



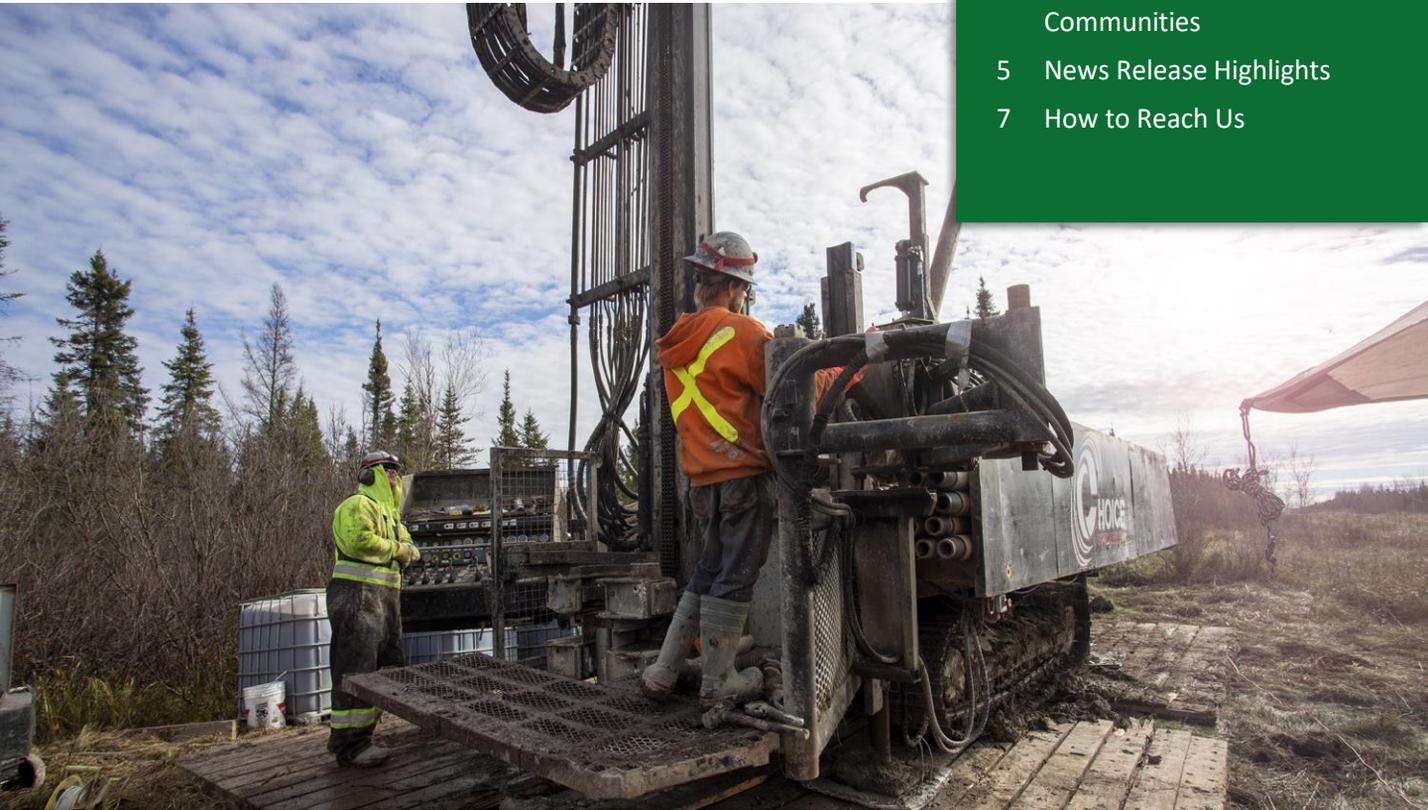
**CANADA NICKEL**  
COMPANY

# NEWSLETTER

DECEMBER 2021

## TABLE OF CONTENTS

- 1 Crawford Project Updates
- 2 A Message from Pierre-Philippe Dupont, Vice President, Sustainability
- 3 Canada Nickel in Action
- 4 The Federal Impact Assessment Process and What it Means for Communities
- 5 News Release Highlights
- 7 How to Reach Us



## UPDATES ON CANADA NICKEL'S CRAWFORD NICKEL PROJECT

Canada Nickel is heading into a busy 2022 as we work towards completion of a Feasibility Study for the Crawford Nickel Project.

