Canada Nickel Makes Significant Discovery at Nesbitt and Announces Additional Results on Regional Properties

Highlights:

- ***Significant discovery at Nesbitt - first two drill holes returned significant intersections of mineralization with intervals of visible disseminated sulphides consistent with Higher Grade Zone at Crawford***
- ***Additional discovery at Mahaffy further confirm district scale potential of property***

TORONTO, June 29, 2021 – Canada Nickel Company Inc. ("**Canada Nickel**" or the "**Company**") (TSX-V:CNC) (OTCQB: CNIKF) today announced initial results from its drill program testing targets located on its regional properties around its cornerstone Crawford Nickel Project.

The first two discovery holes at the Nesbitt Nickel property intersected visible disseminated nickel sulphides on a geophysical target that is 3.7 kilometres long and 100 to 300 metres wide and located just 8 kilometres north of the Company's Crawford Nickel Project. The first two holes at the Mahaffy Nickel property and the first two holes drilled by Canada Nickel on the Kingsmill property intersected mineralized dunite across core lengths up to 417 metres. Assays are pending on all holes.

Mark Selby, Chair & CEO said*, "This discovery at Nesbitt of sulphide mineralization just 8 kilometres from Crawford is very exciting as it opens up the potential for another higher-grade source of feed for the Crawford mill. This discovery also further confirms the district scale potential of our properties. The success of our geophysical approach combined with the success in confirming the results of the historic Nesbitt drilling increases the potential for success following up on the historic 0.38% nickel interval at the recently acquired Bradburn/Dargavel target."*

Steve Balch, VP Exploration said *"These results highlight the success of our geophysical approach to define these hidden targets as we have intersected significant mineralization in every drill hole on our first three regional properties. While this approach has identified multiple targets on each property, we will focus our efforts outside of Crawford on Nesbitt, MacDiarmid, and our recently acquired Dargavel/Bradburn property as those properties will be closest to the Crawford infrastructure, appear to be more serpentinized, and most importantly, now have demonstrated higher grade potential. We will continue to explore targets on the other properties as we improve our robust methodology to rapidly evaluate prospects."*

The Nesbitt Nickel property is located 8 kilometres north of the Company's initial discoveries in Crawford Township. The Mahaffy Nickel property is located 15 kilometres west of Crawford and the Kingsmill Nickel property is located 22 kilometres northwest of Crawford. The Crawford Nickel 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 mining activity.

