



## CANICKEL FILES NI 43-101 TECHNICAL REPORT ON UPDATED MINERAL RESOURCE ESTIMATE AND PRELIMINARY ECONOMIC ASSESSMENT FOR THE BUCKO LAKE MINE

**Vancouver, British Columbia — February 28, 2023** — CaNickel Mining Ltd. is pleased to announce that an independent Technical Report (the “Report”) prepared in accordance with Canadian Securities Administrators’ National Instrument 43-101 has been filed under the Company’s profile on SEDAR for the Bucko Lake Mine Project (“the Project”) located 110 km southwest of Thompson, Manitoba near the Town of Wabowden. The Report can also be found at [www.buckolakemine.com](http://www.buckolakemine.com).

Dated February 28, 2023, the Report titled “Updated Mineral Resource Estimate and Preliminary Economic Assessment of the Bucko Lake Nickel Project, Wabowden, Manitoba,” was prepared by independent firm P&E Mining Consultants Inc. of Brampton, Ontario, with geotechnical assistance from Knight Piésold Ltd. and backfill assistance by Paterson & Cooke Canada Inc.

“The new Preliminary Economic Assessment (“PEA”) on the Bucko Lake Mine indicates that it is one of the most advanced higher grade nickel sulfide mines in North America with potentially very robust economics based on today’s nickel prices,” stated Kevin Zhu, CEO of CaNickel Mining Limited. “We intend to continue advancing the Project towards production by completing a mine restart and closure plan along with updating Mineral Resource Estimates for the Project’s four satellite deposits. Concurrently, the Company is evaluating debt restructuring and other strategic options to repay over \$92 million in corporate debt.”

The results of the PEA were previously disclosed in the Company’s news release dated January 16, 2023, highlights from which are included below. All currency is in CDN\$ unless stated otherwise.

- Current Bucko Lake Mineral Resource Estimate (“MRE”):
  - Measured and Indicated Mineral Resources of 5.7 million tonnes grading 1.24% nickel (“Ni”) (using a 0.7% Ni cut-off grade) and 0.11% copper (“Cu”) for contained metal content of 156.3 million pounds of nickel and 13.4 million pounds of copper.
  - Inferred Mineral Resources of 10.6 million tonnes grading 1.18% Ni (using a 0.7% Ni cut-off grade) and 0.13% Cu for contained metal content of 275.6 million pounds of nickel and 31.2 million pounds of copper.
- The PEA indicates that the Project would be rehabilitated from its current “care and maintenance” status and placed into operation to produce 101 million pounds of payable nickel over a 13-year mine life at an annual average production of 7.8 million pounds.
- Using a base case future life-of-mine (LOM) nickel price assumption of US\$9.84/lb, the Project generates:
  - Pre-tax net present value using a discount rate of 6% (NPV<sub>6%</sub>) of \$205 million and Internal Rate of Return (IRR) of 32%; and
  - After-tax NPV<sub>6%</sub> of \$169 million and IRR of 30%.
- Sensitivity analysis using a recent spot nickel price of US\$11.81/lb for LOM, the Project generates:
  - Pre-tax NPV<sub>6%</sub> of \$408 million and IRR of 53%; and
  - After-tax NPV<sub>6%</sub> of \$310 million and IRR of 49%.
- Initial capital costs of \$87 million (including \$11 million contingency) with payback in 3.3 years.
- The existing 1,000 tonne-per-day (“tpd”) processing plant would be upgraded to 1,500 tpd.
- Average cash costs of US\$4.91/lb Ni and AISC of US\$6.48/lb Ni.
- Opportunities exist for operations to continue beyond the current LOM plan using Mineral Resources from multiple known satellite deposits on active company claims: three contiguous deposits are located within 4 km from the Bucko Lake Mine, and a fourth deposit is located approximately 30 km away.



- The PEA supersedes the previous Technical Report for the Project dated October 19, 2012 (Griffin et al.), and Mineral Reserves are no longer declared for the Project.

Readers are cautioned that the PEA is preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA outcome will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

## Recommendations

The Report makes several recommendations to advance the Project, including a diamond drill program to convert Inferred Mineral Resources, which account for 70% of the MRE, to Indicated Mineral Resources. The drill program would involve initial drilling from surface while the underground workings are being dewatered and rehabilitated, and then drilling from underground. An advanced geotechnical study is also recommended prior to undertaking a Pre-Feasibility Study. The recommended work program is estimated to cost \$9.0 million, including a contingency of \$1.2 million. A breakdown of the program and budget appears in Table 1 below.

**Table 1: Recommended Work Program and Budget**

Program	Units (m)	Unit Cost (\$/m)	Budget (\$M)
Infill Drilling From Surface	3,820	150	0.6
Dewater and Rehab UG Workings			1.0
Infill Drilling From UG	28,300	150	4.2
Advanced Geotechnical Study			0.5
Pre-Feasibility Study			1.5
Contingency (15%)			1.2
<b>Total</b>			<b>9.0</b>

To carry out this work program, the submission and approval of a Notice of Alteration (“NOA”) through the Manitoba government would need to be completed. Once a NOA has been issued for the Project, permit and license applications can be submitted for activities such as mine dewatering, underground rehabilitation, and petroleum storage.

## Qualified Person

The technical content of this news release has been reviewed and approved by Eugene Puritch, P.Eng., FEC, CET, President and Principal Mining Engineer of P&E Mining Consultants Inc. Mr. Puritch is an independent Qualified Person in accordance with NI 43-101.

## ABOUT CANICKEL

CaNickel Mining Limited is a Canadian junior mining company that owns the Bucko Lake Mine, currently on care and maintenance, near Wabowden, Manitoba. From 2009 to 2012, nearly 450,000 tonnes of mineralized material were mined to produce 6.9 million pounds of nickel before the mine was put on care and maintenance due to operational challenges and low nickel prices. Today, the Bucko Lake Mine and surrounding satellite deposits continue to host significant nickel sulfide Mineral Resources grading over 1% Ni.



The mine and surrounding deposits benefit from excellent infrastructure including roads, rail, power, internet, personnel, and equipment. The mine can be accessed and operated all year, and existing mine infrastructure includes a 1,000-tpd processing plant, backfill paste plant, on-site drill core shack, hoist and headframe, fine mineralized material bin, office, dry trailers, compressor room, tailings disposal management area and a 100-person camp.

Further information on the Bucko Lake Mine is available at [www.buckolakemine.com](http://www.buckolakemine.com) and on CaNickel at [www.canickel.com](http://www.canickel.com) or contact:

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**Forward-Looking Statements**

This press release may contain forward-looking statements including those describing the Company's future plans and the expectations of management that a stated result or condition will occur. Any statement addressing future events or conditions necessarily involves inherent risk and uncertainty. Actual results can differ materially from those anticipated by management at the time of writing due to many factors, most of which are beyond the control of the Company. In particular, this news release contains forward-looking statements pertaining, directly or indirectly, to the Company's plans regarding bringing the Bucko Lake Mine back into production, resolving the Company's indebtedness and the economic and operational potential of the Bucko Lake Mine and satellite deposits.

Although the Company believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties, actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, general economic, market or business conditions, risks associated with the exploration and development industry in general (e.g., the outlook for nickel and copper, interest and exchange rates, inflation and capital market conditions, operational risks in development, exploration and production; the uncertainty of Mineral Resource Estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks).

Readers are cautioned that the foregoing list of risk factors should not be construed as exhaustive. These statements speak only as of the date of this release or as of the date specified in the documents accompanying this release, as the case may be. The Company undertakes no obligation to publicly update or revise any forward-looking statements except as expressly required by applicable securities laws.

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