



CANADA NICKEL
COMPANY

CANADA NICKEL COMPANY—CRAWFORD NICKEL PROJECT

INITIAL PROJECT DESCRIPTION (IPD) MEETING

IPD MEETING REPORT—Cochrane District Social Services Administration Board (CDSSAB) & Cochrane District Social Planning Council (CDSPC)

MEETING INFORMATION	
DATE	May 12 th , 2022
TIME	9:00 – 10:00 AM
LOCATION	Zoom Meeting
PARTICIPANTS	Number of people present: 3 <input type="checkbox"/> Brian Marks, CAO CDSSAB & CDSPC
CANADA NICKEL	<input checked="" type="checkbox"/> Pierre-Philippe Dupont, Vice President Sustainability <input checked="" type="checkbox"/> Alexandra Armstrong, Community Relations & Communications Coordinator
FACILITATION	<input checked="" type="checkbox"/> Isaac Gauthier – Facilitator – Transfert Environment and Society
OBJECTIVES	<input type="checkbox"/> Present an overview of the new Impact Assessment Process <input type="checkbox"/> Present the main elements of the <i>Initial Project Description (IPD)</i> <input type="checkbox"/> Obtain feedback on the preliminary IPD from stakeholders
MEETING HOLDER	Canada Nickel Company
AGENDA	<ol style="list-style-type: none"> 1. Welcome 2. Meeting Agenda Approval 3. The (new) Impact Assessment Process <ol style="list-style-type: none"> 3.1 What has changed? 3.2 Where is Canada Nickel in the process? 4. Initial Project Description <ol style="list-style-type: none"> 4.1 Project Information 4.2 Stakeholder, Community, and Indigenous Engagement 4.3 Existing Infrastructure and Activities 4.4 Proposed Mine Facilities/Infrastructure 4.5 Preliminary Decommissioning Approach 4.6 Preliminary Schedule 4.7 Preliminary List of Activities 4.8 Baseline Studies

	<p>4.9 Approvals</p> <p>4.10 Potential Impacts of the Project</p> <p>5. Questions and Feedback</p> <p>6. Next steps</p> <p>7. Varia</p> <p>8. Meeting End</p>
--	---

MEETING HIGHLIGHTS

ISSUES AND CONCERNS	
✓ CDSSAB & CDSPC	<input type="checkbox"/> Project social impacts, including housing, access to social and health services, and homelessness
✓ CDSSAB & CDSPC	<input type="checkbox"/> Local awareness about the unlikely presence of woodland caribou in the area
✓ CDSSAB & CDSPC	<input type="checkbox"/> Impacts of nickel processing in the region
✓ CDSSAB & CDSPC	<input type="checkbox"/> Labour availability in the region and Canada Nickel’s plans to obtain a skilled workforce

COMMITMENTS	
✓ Canada Nickel	<input type="checkbox"/> Verify with local education institutions concerning the potential location of astronomical observation points near the project area

SUGGESTIONS	
✓ CDSSAB & CDSPC	<input type="checkbox"/> Provide support in reiterating the importance of the project’s regional benefits
✓ CDSSAB & CDSPC	<input type="checkbox"/> Light and noise impacts are likely of lesser concern, but this should be reviewed with local post-secondary institutions
✓ CDSSAB & CDSPC	<input type="checkbox"/> Provide support in reaching out to local social and community health groups

FOLLOW-UPS	
✓ Canada Nickel	<input type="checkbox"/> Share the Meeting Report and attached presentation

GENERAL COMMENTS	
✓ CDSSAB & CDSPC	<input type="checkbox"/> Canada Nickel has had exemplary engagement so far with the community
✓ CDSSAB & CDSPC	<input type="checkbox"/> A 40-year life of mine is positive for the community
✓ CDSSAB & CDSPC	<input type="checkbox"/> The Mattagami River seems like the most logical water discharge location
✓ CDSSAB & CDSPC	<input type="checkbox"/> Canada Nickel's added workforce will bring significant benefits to the region, in terms of the impact of added population and the associated services that will necessarily accompany it
✓ CDSSAB & CDSPC	<input type="checkbox"/> By planning its labour requirements with local training institutions, Canada Nickel will have done its due diligence to the community

1. WELCOME

Ms. Alexandra Armstrong, Canada Nickel's Community Relations & Communications Coordinator, begins the meeting with a brief introduction of the team and the accompanying engagement consultants from TES.

