

## CANADA NICKEL COMPANY—CRAWFORD NICKEL SULPHIDE PROJECT CRAWFORD PROJECT - PRESENTATION AND ENGAGEMENT ACTIVITIES FAR NORTHEAST TRAINING BOARD – NORCAT MEETING REPORT

MEETING INFORMATION				
DATE	September 15 <sup>th</sup> , 2021			
TIME	2:00pm to 2:45pm			
LOCATION	Videoconference—MICROSOFT TEAMS			
PARTICIPANTS	FAR NORTHEAST TRAINING BOARD (FNTB) – NORCAT  Cherilyn Archibald, Employment Training Coordinator, Taykwa Tagamou Nation, and member of the Far Northeast Training Board Josée Savard Gosselin, Administrative Assistant, Far Northeast Training Board Julie Joncas, Executive Director, Far Northeast Training Board Jessica Lafrenière – President, Kirkland Lake Chamber of Commerce Jason Michaud, Cochrane Board of Trade, CEO of Stardust Technologies Raymond Gagné – Far Northeast Training Board Luke Dinan, Director and Board of Training for the Town of Cochrane, and ACFOR Forest Management John Okonmah, Wakenagun Community Futures Development Corporation Rhéal Cousineau, Cochrane Board of Trade & BMT Insurance Ken Stewart, Training Manager, NORCAT			
CANADA NICKEL	<ul> <li>✓ Pierre-Philippe Dupont – Vice President Sustainability</li> <li>✓ Alexandra Armstrong – Community Relations and Communications Coordinator</li> </ul>			
FACILITATION	✓ Isaac Gauthier – Facilitator – Transfer Environment and Society (TES)			
OBJECTIVES	<ul> <li>□ Follow-up on the Crawford Project</li> <li>□ Present the current baseline study results</li> <li>□ Present the Preliminary Stakeholder Engagement Plan</li> <li>□ Discuss and review the Preliminary Stakeholder Engagement Plan and accompanying activities, tools, and schedule</li> </ul>			
MEETING HOLDER	Canada Nickel Company			
AGENDA	<ol> <li>Introductory Roundtable</li> <li>Canada Nickel and the Crawford Project</li> <li>Project Update</li> <li>Baseline Studies – Preliminary Results</li> <li>Preliminary Engagement Plan</li> </ol>			

- 6. Preliminary Project Timeline7. Group Discussion8. Next Steps
- MEETING HIGHLIGHTS

SUGGESTIONS	
✓ FNTB	Canada Nickel should hold open house events as they are effective engagement tools to reach out to the concerned communities and groups

FOLLOW-UPS	
✓ Canada	☐ Share the meeting presentation, the Meeting Report, and the Preconsultation
Nickel	Survey

GENERAL COMMENTS		
✓ FNTB	The participants generally agree with the use of open house events as an engagement tool. Past successes with the Taykwa Tagamou Nation and in Cochrane were raised as proof of their effectiveness in informing the concerned communities, in gathering project feedback, and in bridging communities and projects together	
✓ FNTB & NORCAT	The participants agree with the use of committees to discuss specific topics in detail, with a particular interest in the labour and training committee	
✓ FNTB & NORCAT	☐ The FNTB membership is well suited to create a labour and training committee	

### 1. INTRODUCTION & ROUNDTABLE

Alexandra Armstrong, the Community Relations and Communications Coordinator at Canada Nickel initiates the meeting by inviting the participants to introduce themselves, before presenting the team at Canada Nickel and the consultant from TES. She proceeds with a brief overview of the meeting's objectives and agenda.

Ms. Armstrong invites the participants to share their questions and comments freely throughout the presentation. She further mentions that the presentation will be shared electronically after the meeting to the participants with the meeting report, in addition to an anonymous online survey.

For details regarding the presentation, please refer to the Appendix.

### 2. CANADA NICKEL & CRAWFORD PROJECT OVERVIEW

Ms. Armstrong shares a brief overview of Canada Nickel and the Crawford Project. She mentions that the Crawford Project itself is planned as a large open-pit mining project, 45 kilometres north of Timmins, along Highway 655. Because of the location of the Highway, a partial relocation will be required to access the underlying nickel deposit.

