Canada Nickel Company Inc. Announces 46% Increase in Measured & Indicated Resource at Reid Nickel Sulphide Project

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Highlights:

- Measured & Indicated Resource: Increased 46% to 2.1 million tonnes contained nickel (0.87 billion tonnes @ 0.23% Ni), including a higher-grade domain of 0.77 billion tonnes @ 0.25% Ni.
- Inferred Resource: Increased 47% to 3.2 million tonnes contained nickel (1.45 billion tonnes @ 0.22% Ni), including a higher-grade domain of 0.98 billion tonnes @ 0.24% Ni.
- Exploration Target[1]: Potential for an additional 0.5-1.4 billion tonnes @ 0.21-0.22% Ni.
- Timmins Nickel District: Now totals eight deposits with 10.1 million tonnes Measured & Indicated contained nickel (4.3 billion tonnes @ 0.24% Ni) and 12.5 million tonnes Inferred contained nickel (5.4 billion tonnes @ 0.23% Ni).

Canada Nickel Company Inc. ("Canada Nickel" or the "Company") (TSXV: CNC) (OTCQB: CNIKF) today announced an updated mineral resource estimate (the "Mineral Resource Estimate" or the "MRE") for its 100% owned Reid Nickel Sulphide Project ("Reid") located 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 mineral resource represents approximately 59% of the total geophysical target area. The Reid project is accessible year-round by an exploration road previously constructed by Canada Nickel.

Mark Selby, CEO of Canada Nickel said, "Today's announcement confirms Reid as one of world's largest nickel sulphide deposits, further reinforcing the world-class potential of the Timmins Nickel District. Crawford is moving forward as our first project as we advance towards construction by year-end, but we believe that several other of our projects in the Timmins Nickel District - including Reid - have the potential to be even more valuable. Reid's mineral resource stands out with nearly half the strip ratio, one-third less overburden, and 15% higher chromium grades than Crawford, with more than 40% of the geophysical target still to be explored and the deposit open in multiple directions."

Mr. Selby added, "With a ninth mineral resource estimate in the district expected later this quarter, nine additional targets already successfully drilled, and a further six geophysical targets yet to be tested, the scale and potential of our Timmins Nickel District is truly exceptional."

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[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).

Reid Mineral Resource Estimate

For the updated Mineral Resource Estimate, 34 new drill holes totaling 24,629 metres were added to the previous mineral resource (see the Company's news release dated December 23, 2024) for a total of 51,137 metres of core drilling in 89 drill holes utilized to calculate the Reid mineral resources in three categories as provided in Table 1. Measured Mineral Resources now total 0.04 billion tonnes grading 0.27% nickel, for a total of 0.11 million tonnes of contained nickel metal. Indicated Mineral Resources now total 0.87 billion

tonnes grading 0.23% nickel, for a total of 2.03 million tonnes of contained nickel. Inferred Mineral Resources now total 1.45 billion tonnes grading 0.22% nickel, for a total of 3.22 million tonnes of contained nickel. The Indicated and Inferred mineral resources increased by 46% and 47% respectively, in comparison to the initial resource announced in December 2024.

The approximate dimensions of the MRE are about 2.3 kilometres long, 1.1 kilometres wide, extending to 720 metres deep, and remaining open to the northeast, southwest and at depth (Figures 1 to 4). An additional 0.5-1.4 billion tonnes grading between 0.21 and 0.22% nickel remain as a potential exploration target pending further drilling (the "Exploration Target"). This Exploration Target is based on core drilling by the Company, the geophysical survey on the Reid project, and the understanding and calculation of the current MRE.