She mentions that, since many of the participants have already received part of the information shared in the presentation, she will quickly go through some of the slides. Participants are invited to ask questions or share comments freely throughout the meeting, at their discretion. Q&A periods are also planned throughout the presentation.

2. MEETING AGENDA APPROVAL

The meeting agenda is approved.

3. THE NEW IMPACT ASSESSMENT PROCESS

Ms. Armstrong presents an overview of the scope and schedule of the new federal Impact Assessment (IA) Process, managed by the Impact Assessment Agency of Canada (IAAC or Agency). She mentions that the new process relies heavily on Indigenous and public participation and will thus involve many phases of engagement and consultations with the community. For further details, please refer to the presentation available in the Appendix, slides 6 to 8.

3.1 What has changed?

Ms. Armstrong mentions that the new process has a strong focus on participation, especially at the early planning phase of a project. Proponents like Canada Nickel will therefore discuss the preliminary design of their projects to gather as much feedback as possible, with the aim of improving project design, identifying a broad scope of issues, and planning appropriate mitigation measures. The process also strongly focuses on Indigenous participation and the assessment of social impacts, in addition to environmental impacts. No questions or comments are raised.

3.2 Where is Canada Nickel in the process?

Ms. Armstrong mentions that Canada Nickel is currently at the beginning of the Planning Stage of the IA Process, namely engagement on a Draft Initial Project Description (IPD), the preliminary planning document for the Crawford Project. Once Canada Nickel has completed its engagement on the preliminary document, it will integrate the feedback received and submit the formal IPD to the Agency by mid-summer 2022.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 1	<p>The participant comments that Canada Nickel’s engagement has been exemplary, in terms of depth, frequency and scope.</p> <p>The participant agrees that Canada Nickel needs to find a balanced approach to engagement, but it seems to have found it.</p>	<p>Ms. Armstrong thanks the participant for their feedback. Mr. Dupont also thanks the participant for the feedback, mentioning that he is happy to receive such comments since over consulting the community has been a concern of his from the start.</p>

4. INITIAL PROJECT DESCRIPTION

Ms. Armstrong presents an overview of the Crawford Project’s design. For further details, please refer to the presentation available in the Appendix, slides 10 to 43.

4.1 Project Information

Ms. Armstrong mentions that the project’s design is that of an open pit nickel mine project, the same as what was shared during previous engagement activities. The major difference being that the mine’s lifecycle is much longer than originally estimated, going from a 25-year mine life as described in the Preliminary Economic Assessment (2021) to a minimum 40-year mine life.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 2	<p>The participant comments that a 40-year mine life is very positive.</p>	<p>Ms. Armstrong acknowledges the comment.</p>

4.2 Stakeholder, Community, and Indigenous Engagement

Ms. Armstrong provides an overview of the different engagement phases and activities that were initiated since the project was launched. She mentions that a significant amount of Indigenous and community engagement was undertaken. Of note, two parallel engagement processes are ongoing, an Indigenous process and a community process. Both aim to improve the IPD document through feedback before the final version is submitted to the Agency by mid-Summer.

Ms. Armstrong adds that Canada Nickel is also planning two virtual public information sessions, on May 13th and May 16th, for which the communications and marketing have recently begun.

To sum up Canada Nickel’s engagement process, Ms. Armstrong shares the three key takeaways, namely that Indigenous and stakeholder communities will be heard, that the engagement processes are ongoing and flexible, and that Canada Nickel wants to know what the communities and individuals care about in terms of interests and expectations. For further details, please refer to the presentation.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 3	<p>The participant comments that the local communities are somewhat insular in terms of planning for district-wide issues. He suggests that Canada Nickel emphasizes its interest in creating regional benefits, especially at its different committees.</p> <p>He further adds that the CDSSAB can have a role in helping Canada Nickel emphasize the importance of regional benefits.</p> <p>The participant agrees with Mr. Dupont’s comment.</p>	<p>Ms. Armstrong thanks the participant for the feedback. Mr. Gauthier agrees with Ms. Armstrong and highlights the usefulness of the feedback.</p> <p>Mr. Dupont mentions that he sees many opportunities for a private proponent to leverage their project with government and local municipalities to bring wealth and benefits to the region.</p>

4.3 Existing Infrastructure and Activities

Regarding the existing infrastructure and activities, Ms. Armstrong mentions that the site is a greenfield site with regards to mining and advanced exploration, that has albeit been extensively logged. Canada Nickel has been undergoing several types of activities, including approximately 3 years of surface drilling. The company is currently looking to identify and locate local hunting blinds or evidence of human activity on the site, to inform the owners of the mining project. Letters are left when blinds are identified, to ensure communications with the local users.