She further mentions that Canada Nickel released the Project's Preliminary Economic Assessment (PEA) in June 2021, with positive results. The rate of return is 16%, which is positive for base metals, and the mine's potential lifetime presented in the PEA is of 25 years. She adds that on-ground drilling results now predict a potential lifetime of 40 years. The presented site layout is built on the PEA results and is currently being reviewed as Canada Nickel is preparing its Feasibility study. The project will have a general footprint of 30 km², making it a very large mining project, even for the area.

Ms. Armstrong presents the preliminary layout mentioning it has changed since the PEA and Canada Nickel is expecting to have a 70-75% confirmation of the new layout at the end of September.

For further details regarding the Crawford Project's overview, please refer to the presentation available in the Appendix.

No questions or comments were raised by the participants.

### 3. BASELINE STUDIES – PRELIMINARY RESULTS

Mr. Armstrong presents the various results gathered during the baseline studies undertaken by Canada Nickel's consultants regarding the following topics:

- Terrestrial field investigations (wildlife)
- Fish habitat
- Geochemical, hydrological, and hydrogeological

As a reminder, baseline studies aim to establish a current environmental and social portrait of the area concerned by the Crawford Project, prior to its development. This helps assess the scope of the project's future cumulative impacts and an eventual path to its closure.

Concerning the terrestrial and aquatic wildlife baseline studies, the assessments were undertaken by Woods and included sampling in the North Driftwood River and West Buskegau River and their associated water bodies. No species at-risk were identified in the area, even though it is within the southern range of the woodland caribou. One species of special concern was identified within the area, the Olive-sided Flycatcher, although no nesting grounds were identified.

Regarding the geochemical, hydrological, and hydrogeological assessments, these were undertaken by Golder. One of the main highlights is that the geochemical analysis has confirmed that the ore and waste rock are non-acid generating, due to the local geological signature (low sulphide). Flow and quality monitoring stations have also been installed in the North Driftwood River and West Buskegau River systems. For further details regarding the baseline studies results, please refer to the presentation available in the Appendix.

No questions or comments were raised by the participants.

### 4. PRELIMINARY ENGAGEMENT PLAN & GROUP DISCUSSION

Ms. Armstrong presents the proposed guidelines, activities, engagement tools and schedule of the stakeholder engagement process. She reiterates that the feedback shared in the engagement questionnaire from June 2021 helped confirm and guide the Preliminary Engagement Plan that is presented today while adding that the meeting's main objective is to have the participants review, comment, and ultimately approve the Plan.

For details regarding the various guidelines, activities, engagement tools and schedules, please refer to the presentation available in the Appendix.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q&I1	A participant mentions that Taykwa Tagamou Nation (TTN) regularly holds open house events with project proponents with great success. Usually, the meetings are held in the evening to maximize participation and have food and coffee served for the guests. The event itself is usually informal in its format, with topic-specific booths set up so the participants can talk with the proponent's team and share feedback, per their interests. The participant also mentioned door prizes as a further incentive to participation.	Ms. Armstrong thanks the participant for her feedback.
Q & I 2	A participant mentions that because of the COVID-19 pandemic, in-person meetings have been curtailed in Cochrane. He adds though that these types of events have been successful with previous projects, for example the Detour Gold project, where there were 300 participants. He adds that once these meetings are allowed by the public health authorities, holding an open house event in Cochrane will be an important engagement tool to inform the community about the Crawford Project and to share feedback.  The participant further mentions that it is important to get proponents and the concerned communities together to	Ms. Armstrong thanks the participant for his feedback and agrees with his statement regarding the importance of common understanding and discussions. She further remarks on the strong turnout of previous open house events.  Ms. Armstrong agrees with the participant's comment.

QUESTIONS AND INTERVENTIONS		ANSWERS
	ensure that there is common ground and an understanding of each other's reality.	
	A participant agrees with the previous statement and underlines the importance of working together for the success of such an event.	
	Regarding the topic-specific committees, a participant mentions that the FNTB could evaluate who best should participate in the committees, once Canada Nickel has decided on the topics.	
Q & I 3	A participant mentions that the labour and training committee is especially relevant in the context of current challenges in finding trained workers for projects in the region. Local planning and training will be key in solving this issue, not only for Cochrane and Timmins but also for the other neighbouring communities.	Ms. Armstrong thanks the participants for their comments and feedback.  Mr. Gauthier further thanks the participants for their feedback and mentions that other educational institutions have also highlighted the relevance of the Far Northeast Training Board's participation in a labour and training committee. He mentions that Canada Nickel and TES are still considering how best to
	A participant further agrees with the previous statements, especially regarding the importance of a labour and training committee. He underlines the fact that the membership of the Far Northeast Training Board and its partners are well-positioned to participate in such a committee.	implement the proposed committees and that the feedback shared today will help guide those decisions.