Exploration drilling to expand the Crawford deposit and evaluate Canada Nickel's satellite deposits, including 13 new acquisitions, is ongoing with encouraging outcomes. An extensive geotechnical drilling program has also begun, producing results that will feed into major decisions regarding site layout and pit design.

(A fun fact for those fans of the Canadian tv series *Curse of Oak Island*, the drill and its crew shown above working on the Crawford deposit have previously featured on the hit show!)

While drilling continues, Canada Nickel is working towards initiation of the Federal Impact Assessment Process. Environmental baselines studies (terrestrial, fish habitat, hydrological, air quality, etc.) are ongoing, and conversations with stakeholders and Indigenous communities to date have been informative and productive. For more details on the Federal Impact Assessment Process, see page 4 of the newsletter.

Canada Nickel looks forward to the new opportunities, partnerships, and milestones that 2022 will bring, and wishes all a Happy New Year!

# EXPANDING EXPECTATIONS FOR ESG IN MINING

*A message from Canada Nickel's Vice President of Sustainability, Pierre-Philippe Dupont.*



2021 has been an exciting year for Canada Nickel and the Crawford Project, driven by the release of the Preliminary Economic Assessment, opening of a new regional office, and ongoing exploration of the Project's ever-expanding resources. Since joining Canada Nickel as Vice President of Sustainability in October 2020, it has been my intention to bring my wealth of experience in sustainable development, governance, and environment to establishing Canada Nickel as a benchmark for ESG in mining.

I hold a B.Sc. in Biology, specializing in aquatic fauna, and a M.Sc. in Population Genetics from Laval University. As evidenced by my educational background, I did not originally plan on pursuing a career in the mining industry. It was through a series of unique, challenging roles conducting environmental impact studies for mining and hydroelectric projects with Genivar (now WSP) and acting as a regional consultant on mining activity for the Regional Conference of Elected Officials of Abitibi-Témiscamingue that I discovered the fascinating intricacies of the industry.

In 2010 I moved into my first role working directly on a mining project, joining Royal Nickel Corporation as Manager of Sustainable Development and successfully permitting the Dumont Nickel Mine in Amos, Quebec. One of the successes in this role of which I am most proud was the signing of the first ever Impact Benefit

Agreement with the Algonquin in Quebec, demonstrating tangible industry recognition of Indigenous rights relating to mining projects operating in their Traditional Territory. To this day, Dumont stands as an industry standard for modern, inclusive, and comprehensive community engagement.

I am proud of the direction our industry is moving towards as we evolve to incorporate sustainability into all aspects of our business. As Canada Nickel works towards a Feasibility Study for the Crawford Nickel Project, we maintain a keen focus on environmental optimization and social integration. The Crawford Project is well-positioned to become a leader in providing critical minerals to Canada's developing green markets, and to re-evaluate the expectations for sustainability that mineral extraction projects of the future must strive to meet.

Thank you for your continued interest in Canada Nickel and the Crawford Project – your comments, concerns, questions, and ideas will play a crucial role in the strategic decisions that will shape our design and operations. In conclusion, I would like to take this opportunity to wish everyone a safe, happy, and prosperous end to 2021.

See you in the new year!

Pierre-Philippe Dupont

A handwritten signature in black ink, appearing to read 'Pierre-Philippe Dupont', written over a light blue circular graphic element.