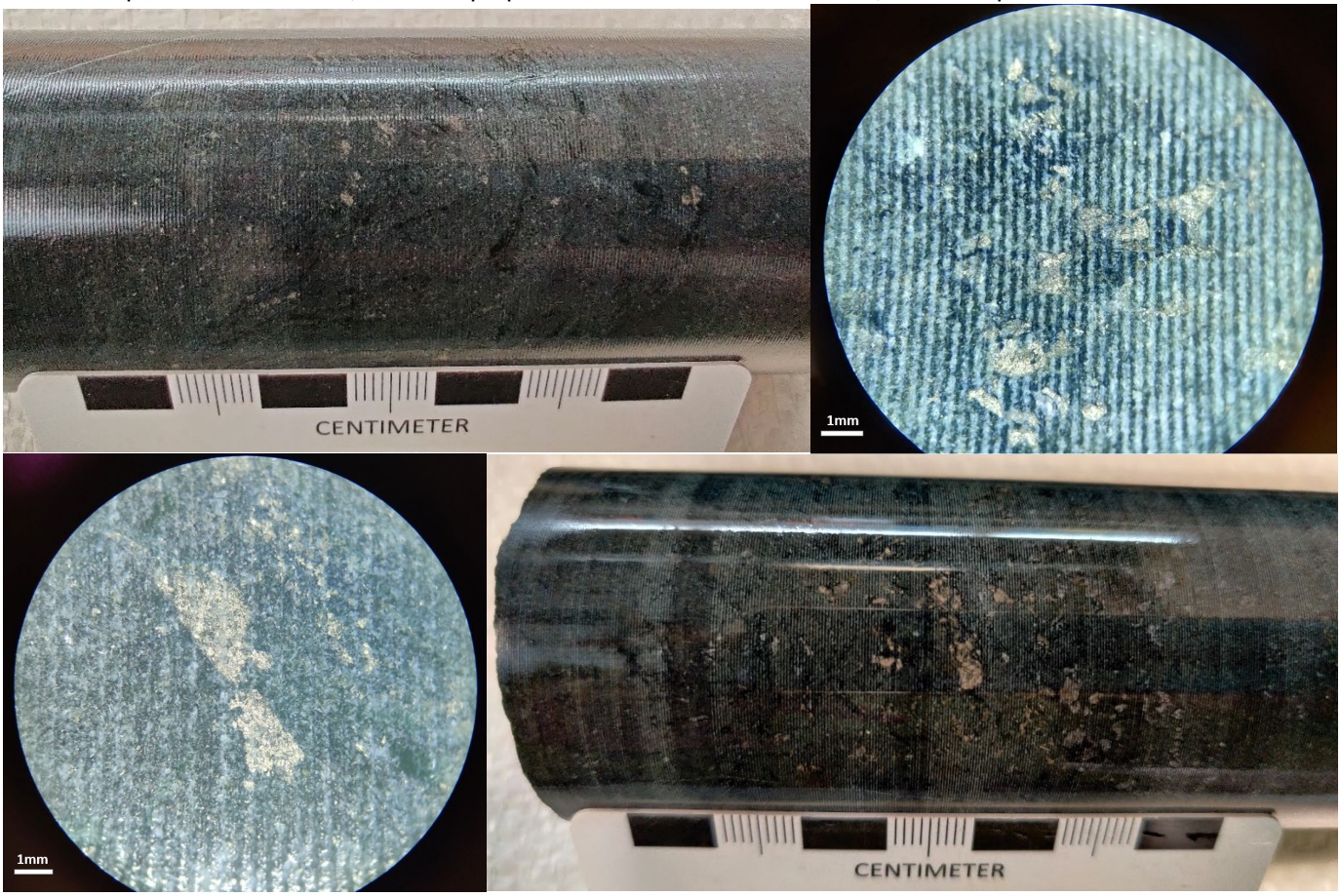
Nesbitt Nickel Project

The Nesbitt Nickel project is centered on an ultramafic sill that strikes east-west for a distance of 3.7 kilometres and a width that is estimated to vary between 100 to 300 metres (for reference, the Crawford Main Zone resource is 1.7 kilometres long and 225 to 425 metres wide). The ultramafic sill was previously drilled in 1966 with Historic hole 27083 yielding 0.28% nickel over a core length of 163 metres including 0.33% nickel over a core length of 43 metres and Historic hole 25027 yielding 0.23% nickel over 114 metres. See below *Cautionary Statement Concerning Historical Information*.

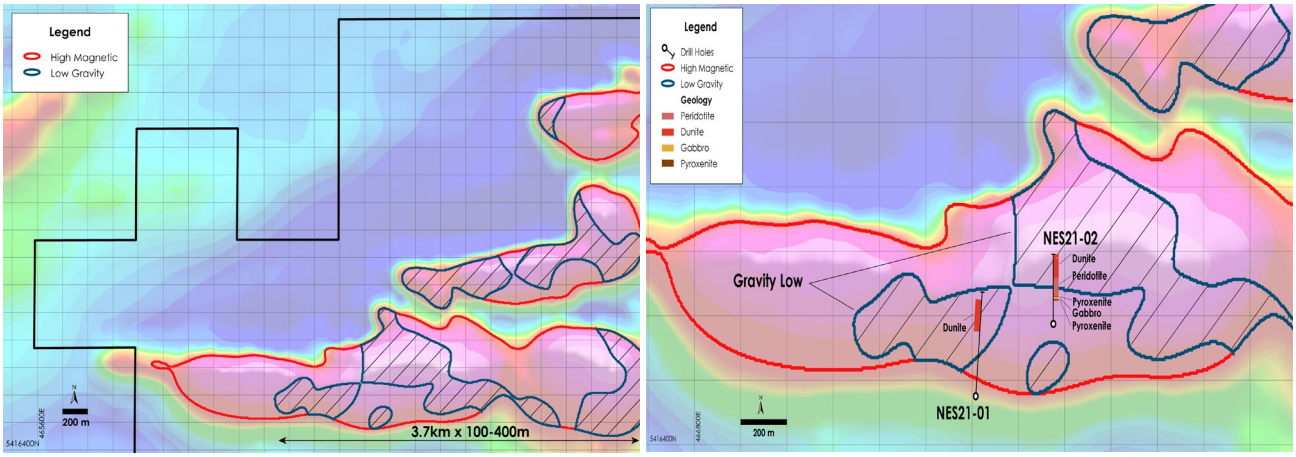
Two holes were collared on the central Nesbitt trend to explore a coincident (high) magnetic and (low) gravity anomaly (see Figure 2 below) identified during Canada Nickel's geophysical interpretation earlier this year. The first hole was set up on the same section as Historic hole 27083. The second hole was positioned within the most intense section of the geophysical anomaly 300 metres to the east of the first hole.