### 5. NEXT STEPS

Ms. Armstrong thanks the participants for their time and invites the participants to reach out to the team for any comments or questions and mentions that Canada Nickel will share the presentation and meeting report along with the feedback survey.

She adds that the next meeting will be held somewhere in October or November to share the information to be included in the Initial Project Description that will be eventually sent to the Impact Assessment Agency of Canada.

Until then, she thanks the participants for their time and invites the participants to reach out to the team for any comments or questions. She adds that Canada Nickel's new office in Timmins is also available if people want to drop by and have a chat.

No questions or comments are raised by the participants. The meeting ends at 2:45 pm.

# APPENDIX I PRESENTATION



### **Canada Nickel – Crawford Project**

Delivering the Next Generation of Nickel Sulphide Projects

September 2021

### **Cautionary Statements & Disclaimer**



This Presentation contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation about Canada Nickel Company Inc. ("CNC"). Forward-looking information includes statements about strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of nickel, timing of geological reports 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, including the risks inherent to the mining industry, adverse economic and market developments. 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 Presentation 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. CNC 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.

This Presentation has been completed by CNC. Certain corporate projects referred to herein are subject to agreements with third parties who have not prepared, reviewed or approved this Presentation. The Presentation is not intended to reflect the actual plans or exploration and development programs contemplated for such projects.

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The scientific and technical information contained in this Presentation has been reviewed by Steve Balch, P. Geo, (VP Exploration) and a Qualified Person within the meaning of National Instrument 43-101.

### **Foreign Exchange Assumptions**

All amounts discussed herein are denominated in CAD dollars unless otherwise specified.

### **AGENDA**



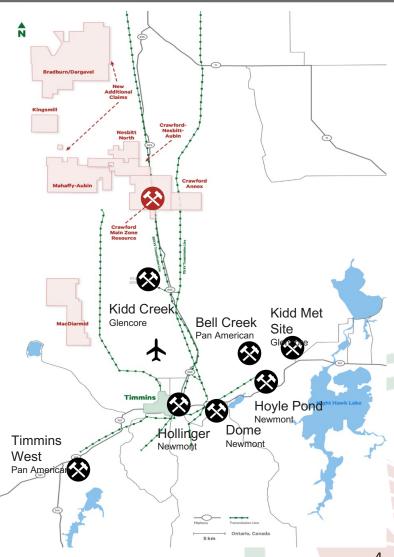
- Introductory Roundtable
- Canada Nickel and the Crawford Project
- Project Updates
- Baseline Studies Preliminary Results
  - Terrestrial
  - Fish Habitat
  - Geochemical, Hydrological & Hydrogeological
- Presentation Preliminary Engagement Plan
  - Proposed Guidelines, Tools & Activities
  - Timeline
  - Committee
- Group Discussion
- Next Steps

### **Canada Nickel and the Crawford Project**



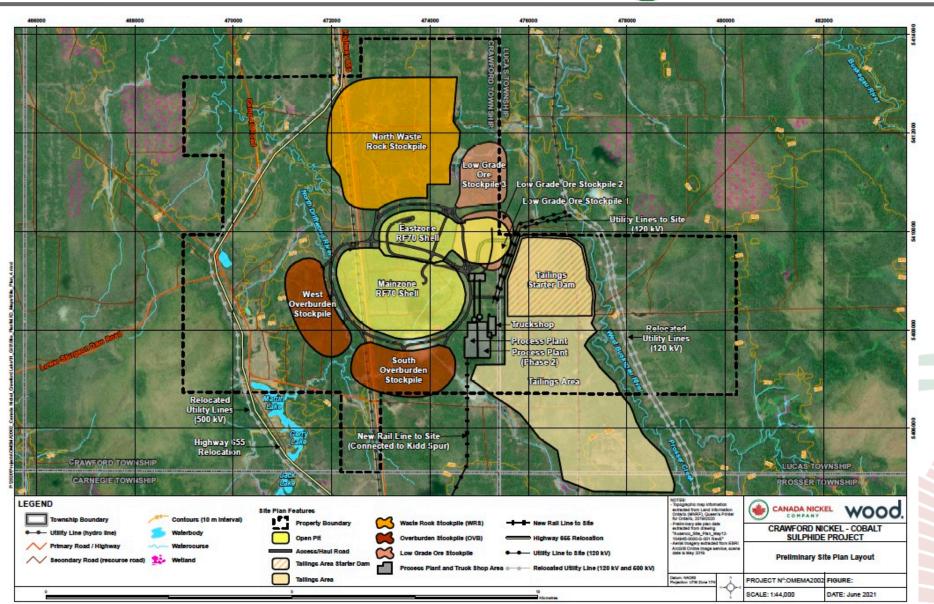
## Canada Nickel has full ownership of the Crawford Nickel Project

