

### CANADA NICKEL COMPANY—CRAWFORD NICKEL SULPHIDE PROJECT CRAWFORD PROJECT - PRESENTATION AND ENGAGEMENT ACTIVITIES TIMMINS CHAMBER OF COMMERCE MEETING REPORT

MEETING INFORMATION				
DATE	September 14 <sup>th</sup> , 2021			
TIME	1:00pm to 2:30pm			
LOCATION	Videoconference—MICROSOFT TEAMS			
	TIMMINS CHAMBER OF COMMERCE – CHAMBER BOARD			
PARTICIPANTS	<ul><li>☐ Mélanie Verreault, President</li><li>☐ Cameron Grant, Senior Policy Analyst</li><li>☐ Keitha Robson, CAO</li></ul>			
CANADA NICKEL	<ul> <li>✓ Alexandra Armstrong – Community Relations and Communications Coordinator</li> <li>✓ Pierre-Philippe Dupont – Vice President Sustainability</li> </ul>			
FACILITATION	✓ Isaac Gauthier – Facilitator – Transfer Environment and Society (TES)			
OBJECTIVES	□ Follow-up on the Crawford Project □ Present the current baseline study results □ Present the Preliminary Stakeholder Engagement Plan □ Discuss and review the Preliminary Stakeholder Engagement Plan and accompanying activities, tools, and schedule			
MEETING HOLDER	Canada Nickel Company			
AGENDA	1. Introductory Roundtable 2. Canada Nickel and the Crawford Project 3. Project Update 4. Baseline Studies – Preliminary Results			

### MEETING HIGHLIGHTS

ISSUES AND CONCERNS			
✓	□ n/a		

SUGGESTIONS		
✓ Timmins Chamber of Commerce	☐ Use social media as an engagement tool and for sharing your engagement activities with the community.	
✓ Timmins Chamber of Commerce	☐ Join the Chamber of Commerce's Community Impact and Advocacy in Action committees	
✓ Timmins Chamber of Commerce	Participation in Chamber of Commerce's events such as Inside your Business, Open House Timmins, and local community events by presenting information in outside booths	

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

#### 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 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, 42 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 is of 25 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, with infrastructure, of 30 km<sup>2</sup>, making it a very large mining project, even for the area.

Mr. Dupont adds that the project will eventually reach 120 000 tonnes per day, with a progressive start-up. For reference, the Kidd Metallurgical site capacity is 12 000 tonnes per day.

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

No questions or comments are raised by the participants.

#### 3. BASELINE STUDIES – PRELIMINARY RESULTS

Ms. 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. 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 participant's feedback from the engagement questionnaire shared in 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 asks if Canada Nickel is looking to use social media to reach out to the community.  The participant mentions that because of the COVID pandemic, social media and virtual meetings are still an effective	Mr. Dupont answers that Canada Nickel has different social media tools (LinkedIn, for example) for marketing purposes. For community relations, Canada Nickel will focus rather on its website, the various proposed communications tools, and the engagement process.
	means to reach out to the community, one on which the Timmins Chamber of Commerce has been using with effect.	Mr. Gauthier asks the participant if she believes that social media would be effective to push Canada Nickel's engagement activities to the community.
Q & I 2	A participant asks if Canada Nickel would be available for another Inside your business event with the Timmins Chamber of Commerce.	Mr. Dupont mentions that Canada Nickel would be available whenever the Chamber of Commerce would like to hold such an event.
Q & I 3	A participant mentions that regarding an open house, the community is used to participate in these types of meetings at the McIntyre Arena. She also suggests outdoor booths at community events to get a good turnout and to reach out to a larger scope of residents.  Regarding open houses, the participant answers that the format varies, whether it is a formal presentation with a question period at the end or a more informal discussion regarding different topics. Both are useful, depending on the objectives.  A participant agrees with the previous statement.	Ms. Armstrong thanks the participant for her suggestions.  Mr. Gauthier asks what an open house usually looks like in the area, i.e., should it be a formal presentation, or should it rather be an open gathering where people can freely discuss with Canada Nickel's team.
Q&14	Ms. Armstrong asks the participants if they agree with the thematic committee proposal.  Mr. Dupont adds that he is particularly interested in hearing out on how Canada Nickel should get involved in the	A participant answers that the definition of local is particularly strategic and should be figured out through engagement. From her perspective, Canada Nickel will have to engage with each group and community to answer this question.