The Exploration Target potential was estimated by extrapolating the extent of defined nickel sulphide mineralization, constrained within the geophysical signature. The lower end of the tonnage range was constrained within the pit shell for currently defined Measured, Indicated and Inferred Mineral Resources. The upper end of the tonnage range was constrained within a pit shell that would result from inclusion of the Exploration Target. The grade range given in the Exploration Target is determined by combining the drill core results within the modeled Exploration Target area with the geological setting which is now better understood as having consistent grades as observed by the Company and its Qualified Persons. However, the potential tonnages and grades are still conceptual in nature. There has been insufficient exploration to define a current mineral resource within it, and the Company cautions that there is a risk that further exploration will not result in the delineation of a mineral resource from the Exploration Target.

Drilling at Reid was completed in 2022, 2024 and 2025. The 2025 campaign successfully completed the goal of infilling previous sections to increase and upgrade Inferred Mineral Resources.

The Reid MRE 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.

Mineral Resources are constrained within a Lerchs-Grossmann algorithm defined pit shell, with an average stripping ratio of 1.19:1 and overlain by overburden with an average thickness of 25.8 metres.

Table 1 - Updated 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	Measured	39	0.27	0.013	5.6	0.70	0.06	0.015	0.008	106.9	4.9	2.2	273.4	19.2	9.8
	Indicated	728	0.24	0.012	6.1	0.70	0.05	0.010	0.007	1,776.0	88.2	44.2	5,097.0	231.2	167.0
	Inferred	983	0.24	0.012	6.1	0.71	0.05	0.009	0.007	2,338.1	118.4	60.2	6,955.6	290.6	225.7
Lower Grade	Measured	2	0.20	0.011	6.3	0.64	0.05	0.003	0.004	3.3	0.2	0.1	10.5	0.2	0.2
	Indicated	138	0.19	0.013	7.3	0.57	0.05	0.015	0.012	259.6	18.0	10.0	785.9	64.8	52.7
	Inferred	467	0.19	0.013	7.2	0.58	0.05	0.012	0.010	882.3	59.3	33.5	2,707.0	173.6	146.3
Total	Measured	41	0.27	0.013	5.6	0.70	0.06	0.015	0.008	110.2	5.1	2.3	283.9	19.4	10.0
	Indicated	867	0.23	0.012	6.3	0.68	0.05	0.011	0.008	2,035.6	106.2	54.2	5,882.9	296.1	219.7
	Inferred	1,450	0.22	0.012	6.5	0.67	0.05	0.010	0.008	3,220.4	177.7	93.7	9,662.6	464.2	372.0

*Totals may not add due to rounding.

1. The independent Qualified Person for the Mineral Resource Estimate, as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("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 January 07, 2025.

2. The quantity and grade of reported Inferred Mineral Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as Indicated or Measured Mineral Resources. 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 basis of 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 89 surface drill holes, completed by Canada Nickel in 2022, 2024 and 2025. 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 2025.3 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 2024.12 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$1,150/oz platinum. Different pit slopes were used for each layer (in degrees): 9.5 in clay, 11.4 in sand and 45.0 in rock. Exchange rate utilized was US$/C$ at $0.76. Mining costs utilized different values for clay, sand and rock mining, ranging from C$1.72 to C$4.51/t mined. Processing costs and general and administration costs for a 120 ktpd operation (similar to the ultimate scope of Crawford) were C$8.34/t. Based on the range of grade and ratio of sulphur to nickel, calculated recovery averages 52% for Ni, 7% for Co, 55% for Fe, 24% for Cr and 33% 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 Ordinary Kriging 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 5,576 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 2.70 g/cm^3 (t/m^3).

Next Steps ahead:

- A technical report describing the Mineral Resource Estimate disclosed today will be filed within 45 days.
- Mineralogical studies and metallurgical testwork will continue through 2026, as well as infill drilling to better define higher grade horizons and further upgrade the mineral resource with the goal of producing a Preliminary Economic Assessment (PEA) at a future date.

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.

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 mineral 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 including the preparation of PEA on the Reid Nickel Sulphide Project. 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, the ability of exploration results (including drilling) to accurately predict mineralization, errors in geological modelling, 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 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. Neither TSX Venture Exchange nor its Regulation Services Provider

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