

**COMMUNITY CONTRIBUTIONS AND PROCUREMENT COMMITTEE**

**Canada Nickel Company —Crawford Nickel-Cobalt Sulphide Project**

**2<sup>nd</sup> MEETING REPORT**

MEETING INFORMATION		
DATE	March 16 <sup>th</sup> 2022	
TIME	6:30 PM to 8:20 PM	
LOCATION	Videoconference—MICROSOFT TEAMS	
PARTICIPANTS	<b>Members</b>	<b>Presence</b>
	Todd Calaiezzi, Town of Cochrane	✓
	Richard Charlebois, Town of Iroquois Falls	✓
	Michelle Boileau, City of Timmins	✓
	Jason Michaud, Cochrane Board of Trade	✓
	Brenda Camirand, Timmins Economic Development Corporation	✓
	Amanda Alexander, Timmins Chamber of Commerce	
	Jason Sereda, Social-Community Representative	
	Brian Marks, Cochrane District Social Planning Council	✓
	Robin Maj, Living Space Timmins	
CANADA NICKEL	<ul style="list-style-type: none"> <li>✓ Pierre-Philippe Dupont, Vice President Sustainability</li> <li>✓ Alexandra Armstrong, Community Relations &amp; Communications Coordinator</li> </ul>	
FACILITATION	<ul style="list-style-type: none"> <li>✓ Isaac Gauthier – Facilitator – Transfer Environment and Society (TES)</li> <li>✓ Anne Bélanger – Note taker – Transfer Environment and Society (TES)</li> </ul>	
AGENDA	<ol style="list-style-type: none"> <li>1. Welcome and Roundtable (new members)</li> <li>2. Meeting Agenda Review and Approval</li> <li>3. 2022 Calendar Proposal Review and Approval</li> <li>4. Crawford Project Updates</li> <li>5. Presentation - Canada Nickel’s Objectives for the Committee</li> <li>6. Group Discussion – Preliminary Definition of “Local”</li> <li>7. Presentation – Anticipated Impacts – Initial Project Description (IPD)</li> <li>8. Preliminary Workshop – Buckets/Tiers/Values for Contributions</li> <li>9. Next steps / Next meeting</li> <li>10. Varia</li> </ol>	

## MEETING HIGHLIGHTS

### COMMITTEE DECISIONS

- The next meeting will be held during the third week of June 2022.

### COMMITTEE SUGGESTIONS

- Create a procurement matrix for local procurement that incorporates Canada Nickel's definition of local suppliers in the decision-making process, along with other proposed criteria, including quality of services, budgetary constraints, longevity or roots in the region, local start-ups (youth), etc. Importantly, the matrix must provide a proper balance for all these criteria and must allow Canada Nickel the flexibility it requires when choosing its suppliers
- Create a contribution matrix that considers the intersectionality of different values or impacts when evaluating contribution requests or deciding how to invest its contributions in the community.
- Consider the impacts of Canada Nickel's procurement contracts on worker availability within the community.
- Have a two-tiered program for contributions where one would be for immediate contributions with a smaller budget and the second for tackling longer-term effects, through a legacy program.

## 1. WELCOME AND ROUNDTABLE

Isaac Gauthier, the meeting facilitator, initiates the meeting and welcomes the members. The meeting starts with a roundtable to present the new members to the Committee.

Mr. Gauthier invites the participants to share their questions and comments freely throughout the meeting. For details regarding the presentation, please refer to the Appendix. Also, one member that could not attend the meeting and shared comments after reading the meeting report. The comments are listed in an additional section to this meeting report, section 11.

## 2. MEETING AGENDA REVIEW AND APPROVAL

Mr. Gauthier presents the meeting's agenda and, regarding the item on discussion on a preliminary definition of local, he specifies that the objective is to reach a consensual definition of the term which will be the basis for many of the Committee's other discussions.

The meeting agenda is approved.