QUESTIONS AND INTERVENTIONS		ANSWERS
	community, especially regarding its contributions. The question of what is considered "local" of also of particular interest to him.	Regarding the thematic committees, a participant mentions that she agrees with the idea, as she feels that her expertise would only be relevant on certain topics. With topic-specific committees, the relevant experts and interested parties could participate in the committee that best suits them and Canada Nickel.
Q&15	Ms. Armstrong mentions that the Timmins Chamber of Commerce has ongoing committees, and she wonders if the Chamber of Commerce would like Canada Nickel to join them.	A participant answers that Canada Nickel can certainly join, specifically the Community Impact and Advocacy in Action committees.  The participants agree with the previous statement.
Q & I 6	A participant mentions that Canada Nickel's engagement steps are positive and sufficient with regards to where the project is. She adds that it has allowed Canada Nickel to keep the community informed and interested in the project.  A participant also mentions that there are local champions that share information on the project within the community, to Canada Nickel's benefit.  A participant further agrees with the previous statements.	Ms. Armstrong thanks the participants for their feedback and support.

### 5. NEXT STEPS

Ms. Armstrong presents the next steps regarding the Crawford Project, whereas Canada Nickel will share the presentation and meeting report along with a feedback survey. From the results and comments, the team will finalize the Stakeholder Engagement Plan, and continue to engage with local Indigenous groups and the community, as the project moves forward, and its design becomes more definitive.

Until then, she thanks the participants for their time and invites the participants to reach out to the team for any comments or questions. The meeting ends at 1:45 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**



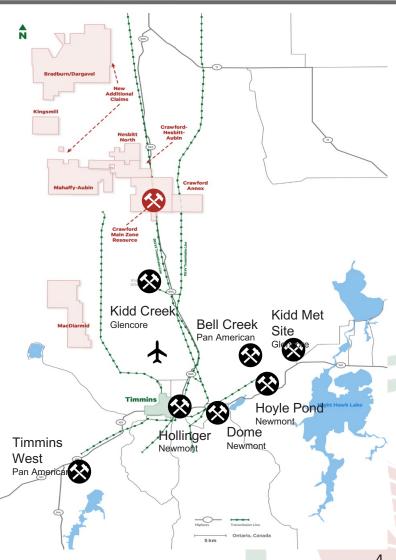
- Introductory Roundtable
- Canada Nickel and the Crawford Project
- Project Updates
- Baseline Studies Preliminary Results
  - Terrestrial
  - Fish Habitat
  - Geochemical, Hydrological & Hydrogeological
- Presentation Preliminary Engagement Plan
  - Proposed Guidelines, Tools & Activities
  - Timeline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

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



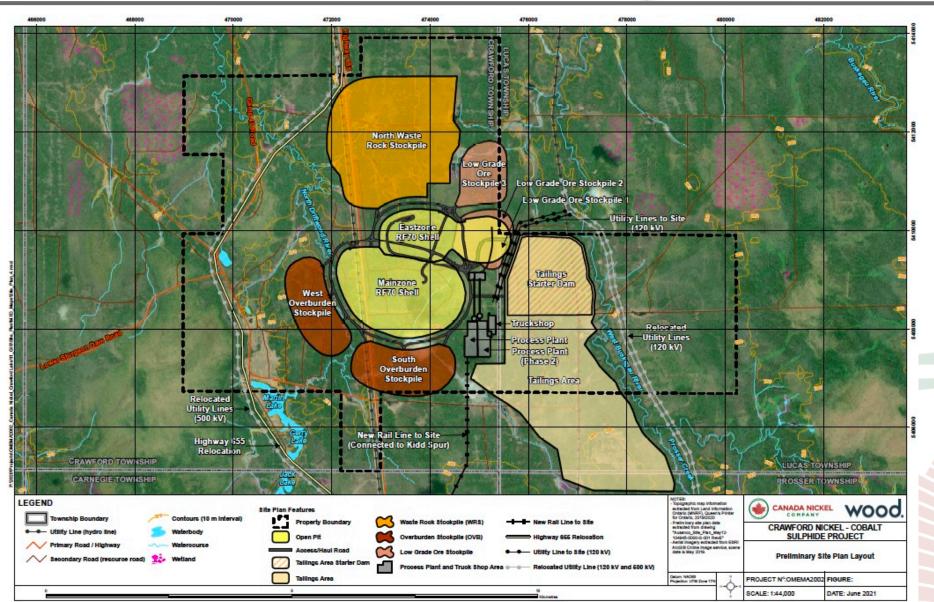
### Canada Nickel has full ownership of the Crawford Nickel Project