- ✓ Proposed open pit nickel mine located north of Timmins
- ✓ Plans to take advantage of:
  - Nearby existing infrastructure
  - Skilled local workforce
  - Natural ability for waste rock and tailings to capture and store CO<sub>2</sub>
- ✓ Positive Preliminary Economic Assessment Results
  - 16% after-tax internal rate of return (IRR)
  - Expected to be in the top 5 nickel sulphide operations by production globally
  - 25-year mine life
  - Net Present Value of US\$ 1.2 billion



### **Preliminary Site Layout**





### **Preliminary Baseline Study Results**



### TERRESTRIAL FIELD INVESTIGATIONS

- ✓ Mammals recorded during aerial surveys:
  Moose, Beaver, Otter, Wolf, Marten, Hare, and Lynx
- ✓ No Species at Risk confirmed during targeted surveys. The site is located within the range of Woodland Caribou, but no Caribou were observed during field studies this year
- ✓ The Olive-sided Flycatcher, which is a Special Concern bird species, was recorded during vegetation surveys but there was no evidence that the species was breeding locally



### **Preliminary Baseline Study Results**



## FISH HABITAT AND COMMUNITY SURVEYS

- ✓ Sampling completed within the North Driftwood River and West Buskegau River catchments (ponds, streams and lakes)
- ✓ Mostly forage / baitfish community present in the ponds and river, typical of Northern Ontario
- ✓ Large bodied species caught: Northern Pike,
  White Sucker and one juvenile Burbot
- ✓ Future Fall 2021 sampling will include benthic invertebrates (bottom insects), sediment quality and fish community and tissue sampling





### **Preliminary Baseline Study Results**



### **GEOCHEMICAL**

To Date:

Ore and Waste Rock
Characterization – initial results
indicate non-acid generating

Plan:

Characterization of tailings and process water

Suitability of soil removed during mine development for reclamation purposes

### **HYDROLOGICAL**

To Date:

Flow and quality monitoring stations installed on North
Driftwood and West Buskegau
River systems

Plan:

Characterization of seasonal flow conditions in nearby creeks and rivers

### **HYDROGEOLOGICAL**

*Initiation in Fall 2021* 

Plan:

Characterization of groundwater flow conditions and quality in soil and bedrock Connections to be drawn between ground and surface water



### **Preliminary Engagement Plan**



### CANADA NICKEL'S ENGAGEMENT GUIDELINES

- ✓ Early, ongoing and proactive engagement that is tailored to the community's interests and expectations
- ✓ Stakeholders are engaged by proximity to the project and provided opportunities to obtain information and share feedback
- ✓ Sharing of public, nuanced, and summarized project information that transparently addresses issues, concerns, opportunities, and solutions
- ✓ Project decisions taken per **feasibility** and **regulatory** requirements, in addition to **Indigenous** and **stakeholder** feedback
- ✓ **Obtaining a plurality of perspectives** from the community by reaching out to groups not often involved in mining projects

### **Preliminary Engagement Plan**



Canada Nickel is considering the use of the following engagement tools, per the feedback obtained in the June/July questionnaire:



Surveys & Meeting Reports (following each meeting)



**Project Website** 



Community Meeting (Open House)



Quarterly Newsletters



Ongoing
Communications (email, telephone, office)



Thematic Committees and Small Group Meetings

### **Crawford Project Committee(s)**



Due to the complex nature of a large scale, open pit mining project, Canada Nickel is considering the creation of work committees to address specific topics related to the project with relevant stakeholders within the community.