## 3. 2022 CALENDAR PROPOSAL REVIEW AND APPROVAL

Mr. Gauthier presents the 2022 calendar proposal and explains that it serves as a frame for the Committee's activities but is iterative and can change or topics can be added.

He mentions that at the end of the year, Canada Nickel will hold a meeting with a single representative from each of Canada Nickel's committees (Environmental Impact Committee and Training and Employment committee). The objective of this meeting would be to ensure that each committee has a broad understanding of the work done by the others and to enrich everyone's discussions.

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 1</b>	A member asks what will the process be to establish the dates of each meeting.	Mr. Gauthier answers that at the end of each meeting, the committee identifies a preliminary timeframe that works for everyone. From there, a date is identified by Canada Nickel for the next meeting. He adds that, if necessary, other tools (Doodle) can be used if the committee finds it difficult to identify a meeting date.

## 4. CRAWFORD PROJECT UPDATES

Ms. Alexandra Armstrong explains that there are three ongoing drilling programs, including early drilling in some additional properties that were acquired in the region. She adds that Canada Nickel is working towards completing its Initial Project Description (IPD) document as a first step of the Impact Assessment Process.

Mr. Pierre-Philippe Dupont explains that the geotechnical drilling program fits into Canada Nickel's Feasibility Study which it is looking to publish by the end of Q4 2022, and which will be an important milestone for the Crawford Project.

Ms. Armstrong mention that Canada Nickel has hired an Environmental Manager for the Crawford Project to oversee ongoing detailed baseline studies and push operations towards being more environmentally conscious.

Mr. Dupont mentions that Canada Nickel is also actively looking for a HR manager He mentions that the position is based locally.

He adds finally that Canada Nickel has recently raised C\$45 million in equity, which is significant for the company as it is enough to cover its activities for the next year at the actual spending rate.

No questions or comments are raised.

## 5. PRESENTATION – CANADA NICKEL’S OBJECTIVES FOR THE COMMITTEE

Ms. Armstrong reiterates that Canada Nickel’s intentions towards the Committee are to have people who know the region, it’s needs and capacities, well to guide how the company manages its contributions and procurement. The idea is to base these decisions on local expertise and in a spirit of maximising benefits for the local communities.

In terms of the Committee objectives, the aim is to identify and discuss the various local needs regarding the sharing of benefits and procurement contracts. She mentions that the way Northern Ontario is set up, anything Canada Nickel does will ultimately benefit all communities and hopes it will benefit the whole region.

Mr. Gauthier asks the members if they have witnessed a similar approach with other projects, this early in a development process.

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 2</b>	A member explains that they have witnessed many engagement approaches from proponents, but they usually occur during larger public meetings and not smaller group committees.	Ms. Armstrong mentions that for the IPD there will be both smaller group meetings and two large public meetings. The objective will be to have a comprehensive understanding of the project and its potential impacts. She adds that Canada Nickel will ask the members for help to reach out to the local communities, to ensure maximum participation. She also mentions that with this committee, the idea was to have stakeholders with local expertise and understanding to see how Canada Nickel can meet and align with local needs.
<b>Q &amp; I 3</b>	Another member mentions that this is a first for them and they appreciate the experience.	
<b>Q &amp; I 4</b>	A member adds that this level of preorganization is new and that it is an interesting approach.	Mr. Gauthier thanks the participants for their answers.

## 6. GROUP DISCUSSION – PRELIMINARY DEFINITION OF “LOCAL”

Mr. Gauthier starts by summarizing the discussions that took place during the last meeting. He explains the objective to have a definition of local that Canada Nickel can apply to its future Community Contributions and Procurement policies.

He then presents the preliminary definitions of local adding that, as a proposal, they can still change. There are two definitions, one for procurement and one for contributions:

### Procurement

- First Tier: Those suppliers who are situated within the Cochrane District (Iroquois Falls, Cochrane, Timmins, Hearst, Kapuskasing, Moosonee, and Smooth Rock Falls), in which their location is defined by both geographic location and ownership.
- Second Tier: Those suppliers who are situated in Northeastern Ontario (defined as consisting of the following districts: Algoma, Sudbury, Cochrane, Timiskaming, Nipissing, and Manitoulin), in which their location is defined by both geographic location and ownership.