Nesbitt NES21-01 was collared on the south side of the intrusion and drilled to the north. The hole was pulled back into the volcanics to test for possible PGM (platinum group metals) mineralization at the pyroxenite-peridotite contact. It exited the volcanics and intersected dunite with visible sulphides for a core length of 154 metres from 315 metres until 469 metres where the hole returned to volcanics. NES21-02 was collared on the south side of the intrusion 300 metres east of the first hole, also pulled south into volcanic rocks to test for a possible PGM intersection. The hole encountered a gabbro, pyroxenite and peridotite sequence (similar to the north side of Crawford Main Zone hosting the PGM Zone) from 113 to 222 metres with visible sulphides throughout the pyroxenite and peridotite before intersecting mineralized dunite for 138 metres and remains underway in dunite at 360 metres. The area around Nesbitt may have been subjected to faulting with unknown displacement if any.

Figure 1 – Hole NES21-01 Pentlandite + Pyrrhotite in serpentinized dunite.
Core sample at 316.5 metres, microscope photos at 321 and 326.5 metres, core sample at 352 metres



Figures 2 and 3 – Left to right - plan view of Nesbitt Property showing Reported– Outline of Gravity Low and Magnetic High geophysics anomaly overlain on total field magnetic intensity, Nesbitt Township, Ontario; and Nesbitt Property discovery holes on gravity low (gDD) over a color image of the total magnetic intensity (magnetics)

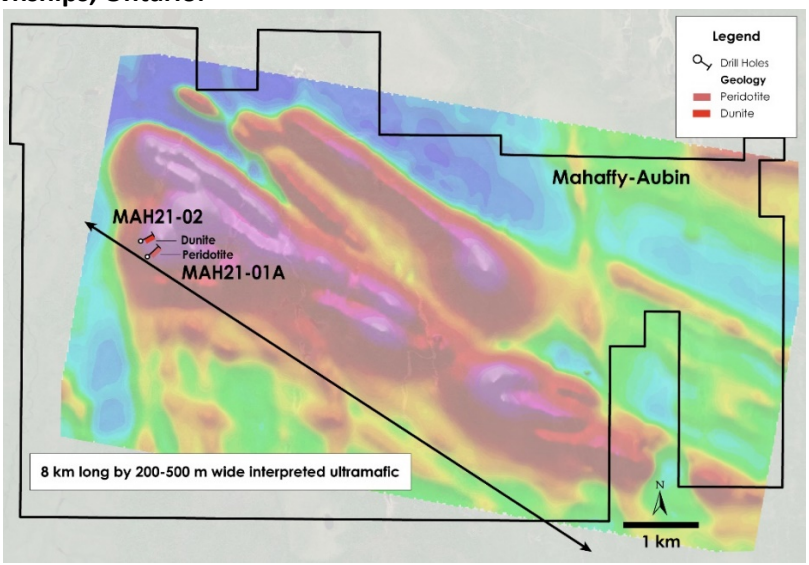


Mahaffy Nickel Project

The Mahaffy Nickel project consists of 4 to 5 closely spaced ultramafic sills having an aggregate strike length of 24 kilometres. This prospect was previously tested by Historic hole 31901 (1966) which intersected 0.23% nickel over 127 metres, and hole T2-80-2 (1980) which intersected 277 metres of serpentinized ultramafic rock with no assays reported. For reference, the Crawford Main Zone resource is 1.7 kilometres long and 225 to 425 metres wide.