- ✓ 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)



Quarterly Newsletters



**Project Website** 



Ongoing
Communications (email, telephone, office)



Community Meeting (Open House)



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

- \*Activities to be held per relevance and community interest
- \*\*Activity to occur post Agency-led consultation on IPD

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### **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

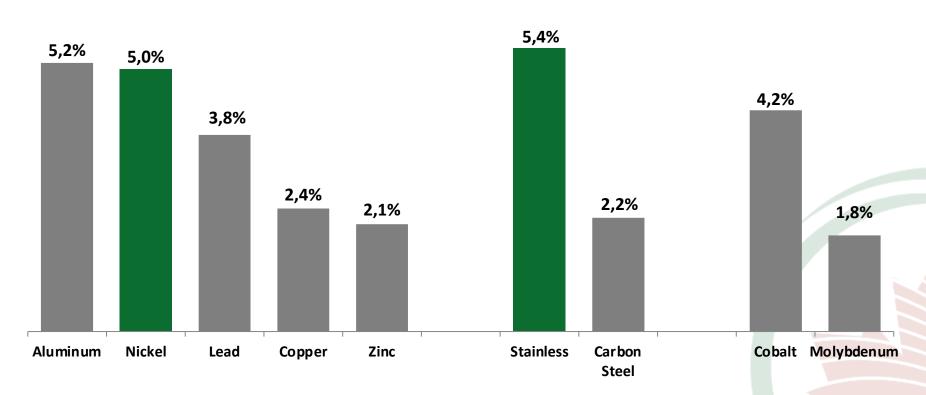
### **Nickel Demand: Leader Among Metals**



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)



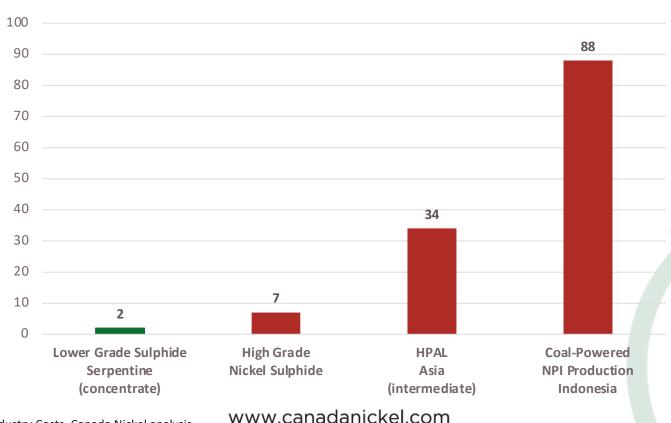
Source: Macquarie

### 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



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

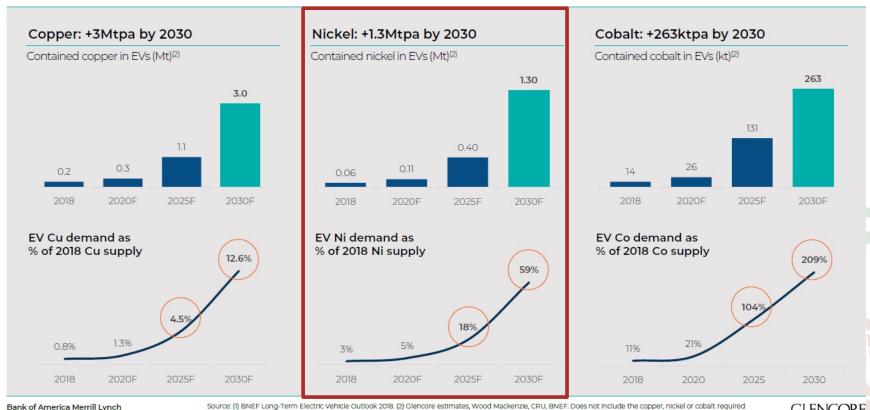
2019 Global Metals, Mining & Steel Conference



### 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>



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**

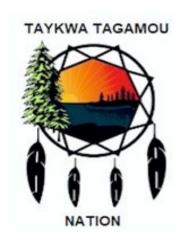


### **First Nation Partnerships**



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**