### Contributions

- Referring mainly to those communities identified as being most directly affected by the Crawford Project (Iroquois Falls, Cochrane, and Timmins). Consideration may be given to contribution opportunities within the greater Cochrane District at the Committee’s discretion so long as they continue to align with the values and objectives of the Committee.

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 5</b>	A member mentions that in terms of procurement, large suppliers or conglomerates often settle in the area for mining projects and then pack up and leave once they are done. They ask if it would be possible to consider the longevity of a supplier in the community, in a potential scoring matrix.	Mr. Dupont answers that there is no scoring matrix yet and he hopes for the Committee’s help in building one. He adds that although the concern is understandable, the project will likely attract new companies and businesses in the region which is something the region will likely want, because it brings in new service providers and expertise. The idea will be to find a balance for this situation.
<b>Q &amp; I 6</b>	The member agrees and adds they simply want Canada Nickel to have this concern taken into account within the process.	Mr. Dupont adds that it is indeed a discussion for the committee to have.  Mr. Gauthier mentions that the objective is to have preliminary discussions on the topic.
<b>Q &amp; I 7</b>	Another member agrees that the Crawford Project will attract interest from new companies that may want to settle in the community. She mentions	

QUESTIONS AND INTERVENTIONS	ANSWERS
	that longstanding companies need to be put into the procurement matrix, but that the region also needs other companies to benefit the tax base.
<b>Q &amp; I 8</b>	A member adds that there needs to be a consideration for younger people that start businesses as well.
<b>Q &amp; I 9</b>	<p>A member adds that even if it is important to keep in mind to do business locally, there needs to be consideration for quality of service and products. The measure of time in a community doesn't necessarily answer the needs. Without weighing longevity, a qualifier could be built saying that Canada Nickel can go outside of the area for some products or services that require a desired quality and/or timeframe. The number of qualifiers should be kept short.</p> <p>Mr. Dupont appreciates the comment and adds that there cannot be freerides for local businesses. He adds that the purpose of the Procurement policy is to encourage the growth of local businesses, but quality needs to be there. The advantage of local suppliers and providers is their proximity and capacity to give a good after sale service and follow-up.</p> <p>He mentions that the idea is to reach a fair balance between an increase in the capacity of local businesses, while finding the required quality, wherever it is available.</p>
<b>Q &amp; I 10</b>	<p>The member adds that often, certain sectors loose access to workers as they go work for the mine. By leaving their jobs within the community, some important projects are left without enough workforce, especially in residential and housing fields, which is also a problem. These impacts need to be considered as well.</p> <p>Mr. Dupont recalls a situation with another mine where the mayor pushed for local hiring and then the community lost several workers which had a bad impact on the community. It is a downside to be careful about when building a procurement policy.</p>
<b>Q &amp; I 11</b>	Written comment shared by a member stating that they agree with the importance of supporting local businesses, on the condition that they provide quality services.
<b>Q &amp; I 12</b>	A member mentions that the comments are all relevant and adds that there still needs to be a local criteria during the evaluation process. Between two equal businesses, in Toronto or Timmins, the <p>Mr. Gauthier mentions that there seems to be a consensus regarding the necessity to find a balance. He adds that the definition of local will be worked on and presented to the committee at the next meeting.</p>

QUESTIONS AND INTERVENTIONS		ANSWERS
	Timmins one should get the opportunity.	
<b>Q &amp; I 13</b>	<p>Mr. Dupont comes back on his point made earlier regarding the money raised in equity lately saying that the amount of C\$45 million wont all be going to Timmins and the surroundings. The reason is that Canada Nickel works with specific consultants for the Feasibility Study. He explains that the main costs are for the drilling activities, the geotechnical, and feasibility consultants.</p> <p>He adds that some could point out that local engineering firms can do the same job as larger outside firms, but he explains that there needs to be some well-known consultants behind the project to increase the credibility of the project and, among other things, obtain financial commitments from banks.</p> <p>He underlines the fact that Canada Nickel will try, as much as possible, to source supply within the local communities, but it won't always be possible.</p>	

