



Continental Nickel Closes a Non-Brokered Private Placement Financing

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Toronto, Ontario (December 22, 2009): Continental Nickel Limited (TSXV:CNI) ("Continental" or the "Company") is pleased to announce the closing of a previously announced (see Company's news release dated December, 17, 2009) non-brokered private placement of 230,000 flow-through ("FT") shares sold to one institutional investor. The FT shares were sold at a price of \$1.10 per share raising gross proceeds of \$253,000 and are subject to a hold period expiring on April 22, 2010.

The proceeds raised in the FT placement will be used to fund exploration programs at the St. Stephen nickel and copper project in New Brunswick. The St. Stephen project is under option from Abitex Resources of Val D'Or Quebec and the Company can acquire up to a 75% interest in the project. The Company recently completed a ground geophysical survey (see press release of December 9, 2009) on the St. Stephen Property and outlined two new and untested, high conductance electromagnetic (EM) anomalies near known nickel-copper sulphide zones. The Company intends to drill test these and several other identified targets in 2010. The gross proceeds raised from the flow-through offering will be used for "Canadian exploration expense" as defined in the Income Tax Act (Canada) and will be renounced for the 2009 taxation year.

In connection with the flow-through private placement, the Company has paid a cash finder's fee of 5% of the gross proceeds raised under the offering.

A second non-brokered, non-flow-through, private placement (also previously announced on December 17, 2009) to the Company's largest shareholder, IMX Resources Limited ("IMX") of Australia is still subject to closing, which will be announced upon completion. Pursuant to the terms of the IMX placement, the Company plans to issue 207,269 common shares at a price of \$0.92 per share for gross proceeds of \$190,687.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons as defined under applicable securities laws unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Continental Nickel

Continental Nickel Limited is focused on the exploration and discovery of nickel sulphide deposits in geologically prospective, but under-explored regions globally. Current projects include its 70% controlling interest in the Nachingwea project in Tanzania, where NI 43-101 Mineral Resources have

been defined, and an option joint venture on the St. Stephen project in New Brunswick, Canada. Continental Nickel has 30,362,395 shares issued and outstanding (33,029,895 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI. The Company remains well funded with over C\$9.5 million in the treasury.

On behalf of

Continental Nickel Limited

"Craig MacDougall"

President & Chief Executive Officer

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