The first hole at Mahaffy (MAH21-01A) was collared southwest of the intrusive sequence and was pulled back to the southwest to also test for PGM mineralization. The hole encountered 116.5 metres of overburden followed by 15.5 metres of volcanics before intersecting a thick interval of 427 metres of primarily peridotite (with lesser dunite) to the end of hole at 559 metres. A potential PGM interval was not identified in the drill core. Hole MAH21-02A was collared 100 metres to the west and along strike from MAH21-01A. The hole encountered 159 metres of overburden before intersecting a core length of 335 metres of mineralized dunite to the end of hole at 494 metres (no potential PGM interval).

Figure 4 – Plan view of Mahaffy-Aubin Property – Current drilling overlain on total field magnetic intensity, Mahaffy and Aubin Townships, Ontario.



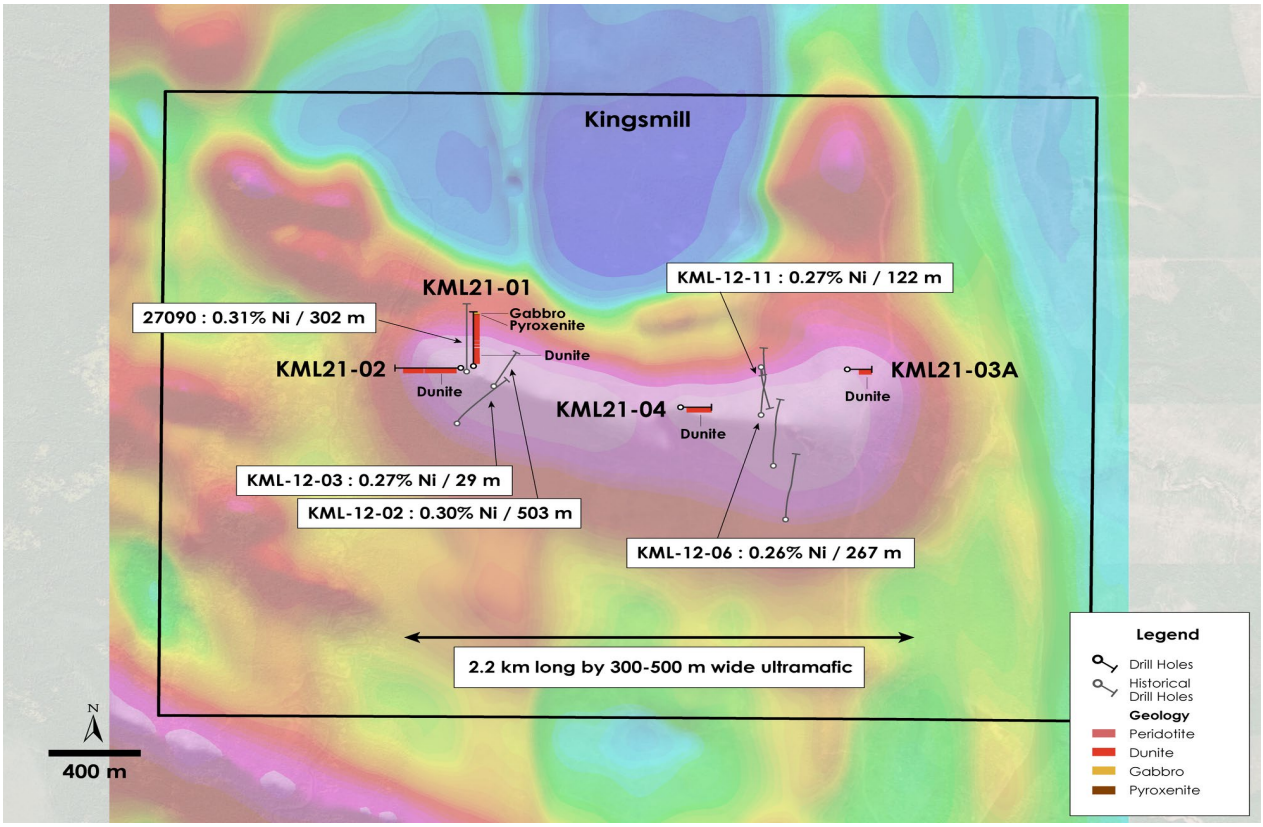
Kingsmill Nickel Project

Kingsmill Nickel project is a large serpentinized ultramafic intrusion which is 2.2 kilometres long and between 375 to 600 metres wide. For reference, the Crawford Main Zone resource is 1.7 kilometres long and 225 to 425 metres wide. Kingsmill was previously explored (see Canada Nickel press release dated July 13, 2020) where thick intersections of mineralized dunite were encountered. The follow-up drilling consisted of two in-fill drill holes and two more drill holes to test an area of major faulting (sometimes an area of upgraded mineralization).

Kingsmill hole KML21-01 was located at the western portion of the intrusion and was designed to test the dunite mineralization and for PGM at the north contact. The hole intersected 15 metres of overburden followed by 427 metres of dunite before entering pyroxenite and gabbro (favourable sequence for PGM). The hole ended in leuco-gabbro at 449 metres. KML21-02 was also collared at the western portion of the intrusion but was drilled to the west to test dunite mineralization parallel to strike and to test for PGM mineralization at the west contact. The hole went through 21 metres of overburden and then 308 metres of primarily dunite before entering gabbro. The hole ended in volcanics at 428 metres.