## 7. PRESENTATION – ANTICIPATED IMPACTS – INITIAL PROJECT DESCRIPTION (IPD)

Mr. Dumont presents the anticipated socio-economic impacts for the Crawford Project as they are identified in the preliminary IPD. He mentions that with an increase in population to meet the workforce demands for the project, there will be expected impacts on the communities. Mr. Dupont explains that mining projects are looking to reduce their workforce numbers, with autonomous or semi autonomous processes, because one of the risks for mining projects nowadays is to not have enough people to work at the mine.

Ms. Armstrong mentions that local museums and cultural groups have been approached for assistance with understanding the projects potential archeological and cultural heritage impacts. She adds that the committee members will likely be asked to contribute to future efforts to understand the project's potential socio-economic impacts.

She explains that these assessments are done separately with Indigenous communities, as they have a distinct engagement process for the project.

Mr. Dupont explains that for the IPD and Impact Assessment Process, there are desktop studies made, but Canada Nickel is looking to work with local experts to complete those studies. Therefore, the consultant will likely reach out to the committee members to obtain their feedback.

Mr. Gauthier mentions that there will be specific meetings on the IPD and asks the members if they have questions or comments for now. No comments or questions are raised.

Mr. Dupont continues with the project anticipated environmental and land use impacts. He mentions that the project is large scale, as it will cover approximately 30 square kilometers. The footprint will thus affect local wildlife, in addition to hunting, fishing, and other recreational activities. He adds that there will be impacts on watercourses and, because of the open pit, there will likely be impacts to the local ground water table.

Mr. Dupont explains that the studies and discussions with stakeholders are meant to review current impacts and to identify those that are missing from the evaluation, to make sure that the potential mitigation measures are adequate.

Mr. Gauthier mentions that this information is presented early on to the committee, so the members are better able to understand the project’s impacts and to apply this understanding to discussions regarding Canada Nickel’s community contributions.

## 8. PRELIMINARY WORKSHOP – BUCKETS/TIERS/VALUES FOR CONTRIBUTIONS

Mr. Gauthier explains that the workshop aims to identify what will guide Canada Nickel’s contributions within the community. He then presents the preliminary proposals to the members for discussion. The committee will look to define the values, project impacts or any other frame that will guide Canada Nickel in establishing its Community Contributions program. He further mentions that the committee could decide that a few criteria or a certain percentage of criteria are necessary.

Ms. Armstrong presents the requests for contributions that Canada Nickel has already received from the community. She mentions that no contributions have been made yet, but the examples can serve to stir up the discussions. Ms. Armstrong reminds the committee that the objective is to figure out how to guide contribution, starting now.

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 14</b>	A member comments on the examples provided in the presentation and says there could be two tiers for contributions. One would be for immediate impacts, with a smaller budget, and the second would aim at more long-term impacts, per more of a legacy approach. He adds that for housing, the project’s potential impacts could last 40-50 years.	Ms. Armstrong thanks the member for the feedback and appreciates the idea of having a meaningful impact long-term. She adds that Canada Nickel is still a small company and is not yet in operations, so its contribution capacity is limited and therefore may benefit from a two-pronged approach as mentioned.