In addition, the Crawford Project is undergoing different activities, including environmental baseline studies, engineering studies, permitting, etc. Importantly, Canada Nickel plans to have a finalized Feasibility Study by late Q4 2022. No questions or comments are raised.

4.4 Proposed Mine Facilities/Infrastructure

In terms of the project’s design considerations and its facilities and infrastructure, Ms. Armstrong mentions from the start that the site layout has changed significantly since Canada Nickel last engaged with the community. The project’s footprint is currently between 80 and 90 square kilometers. The layout involves efforts to minimize the project’s footprint and encroachment on local waterbodies, notably the West Buskegau River. Ms. Armstrong notes that, during drilling and exploration activities, the project will maintain a 100 meters minimum distance with local waterbodies wherever possible, instead of the regulatory 30 meters.

Canada Nickel will also avoid the relocation of the 115 kV powerline that is located east of the project, while relocating the existing 500 kV powerline and building a new 230 kV powerlines. Both these powerlines will be located to the west of the site, along the new location for Highway 655. Mr. Dupont adds that both powerlines and the Highway will form a corridor. For further details, please refer to the presentation.

Concerning the layout, Canada Nickel is planning three open pits, named the Main, East, and West Zones. Before accessing the ore, approximately 40 meters of overburden will need to be removed, composed of clay, sand, and gravel. Due to the structural quality of the ground, Canada Nickel will be unable to stack its tailings, overburden, or waste rock to the heights (50 to 70 meters) that are sometimes seen at other projects. The maximum height will therefore be around 10 meters. Regarding the footprint, it will grow progressively, over time. The early years' processing capacity will be of 42 500 tonnes per day before expanding to a maximum processing of 120 000 tonnes per day. The Main Zone will be mined first, followed subsequently by the East and West zones.

Ms. Armstrong mentions that the tailings management facility will be the largest area (29 km²) of the site. While the tailings from the main zone will be stored in the surface facility, the tailings from the East and West zone will be stored in the mined out main zone pit. While the tailings have a large footprint, Canada Nickel sees advantages in this design, as it reduces the height of the tailings and thus the risks of dam failure. In addition, a larger tailing footprint will encourage greater carbon sequestration by exposing more tailings surface to the atmospheric conditions.

Ms. Armstrong mentions that Canada Nickel does not plan to build a work camp, due to the proximity of nearby communities. The site will also exclude an explosives manufacturing site, even though explosives will be stored on-site. A processing plant is also planned for the site. In terms of energy, the project will require a large amount of power, due to the heavy automation planned for the mining site. It is for this reason that a new 230 kV line is to be built from the nearby Porcupine Substation. While current large haul trucks are not yet fully electrified, Canada Nickel expects that this technology may be made available in the coming years, which will put added pressure on the project's energy requirements.

Regarding water management, Ms. Armstrong mentions that it is a topic for which Canada Nickel is particularly looking for feedback. While Canada Nickel has identified the Mattagami River for technical and financial considerations in the upcoming Feasibility Study as its intended water discharge location, this design decision is not yet concluded. The company is currently considering four water discharge locations, namely the Mattagami River, the North Driftwood River, the West Buskegau River or a potential combination of those locations. Regarding the project's water usage, Ms. Armstrong mentions that dewatering of the open pit, collection of runoffs, and recycling through the process will provide sufficient water for the processing system. It is anticipated that the site will collect more water than is needed for the system and will therefore have to discharge beyond the site's footprint – noting that water that leaves site will meet regulatory requirements prior to discharge to the environment. Thus, Canada Nickel will have to identify a location for its discharge.

Regarding the Mattagami River, it offers significant advantages, due to its size and flow and therefore capacity to accept additional water from the discharge. The project currently has minimal impact in that watershed since the river is located approximately 10 km from the site and therefor would require a pipeline for transport of discharge. These impacts will have to be included in the IA, though it is anticipated the total water flow added to the system will be less than 1%.