Canada Nickel employees, friends, and family dressed in costume (and warm clothing) at the Santa Claus Parade



## CANADA NICKEL TAKES OPERATIONS TO THE NORTH POLE THIS HOLIDAY SEASON



*The Island of Misfit Toys, or, in this case, Miners, changed targets from mineral prospects to presents this November 13<sup>th</sup> as participants in the Timmins Santa Claus Parade.*

The float, constructed entirely by Canada Nickel’s core shack team, had the crew hard at work digging for presents alongside loveable characters brought to life from the classic film, *Rudolph the Red-Nosed Reindeer*. All the toys that filled the traditional mine cart, brought in by both employees and parade attendees, were donated to the Timmins Police Victim Services Annual Christmas Toy Drive to help provide gifts to families in need.



*Image taken from inside the new cutting module, dated October 2021*

## CONTINUOUS IMPROVEMENT INITIATIVES

Health and safety is a key factor in the strategic and day-to-day decisions made at Canada Nickel’s operations. In July 2021, the Crawford Project’s core shack obtained a new cutting module. The improved lighting, more efficient ventilation, ergonomic design, and extra space saw dramatic improvements to the safety and well-being of the core cutting team.

# THE FEDERAL IMPACT ASSESSMENT PROCESS AND WHAT IT MEANS FOR COMMUNITIES

The Federal Impact Assessment, led by the Impact Assessment Agency of Canada (IAAC or Agency), is a planning and decision-making tool used by regulators, communities, stakeholders, Indigenous groups, and proponents to assess the positive and negative impacts of a proposed major project. This process is distinct from the provincial assessment process. Compared to previous major project environmental reviews, the new federal process focuses heavily on Indigenous participation, early planning of a project's design, and the environmental and social impacts of a project through the lens of a gender-based analysis (GBA+).

As a new metal mine with an ore production capacity greater than 5,000 tonnes per day, Canada Nickel's Crawford Project will trigger the Federal Impact Assessment Process. As such, Canada Nickel would like to provide clarity on what each stage of the Process entails, and what they will mean for communities.

## PHASE 1: PLANNING

A proponent develops an *Initial Project Description* and *Detailed Project Description*, with input from Indigenous and stakeholder communities, which are then submitted to the Agency. Communities are invited to participate in Canada Nickel- and Agency-led engagement activities to provide feedback on the early planning of the Crawford Project's design, anticipated impacts, and planned mitigation measures.

## PHASE 2: IMPACT STATEMENT

The Agency provides the proponent with *Tailored Impact Statement Guidelines*, a document that details what is to be included in the proponent's *Impact Statement*. Communities are invited to review and share feedback on the Impact Statement, while continuing to be engaged by Canada Nickel and the Agency.

## PHASE 3: IMPACT ASSESSMENT

The proponent submits its *Impact Statement* to the Agency, which considers the project's potential positive and negative environmental, health, social, and economic impacts. The Agency drafts an *Impact Assessment Report*. Communities are engaged by Canada Nickel and the Agency on an ongoing basis throughout the Impact Assessment Phase.

## PHASE 4: DECISION MAKING

The Minister or Governor-in-Council determines if the proponent's project is in the public's interest, per the results of the *Impact Assessment Report* and the Agency's consultation activities. A *Decision Statement* is issued. The final decision will factor in all Indigenous and public feedback provided to Canada Nickel and the Agency.

## PHASE 5: POST DECISION

The Agency will verify compliance with the *Decision Statement* and any conditions, and conduct follow-up and monitoring programs. Communities will continue to be engaged by Canada Nickel, with opportunities to provide feedback on the implementation of follow-up and monitoring programs.

**Please watch for invitations to comment on Canada Nickel's Initial Project Description in early 2022!**

# NEW RELEASE HIGHLIGHTS

To access all Canada Nickel Company news releases, or for other information relating to Canada Nickel and the Crawford Project, please visit our website at [www.canadanickel.com](http://www.canadanickel.com).

## **Canada Nickel Achieves 62% Nickel Recovery and Demonstrates Substantial Improvement in Metallurgical Performance at the Crawford Nickel Sulphide Project**

October 5<sup>th</sup>, 2021

Flowsheet improvements yield enhancements of the following values, relative to the Preliminary Economic Assessment: Nickel recovery of 62% (19 percentage point improvement), Iron recovery of 45% (5 percentage point improvement), magnetite concentrate grade of 54% iron (14 percentage point improvement), cobalt recovery of 70% (75 percentage point improvement).