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 15</b>	<p>Another member agrees with the idea of having two tiers. They mention that other projects provide contributions for community events, like carnivals, and it is a good way of getting visibility and an immediate effect within the communities. He also mentions that the budget is very important because contributions are for the region and there will need to be decisions on how to contribute to each community.</p>	<p>Mr. Dupont mentions that it is sometimes hard for a company to refuse demands from influential people, even if there are issues that are more relevant. The committee was set up to help define guidelines that will support Canada Nickel agreeing to or refusing demands.</p> <p>He adds that having Canada Nickel's name in the community is probably important, but it is more important to be able to support projects that bring positive changes, notably on health, poverty, and housing. The idea is to have a positive impact in the community.</p>
<b>Q &amp; I 16</b>	<p>A member suggests that having two tiers can answer that concern. One would be for smaller contributions with a lot of publicity and another for legacy projects.</p>	
<b>Q &amp; I 17</b>	<p>Another member agrees with the initial proposal of having a tiered system allowing a smaller budget for immediate contributions, while reserving funds for legacy projects. They add that a chart system could be useful to guide contributions and avoid requests that don't have an intersectionality of criteria.</p> <p>Such a chart system would force applicants to submit requests that aim to address more than one different issue.</p>	
<b>Q &amp; I 18</b>	<p>A member concurs with the various comments on having a system with longer-term legacy considerations and at the same time direct and short-term community contributions. He adds that it will be important to provide equal consideration between the communities.</p>	
<b>Q &amp; I 19</b>	<p>Mr. Gauthier asks the members if there is an interest in Canada Nickel looking to contribute to certain fields or issues that get less attention from proponents, for example for non-legacy contributions.</p>	

QUESTIONS AND INTERVENTIONS		ANSWERS
	<p>Mr. Gauthier explains that sporting events and carnivals are usually more popular for contributions and there can be other ways to contribute such as small business development, after school help for kids, etc. Those contributions could still be very useful to the community. He reiterates his question to see if members are interested in finding those smaller initiatives that would benefit of having Canada Nickel contribute to.</p>	
<b>Q &amp; I 20</b>	<p>A member answers that it is important to reach out to local schools and support education initiatives for a future workforce. The impact is positive for the youths who are the community's future.</p>	
<b>Q &amp; I 21</b>	<p>A member mentions that the smaller tier could focus on community events because Canada Nickel is still new in the region and therefore relatively unknown. Sponsoring these kinds of events can be a good way to build a presence.</p>	<p>Ms. Armstrong asks the members what four or five sectors, values or project impacts would be considered as priorities.</p>
<b>Q &amp; I 22</b>	<p>A member answers that the priorities could be health care, youth, and seniors. He adds that the committee needs to identify what are Canada Nickel's main values and to align these values with other considerations to have a multiplier effect.</p> <p>They give as an example the annual Scotia Bank Marathon in Toronto which provides a big headline and speaks to corporate values. There is also potential for non-profit groups to raise money through that event. It is an example of a good return on one event with high visibility but also generating a lot of different returns.</p>	

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 23</b>	A member mentions that the committee needs to define contributions values and present the guiding principles to community leaders. They then would be invited to apply for contributions through a specific process. He adds that there will be more requests than money to give and that values and budget will decide where the support goes.	Ms. Armstrong mentions that the next meeting's discussion is mainly about how to manage the application process.
<b>Q &amp; I 24</b>	A member suggests that one value could be social responsibility. They appreciate Canada Nickel's desire to be a next generation company that works towards a healthier environment and mining community. They add that the regional social indicators tend to be lower than the provincial average, which is one avenue where Canada Nickel could focus. A healthier next generation would mean working on health care, housing, and education and youth.	
<b>Q &amp; I 25</b>	<p>A member mentions that the tier system should indeed be considered. They add that there will need to be a clear decision-making process because there are three communities that will have a lot of requests for the smaller and shorter-term tier.</p> <p>They also propose to explore applying a strategic approach on the question of contributions. As an example, Canada Nickel could focus on one specific issue or topic each year, to move the needle in that area. This would also avoid spreading contributions between various causes, for a lessened impact. They mention that with a similar strategic approach, Canada Nickel will likely have a good foundation to make a difference in a particular area over a year's timeframe.</p>	<p>Mr. Dupont mentions that he likes the idea of moving the needle on a specific issue, which could help support bigger projects instead of chipping here and there without a broader impact.</p> <p>He also mentions that he would like the committee to think on the project's socio-economic impacts. He explains that as a proponent he tends to want to contribute to a cause that will mitigate the impacts that are either created or amplified by the project. As examples, he mentions impacts on the workforce, housing, increased poverty relating to a higher cost of living, etc. As a proponent he mentions it makes sense to him, but it also needs to make sense to the committee.</p>