### **Potential topics:**

- ✓ Community Contribution
- ✓ Environmental Impact Management (tailings management, water quality, etc.)
- ✓ Labour & Training

Does the idea seem relevant to you?

### Planned Engagement Schedule (2021 - 2022)



October/ November 2021

November/ December 2021

Mid 2022

2022

Initial Project
Description
(IPD)
Meetings

\*Committee Creation & 1st Meeting \*\*Detailed Project Description Meetings

Impact Assessment Meetings

#### **Discuss:**

- Project Design
- Anticipated Impacts
- Planned Mitigation

### Goal:

- Create committees per community feedback
- Establish participants
- Hold 1<sup>st</sup>
   Meeting

### Discuss:

- Issues
   identified by
   Agency (IAAC),
   following IPD
   and federal
   consultations
- Proponent's response to those issues

To be defined early 2022

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<sup>\*</sup>Activities to be held per relevance and community interest

<sup>\*\*</sup>Activity to occur post Agency-led consultation on IPD

### **Group Discussion**



Per the information shared today, do you have any comments or concerns regarding:

- ✓ The Crawford Project?
- ✓ The Baseline studies/results?
- ✓ The Preliminary Engagement Plan and its proposed tools, activities and schedule?
- ✓ The potential creation of committee(s)?

Do you feel Canada Nickel is sufficiently proactive in reaching out to the community for its input? Is it doing too little, or too much?

### **Next Steps**



### Following today's meeting, Canada Nickel will:

- ✓ Share with you an Engagement Survey and Meeting Report
- ✓ Finalize the Stakeholder Engagement Plan
- ✓ Prepare a Preliminary Initial Project Description (IPD)
- ✓ Reach out to Indigenous groups and community stakeholders for feedback on the Crawford Project's design, anticipated impacts, and proposed mitigation, per the information in the Preliminary IPD



# FUTURE QUESTIONS OR COMMENTS?

### PLEASE CONTACT

ALEXANDRA ARMSTRONG, COMMUNITY RELATIONS
AND COMMUNICATIONS COORDINATOR

<u>community@canadanickel.com</u>

705-363-7322



### **APPENDIX**



### **Board and Management Team**



### David Smith Director P.Eng., C.Dir.

- Senior VP, Finance and CFO of Agnico Eagle Mines Limited;
- Chartered Director, Director of Sprott Resource Holdings

### Mark Selby Chairman, CEO B.Comm.

- Previous CEO of Royal Nickel Corporation
- Corporate development, strategy, business planning and market research Executive with Quadra Mining and Inco
- Nickel market expert

### Francisca Quinn Director M.Sc.

- Co-founder and President of Quinn & Partners Inc., a recognized advisory firm advancing sustainability in business and capital markets;
- Previously with Carbon Trust and WSP Global

### **Wendy Kaufman CFO** CPA, CA

 >25 years of experience leading mining companies in project finance, capital structure, capital markets, accounting and internal controls, tax, financial reporting and public disclosure; completed \$4 billion finance for Cobre Panama

### Jennifer Morais Director BA, MBA, CFA

 >20 years as senior executive in private equity, alternative finance, mining finance and management consulting; previously with TPG Capital, CPPIB, OMERS, Hatch and CIBC

Steve Balch
VP, Exploration
P.Geo.

- Geophysicist with 35 years experience specializing in Ni-Cu-PGE deposits including for Inco Limited in the Sudbury Basin and Voiseys Bay
- Active in developing geophysics technology used in exploration globally

### Kulvir Singh Gill Director B.Comm., ICD.D

 20 years of experience in innovation and sustainability in mining; lead innovation and growth projects for Fortune 500 clients across the mining, O & G and heavy industrial sectors

John Leddy Senior Advisor, Legal LL.B. • Senior Advisor, Legal and Strategic Matters at Karora Resources Inc. (formerly RNC Minerals);

 Over 20 years' experience as a business lawyer and former Partner at Osler

### Mike Cox Director B.Sc., MBA

 Managing Partner at CoDa Associates; previously head of Vale UK and Asian refineries following over 30 years in senior leadership roles in Base Metals with Inco and Vale Pierre-Philippe
Dupont
VP, Sustainability
M.Sc.