## **Canada Nickel Announces Discovery of Higher-Grade Core at Crawford East Zone**

October 26<sup>th</sup>, 2021

Infill drilling identified extensive higher-grade core, similar to the Main Zone, in the East Zone to a depth of 690 metres, with hole 142A averaged 0.31% nickel across its entire 576 metre core length. Mark Selby, Chair and CEO, commented, “The East Zone is becoming a significant resource. The most recent infill and expansion drilling at the Crawford East Zone continues to confirm our target of increasing the East Zone resource by 2 – 3x [...]”.



### **Karen Alvarez** *Geologist*

Born, raised, and educated in the Philippines, Karen received her BSc. in Geology at the prestigious Mapúa Institute of Technology before beginning her career with a focus on porphyry copper and gold deposits. Karen moved to Canada with her family in 2015, and has worked in British Columbia, Alberta, Nunavut, and Ontario. Beginning with Canada Nickel as a geologist in June 2021, Karen lives in Timmins with her husband of 14-years and their daughter, Kimberlite. She is also a dedicated member and tennis champion at the Timmins Tennis Club.

EMPLOYEE SNAPSHOT

---

## **Canada Nickel Demonstrates Carbon Sequestration Potential of Tailings from the Crawford Nickel Sulphide Project**

*November 10<sup>th</sup>, 2021*

Initial lab testing demonstrates that Crawford tailings have the potential to capture 17.5 kg CO<sub>2</sub> per tonne of tailings. This quantity would be 3 times the amount required to offset the Project's projected carbon footprint. Any amounts in excess of 4.6 kg CO<sub>2</sub> per tonne could be sold for carbon credits. Research was completed in partnership with Queen's University and Kingston Process Metallurgy.

## **Canada Nickel Completes Previously Announced Property Acquisition**

*November 16<sup>th</sup>, 2021*

Canada Nickel announces signing of purchase and sale agreement with Noble Mineral Exploration Inc. ("Noble") for acquisition of certain Properties. Noble will transfer ownership and title to the Properties to Canada Nickel.

## **Canada Nickel Expands Timmins Nickel District – Acquires 13 Additional Highly Prospective Nickel Properties in Timmins Region**

*November 22<sup>nd</sup>, 2021*

Through the conclusion of 18 separate transactions, Canada Nickel has acquired 13 additional target properties for a combined target surface footprint of 37.7 square kms – 40 times larger than the current Crawford Main Zone resource of 0.85 square km. The properties, which contain the same host mineralization as Crawford, consolidate Canada Nickel's position for district scale potential in the Cochrane Region.

## **Canada Nickel Continues to Demonstrate Significant Improvement in Metallurgical Performance at Crawford Nickel Sulphide Project**

*December 2<sup>nd</sup>, 2021*

Canada Nickel achieves 61% nickel recovery and produces 37% nickel concentrate from lower grade sample of 0.22% nickel and 0.08% sulphur. Nickel recovery now 19 percentage points (or 45%) higher than the PEA model. Iron recovery of 63%, 15 percentage points (or 31%) higher than the PEA.



## HOW TO REACH US

### HEAD OFFICE

130 King Street West, Suite 1900  
Toronto, ON M5X 1E3

TEL. 647-256-1955  
info@canadanickel.com

### REGIONAL OFFICE

250 Third Ave.  
Timmins, ON P4N 1E3

TEL. 705-363-7322  
community@canadanickel.com



Canada Nickel Company



@CanadaNickel



canadanickel.com

---

## DISCLOSURE STATEMENT

### **Cautionary Statement Concerning Forward Looking Statements**

This document contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. Forward looking information includes, but is not limited to, future exploration and development results, completion of acquisitions 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. 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, 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, and the impact of COVID-19 related disruptions in relation to the Company's business operations including upon its employees, suppliers, facilities and other stakeholders. 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 document 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 Company Inc. 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.