While the West Buskegau River is closer to the project, there has been an effort to avoid the river system in site design. The river also has an uneven and limited seasonal flow. Thus, a large amount of water discharged into

the West Buskegau could have a significant impact, equivalent to approximately 30 % of the system’s natural flow. A similar issue would occur in the North Driftwood River, as its flow is lower and inconsistent. Since the project currently encroaches on the North Driftwood, which itself feeds the site with water, the impacts would be held within an approximate closed loop.

Ms. Armstrong invites the participants to share feedback on this crucial design issue.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 4	<p>The participant asks how close the current layout is to the final layout.</p> <p>The participant thanks the team for the explanations.</p>	<p>Mr. Dupont mentions that it is close to approximately 90 % of the final design. Small optimizations are still being considered to reduce the total footprint and the highway relocation will also be fine-tuned. He mentions that the footprint’s size is in large part due to the presence of clay, which is structurally less stable.</p> <p>Ms. Armstrong mentions that an advantage of a larger footprint is the optimization of the project’s carbon capture and sequestration capabilities, due to increased weathering of the tailings.</p>
Q & I 5	<p>The participant comments that there is a lot of overburden.</p>	<p>Ms. Armstrong agrees and mentions that since most of the overburden is clay, it brings added challenges with regard to stockpiling.</p> <p>Mr. Dupont mentions that to ensure proper overburden storage, the clay could be modified and solidified through a special process.</p>
Q & I 6	<p>The participant asks when is the mine’s estimated construction date.</p> <p>The participant answers that there are significant ongoing housing projects on the way in the region, but the issue will remain a challenge for Canada Nickel. They add that early planning will be key to Canada Nickel’s success, especially with finding workers.</p>	<p>Ms. Armstrong answers that construction is planned for 2025, for approximately two years. She asks if any housing projects are planned within the district, to potentially house the incoming workers.</p> <p>Ms. Armstrong thanks the participant for the information. She mentions that housing will indeed be an important challenge.</p>

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 7	<p>The participant asks if the water pipe to the Mattagami River will be built under or above ground.</p> <p>The participant comments that the Mattagami River seems like a logical conclusion. He wonders if concerns may be raised regarding the impact of the water pipe on woodland caribou, though he notes that, per his knowledge, woodland caribou have not been identified in the region for some time.</p> <p>The participant mentions that there was a caribou reintegration project north of Sudbury which had little success.</p>	<p>Mr. Dupont mentions that they are typically built above ground, to ensure easier access, particularly for maintenance. It would likely be two twenty-four-inch pipes, to ensure redundancy. He adds that this topic has yet to be assessed and that the decision will rely on engineering and Canada Nickel's engagement with the community.</p> <p>Mr. Dupont mentions that he appreciates the comments, as it hasn't been raised before in engagement meetings.</p> <p>Mr. Dupont mentions that he sees the Crawford Project as a good opportunity to work in partnership with Indigenous communities and other industrial partners in relation to habitat compensation projects.</p>

4.5 Preliminary Decommissioning Approach

Ms. Armstrong mentions that Canada Nickel's decommissioning approach is not the project's final Closure Plan. Here again, the participant's feedback will be used to improve and refine the decommissioning approach and ultimately, the Closure Plan. Overall, it is mentioned that the actual objective is to rehabilitate the open pit into a lake. She adds that Canada Nickel will be able to undertake this approach due to non-acid bearing nature of its mine rock, ore, and tailings. For further details, please refer to the presentation. No questions or comments are raised.

4.6 Preliminary Schedule

Regarding the schedule, Ms. Armstrong mentions that the project's schedule has changed significantly since previous presentations, due to the mine's extended lifetime of a minimum of 40 years. For further details, please refer to the presentation. No questions or comments are raised.

4.7 Preliminary List of Activities

Ms. Armstrong provides a quick overview of the project's list of activities during the construction, operations, and closure phases. A few of the highlights concern the relocation of Highway 655, the relocation and construction of the 500 kV and 230 kV powerlines, the open pit development, etc. For further details, please refer to the presentation.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 8	The participant asks what are the types of concentrates that will be processed at the site.	Ms. Armstrong answers that Canada Nickel will produce a high-grade nickel concentrate, a low-grade concentrate, and an iron concentrate. The latter is interesting for the stainless-steel industry, due to the iron and chrome concentration in the ore (magnetite). The nickel will likely be directed towards battery development and refining.

4.8 Baseline Studies

Ms. Armstrong shares details on the ongoing and upcoming baseline studies, including field studies. The list of baseline studies includes air quality, noise/light/vibrations, cultural heritage and archeology, geochemistry, hydrogeology, hydrology, social, economic & health context for the concerned communities, flora and vegetation, and land and aquatic wildlife. For further details, please refer to the presentation.