 >15 years of experience in successfully obtaining environmental, community stakeholder and First Nation approvals for mining projects, including permitting Dumont Nickel and Canadian Malartic; former Director of Sustainability at Glencore

### Russell Starr Director MA, MBA

 Previously in senior roles with RBC Capital Markets, Scotia Capital, Orion Securities, and Blackmont; SVP and Director of Cayden Resources (acquired by Agnico for \$205M) Christian Brousseau Project Director P.Eng., MBA, ing.  30 years of experience with engineering, design and construction in mining, including >6 years as project Director for the Dumont Nickel Project, three years as the Engineering and Construction Manager for Detour Gold



# Crawford Project – Design and Features

## **Current Downstream Path to Stainless Steel Future Path Likely to Include Path to EV**



- Nickel, iron and chromium are three key alloying metals in the production of stainless steel, which makes Crawford products suitable feeds
- Stainless steel pricing delivers consistent premiums available in the United States and MUCH higher and sustained than nickel sulphate
- Based on analysis by CRU, Kingston Process Metallurgy Inc. and Steel and Metals Market Research, the Company is utilizing payability of:
  - Nickel 91%, Iron 71%, Chrome 43% which still provides sufficient incentive for the construction of a local stainless steel mill which would also produce additional nickel pig iron products based on the nickel/iron mix of the feeds
- With rapidly increasing demand from the EV market, processing options to deliver nickel units to the EV supply chain will likely be included in the feasibility study allowing Co and PGM contained value to be captured and add further value to the project

## US Stainless Conversion Margins (US\$/lb Nickel) vs Nickel Sulphate Premiums



Source: CRU, Canada Nickel Analysis

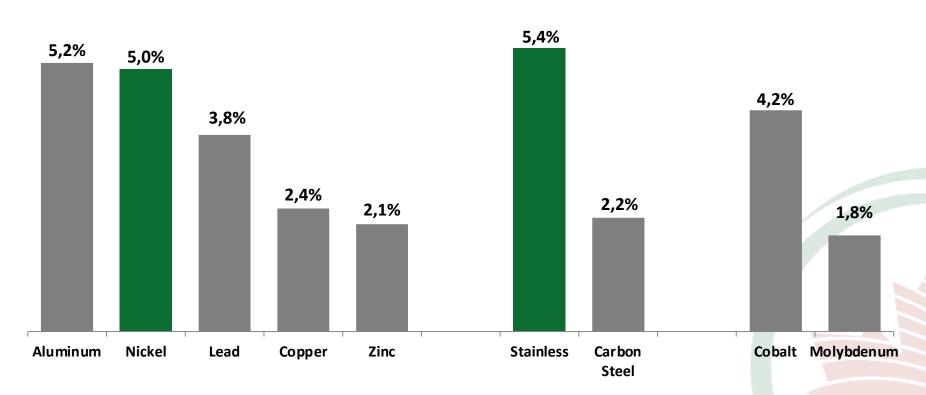
### **Nickel Demand: Leader Among Metals**



Nickel demand a leader among metals over the last decade driven by continued strong growth in stainless steel with little contribution from electric vehicles

Nickel potentially entering a super cycle; occurs every 15-20 years.

Base Metals & Other Metals Demand (2007 - 2017)



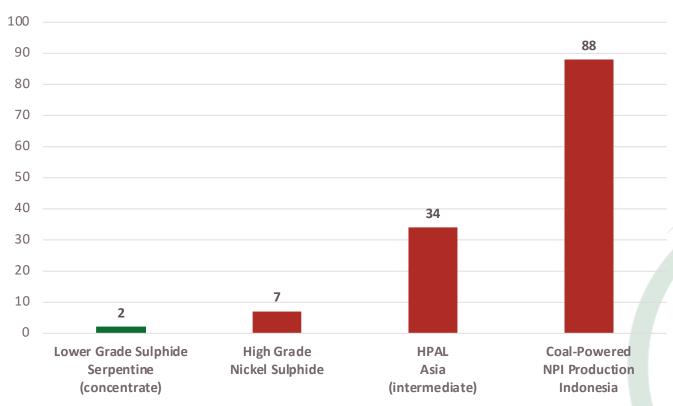
Source: Macquarie

### Tesla: "Please mine more nickel..."



"...please mine more nickel... Tesla will give you a giant contract for a long period of time if you mine nickel efficiently and in an environmentally sensitive way." – Elon Musk, Co-Founder and CEO, Tesla Earnings Call July 22, 2020