Kingsmill holes KML21-03 and KML21-04 were both located near faults to test for the possibility of upgraded mineralization. KML21-03, located near the center of the intrusion, intersected 78 metres of overburden and 74 metres of mineralized dunite before being lost in a fault zone at 152 metres. KML21-04, located at the eastern margin, intersected 37 metres of overburden and 108 metres of mineralized dunite before being lost at 145 metres.

Figure 5 – Plan view of Kingsmill Property – Current and historical drilling overlain on total field magnetic intensity, Kingsmill Township, Ontario.



See below *Cautionary Statement Concerning Historical Information*.

Table 1 Drill Hole Orientation

Target	DDH ID	Northing	Easting	Azimuth	Dip	Length
		(mN)	(mE)	(°)	(°)	(m)
Kingsmill	KML21-01	5,423,113	454,867	360.00	-52.00	449.0
Kingsmill	KML21-02	5,423,105	454,810	270.00	-50.00	428.0
Kingsmill	KML21-03A	5,423,097	456,498	90.00	-50.00	156.0
Kingsmill	KML21-04	5,422,900	455,773	90.00	-50.00	198.0
Mahaffy	MAH21-01A	5,413,477	457,650	45.00	-70.00	561.0
Mahaffy	MAH21-02A	5,413,681	457,562	60.00	-70.00	495.0
Nesbitt	NES21-01	5,416,550	468,015	5.00	-50.00	499.0
Nesbitt	NES21-02	5,416,775	468,351	360.00	-50.00	329.0

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.

Cautionary Statement Concerning Historical Information

The historical information referenced in this press release is based primarily on drilling results reported by Inco Ltd. and Noble Mineral Exploration Inc. The information has also been filed with the Ontario Government and is available on-line though the Mining Lands Administration System (MLAS) website. The company believes this information is relevant, as it was completed by reputable companies using industry standard drilling and sampling practices. The company or its "qualified person" (for the purposes of National Instrument 43-101 – Standards of Disclosure for Mineral Projects) has reviewed the information to confirm it has been correctly reproduced from the public MLAS database, but given the Company's and its qualified person's inability to access the underlying data, the Company or its qualified person has not done sufficient work to verify the historical information contained in this news release.

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 Sulphide Project, the Nesbit Nickel Project, the Mahaffy Nickel Project and the Kingsmill Nickel Project, the potential thereof, 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 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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