Ms. Armstrong adds that in terms of species of concern, no woodland caribou were identified within the project's area, despite being in extreme south of the caribou range. She further mentions that the baseline studies will continue in 2022. Finally, she adds that Indigenous communities will have their own process regarding many of the baseline studies, notably archeology and traditional land use. No questions or comments are raised.

4.9 Approvals

Ms. Armstrong presents the list of preliminary and potential federal and provincial approvals. For further details, please refer to the complete list. No questions or comments are raised.

4.10 Potential impacts of the Project

Ms. Armstrong provides a detailed overview of the project's potential impacts and proposed preliminary mitigation measures. For specific details, please refer to the presentation.

She adds that per the new IA Process, the Agency, and by extension, Canada Nickel, is looking for feedback on potential impact topics that are of lesser relevance to the project and its eventual IA, due in part to its location and design. She cites, as examples: noise, ambient light, and vibrations as potential impacts of this type. Regarding carbon capture, she mentions that Canada Nickel is aiming for net-zero and with the project's current design, she believes that there is a strong chance of success. She adds that the project may even be able to sell carbon credits.

Regarding the project's social and public health impacts to Indigenous and local communities, Ms. Armstrong mentions that Canada Nickel will focus on the use of a local workforce, which will likely have impacts on the host communities, including in terms of housing, traffic, access to social and health services, education, changes of economic statuses, etc. She commits that Canada Nickel will look to work with the communities to identify impacts and appropriate mitigation measures. As an example, she cites a previous meeting where participants identified an increase in traffic as a potentially significant impact. The participants further

suggested that Canada Nickel uses shuttles to transport its workers to the mine site, to reduce such an impact. She concludes by saying that each potential project impact will be assessed in the engagement process, the IA and through the project’s different committees, for example the Community Contributions and Procurement Committee.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 9	The participant comments that light and noise are likely of lesser concern. Their only comment would be to verify with post-secondary institutions if they have local astronomical observation or study points.	Ms. Armstrong mentions that Laurentian University has a partnership with Stardust Technologies for an observation post half an hour north of Cochrane. She agrees that Canada Nickel will need to double-check with the local institutions if there are other observation points.
Q & I 10	<p>The participant asks if Canada Nickel will be producing concentrates.</p> <p>The participant mentions that nickel concentrate can be messy.</p>	<p>Ms. Armstrong mentions that Canada Nickel will produce concentrates at the site, with eventual downstream processing outside of the site.</p> <p>Mr. Dupont agrees, mentioning that any new nickel processing facility will be indoors, to manage the associated health and environmental impacts.</p>
Q & I 11	<p>The participant comments that while an added workforce may have impacts on the region, there are also significant benefits to having added residents, which will attract new services in terms of health care, safety, etc. They mention that Canada Nickel can be a significant driver of development and the justification for new services.</p> <p>The participant agrees with Ms. Armstrong’s comment, but in the context of a general lack of skilled trades in the region, the issue is less relevant. He mentions that if Canada Nickel can demonstrate that they are doing the work in partnership with local education institutions to attract skilled workers and trades to the region, they will have done good work.</p>	<p>Mr. Gauthier thanks the participant for the feedback, as it is new feedback that Canada Nickel has yet to receive during its engagement.</p> <p>Ms. Armstrong mentions that Canada Nickel wants to ensure that the project is not a drain on the local community and the services that are offered, as was observed in other communities when large-scale development projects arrived.</p> <p>Ms. Armstrong appreciates the comment.</p>

5. QUESTIONS AND FEEDBACK

Ms. Armstrong opens the floor to the participants by asking them if there are any impacts that seem to be of lesser relevance to the project, per its initial design.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 12	The participant proposes to reach out to local social and healthcare groups to facilitate their participation in Canada Nickel's engagement meetings.	Ms. Armstrong strongly thanks the participant for the proposal, highlighting the difficulties the company has had in reaching out to these groups and having them join in on engagement meetings.

6. NEXT STEPS

Ms. Armstrong presents the next steps in terms of Canada Nickel's Indigenous and stakeholder engagement process. For further details, please refer to slide 46 of the presentation.

7. VARIA

No varia are proposed.

8. MEETING END

The meeting ends at 10:00.

APPENDIX I PRESENTATION