Estimated Carbon Footprint (tonnes CO<sub>2</sub>/tonne of Nickel produced)
Selected Types of Nickel Production – Existing Projects/Producers



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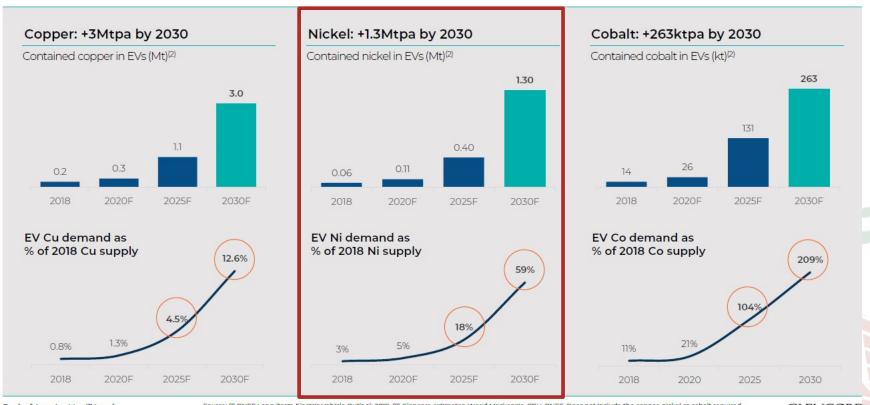
## **Electric Vehicles to Drive Significant Demand Growth**



### Glencore presentation highlight massive growth expected in nickel demand. Tesla 3TW of annual batteries needs 1+ Mtpa alone!

Electrification of transport relies on the large scale replacement of ICE with EVs

The mobility transition is a major new source of material demand: >140M EVs forecast on the road by 2030<sup>(1)</sup>



Bank of America Merrill Lynch 2019 Global Metals, Mining & Steel Conference Source: (1) BNEF Long-Term Electric Vehicle Outlook 2018. (2) Glencore estimates, Wood Mackenzie, CRU, BNEF. Does not include the copper, nickel or cobalt required for other parts of the EV supply chain including charging infrastructure, energy storage systems, grid

**GLENCORE** 

### **NetZero Metals Production Potential**



## Key technologies are being explored to potentially develop a Zero-Carbon footprint operation

### **Mining**

- ✓ Electric rope shovels and trolley trucks as a power sources (wherever possible)
- ✓ Ambient CO₂ absorption through natural mineral carbonation process of the waste rock and tailings (exact amount and rate of absorption at Crawford will be analyzed in the upcoming studies)

### Milling

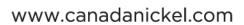
✓ Large scale processing of lower grade sulphide ores utilizes lots electricity - proximity to local hydroelectricity provides the potential to minimize carbon emissions

### **NetZero Metals - Nickel-Cobalt Concentrate Processing**

- ✓ Utilizing natural gas as a reductant, with the off-gases captured and re-routed to allow the CO₂ be captured by the waste rock and tailings
- ✓ Off-gases will again be captured and treated to ensure CO₂ and SO₂ emissions are minimized



### **FIRST NATION PARTNERSHIPS**

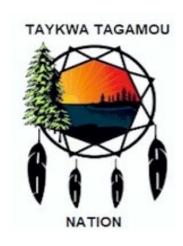


### **First Nation Partnerships**



Canada Nickel has entered into Memorandum of Understandings (MOUs) with Taykwa Tagamou Nation, Matachewan First Nation and Mattagami First Nation.

Discussions are currently underway to establish collaborative frameworks with our Indigenous partners throughout the project.









### FEDERAL IMPACT ASSESSMENT PROCESS

### **Federal Impact Assessment Process**



- ✓ The Crawford Project will likely fall under the post-Bill C-69 federal Impact Assessment (IA) Process:
  - Federal threshold of 5000+ tonnes daily
  - Potential encroachment in watercourses
- ✓ New regulatory body: Impact Assessment Agency of Canada (IAAC)
- ✓ Canada Nickel will thus be required to do a rigorous assessment of the Crawford Project's environmental but also socio-economical impacts
- ✓ Proactive Indigenous and community engagement will be key in identifying these impacts and the relevant mitigation measures

### **Key Project Milestones / Timeline**



