	90.1	-50.0	504
CR20-77	5409150.0	472697.0	222.8	-65.6	405

Assays, Quality Assurance/Quality Control and Drilling and Assay Procedures

William E. MacRae, MSc, P.Geo., a "qualified person" as defined by 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 core logging facility. The core is marked and sampled at 1.5 metre lengths and cut with a diamond blade saw. Samples are bagged with QA/QC samples inserted in batches of 35 samples per lot. Samples are transported in secure bags directly from the Canada Nickel core shack to Actlabs Timmins, an ISO/IEC 17025 accredited lab. Analysis for precious metals (gold, platinum and palladium) are completed by Fire Assay while analysis for nickel, cobalt, sulphur and 17 other elements are performed using a peroxide fusion and ICP-OES analysis. Certified standards and blanks are inserted at a rate of one QA/QC sample per 32 core samples making a batch of 35 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 such term 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.

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.

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 results relating to the Crawford Nickel-Cobalt Sulphide Project, the potential of the Crawford Nickel-Cobalt Sulphide Project, timing of economic studies and resource estimates, strategic plans, including future exploration and development results, and corporate and technical objectives. 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 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 as a result of new information, future events or otherwise, except as required by law.

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