QUESTIONS AND INTERVENTIONS		ANSWERS
<b>Q &amp; I 26</b>	A member asks what will be done when the meeting ends with all the discussion and comments. He mentions there seems to be a consensus on having two tiers and proposes that Canada Nickel identifies what it wants to contribute to for each and attribute a contribution budget. They mention that the equitable distribution of contributions between the three communities also needs to be thought out. As an example, they invite Canada Nickel to identify a certain number of causes they would like to contribute to, before creating a decision frame for distribution.	<p>Mr. Gauthier mentions that for now all is on the table, as long as it aligns with what Canada Nickel’s team wants as well. He reiterates the consensus on a smaller contribution bucket for shorter-term demands and a long-term bucket for legacy projects. He mentions it could be a first step in defining the tiers.</p> <p>Ms. Armstrong mentions liking the approach of setting aside a larger amount for long-term projects and having some to contribute every year. She mentions that after the meeting Mr. Dupont and herself will convene and discuss on what was said during this meeting.</p>
<b>Q &amp; I 27</b>	A member asks if Canada Nickel’s vision and mission have been shared.	Ms. Armstrong answers that the team is working on a social purpose, which will be a broader guiding principle that will feed the company’s values and mission statement.
<b>Q &amp; I 28</b>	A member asks if the contributions topic will be developed under a policy or a guide.	<p>Ms. Armstrong answers that a local procurement policy will be developed. For contributions she mentions that it will depend on how specific it should get, so either a policy or an outline guide.</p> <p>Mr. Dupont answers that the work should go towards a process that will be firm enough to last but also flexible enough for ease of use.</p>

## 9. NEXT STEPS / NEXT MEETING

Mr. Gauthier presents the next steps for the Committee and mentions that the next meeting is set to be in June. He asks the members to identify a week that would suit everyone. The members mention that there will be important events taking place during the first and second weeks of June. There is a consensus that the third week of June would be the best time to hold the next meeting.

## 10. VARIA

Mr. Gauthier, Ms. Armstrong, and Mr. Dupont thank the members for their participation. The meeting ends at 8:20 PM.

## 11. ADDITIONAL COMMENTS FROM THE ABSENT MEMBER

As mentioned at the beginning of the meeting report, a member who was absent at the committee meeting wished to share additional comments regarding the topics discussed at the meeting. The following summarizes the added comments that were shared by the member:

- 1) Regarding the discussion on the definition of local (Section 6): An important struggle for Timmins businesses is hiring and retention. Thus, prioritizing local jobs will have an impact on the housing market, but will also cause pressure and shortages on local businesses. It would likely create hiring competitiveness that local businesses will likely not be able to overcome.
- 2) Regarding the discussion on bucket/tiers/values for contribution (Section 8):
  - 2.1) Priorities for projects in the second tier could be food security and environmental projects, in addition to the ones suggested on health care, youth and seniors. As an example, it is mentioned that there are many environmental projects in Timmins, such as public transportation, to reduce emissions. Such a project would improve local quality of life, growth, and the environment, and is directly related to the many mining projects in the region. Transportation is an example of what could be prioritized to support the community and bring an environmental lens to the contributions. Youth being more environmentally aware, mining may become a less attractive career. By becoming an environmental leader, Canada Nickel could become the employer of choice and attract more environmental conscious investors.
  - 2.2) The member suggests a Canada Nickel value statement that could align with the following proposal: “Our mission is to; be a leader, be bold and care for our people and the communities we operate in. Be a leader in the future of mining, the environment, and technology. Be bold in community support, through hiring and market growth strategies, and by offering top and competitive compensation for our workers”.

# APPENDIX I PRESENTATION