



CANADA NICKEL
COMPANY

**CANADA NICKEL COMPANY—CRAWFORD NICKEL PROJECT
INITIAL PROJECT DESCRIPTION (IPD) MEETING
IPD MEETING REPORT—General public**

MEETING INFORMATION	
DATE	May 13 th 2022
TIME	11:00 AM – 12:36 PM
LOCATION	Zoom Meeting
PARTICIPANTS	Number of people present: 17
CANADA NICKEL	<ul style="list-style-type: none"> ✓ Pierre-Philippe Dupont, Vice President Sustainability ✓ Alexandra Armstrong, Community Relations & Communications Coordinator
FACILITATION	<ul style="list-style-type: none"> ✓ Isaac Gauthier – Facilitator – Transfert Environment and Society (TES) ✓ Anne Bélanger – Project Manager – Transfert Environment and Society (TES)
OBJECTIVES	<ul style="list-style-type: none"> <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</i> (IPD) <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 4.9 Approvals 4.10 Potential Impacts of the Project 5. Questions and Feedback 6. Next steps 7. Varia 8. Meeting End

MEETING HIGHLIGHTS

ISSUES AND CONCERNS	
✓ Public	<input type="checkbox"/> Project pace and development timeline, in the context of government interest in critical mineral development
✓ Public	<input type="checkbox"/> Project power requirements and planning
✓ Public	<input type="checkbox"/> Project connectivity to the global supply market
✓ Public	<input type="checkbox"/> Downstream processing planning and development
✓ Public	<input type="checkbox"/> Highway 655 relocation planning, costs, and traffic impacts

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

1. WELCOME

Mr. Gauthier, the meeting facilitator, begins the meeting with a brief introduction of the engagement team from TES. Canada Nickel's team is then introduced, namely Ms. Alexandra Armstrong, Canada Nickel's Community Relations & Communications Coordinator and Mr. Pierre-Philippe Dupont, Canada Nickel's Vice President for Sustainability.

Mr. Gauthier mentions that the presentation part of the meeting will be recorded, to allow members of the public that were unable to participate in the meeting to obtain relevant information. He adds that a question-and-answer (Q&A) period will be held at the end of the meeting. The Q&A session will not be recorded, to ensure participant anonymity. With regards to Canada Nickel's engagement process, he further mentions that TES has been acting as its custodian to ensure that Canada Nickel follows best practices, considers local feedback when planning its project, and follows up on its engagement commitments.

2. MEETING AGENDA APPROVAL

Mr. Gauthier presents the meeting agenda.

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.

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.

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.

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. She particularly thanks the Chamber of Commerce for its support with marketing the events.

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.

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.

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 therefore 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 during the Q&A period.

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.

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.

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.

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 the 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.

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.

4.10 Potential Project Impacts

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.

5. QUESTIONS AND FEEDBACK

Ms. Armstrong finishes her presentation. Mr. Gauthier begins the Q&A period by opening the floor to the participants. It is mentioned that the participants can share their questions and feedback in writing or out loud, at the meeting.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 1	A participant asks if the project can be expedited through the federal and provincial assessment processes, in the context of government's interest in critical minerals as they relate to the energy transition and electric vehicle battery market.	<p>Ms. Armstrong answers that Canada Nickel aims to complete the two processes as efficiently as possible. In pursuit of this aim, the company began baseline studies at an early stage with a focus on comprehensiveness and attention to permitting requirements, with the hope of reducing the need for later studies or revisits, and thereby reducing the processing time. She mentions that obtaining feedback early is also an opportunity to tailor the process to ensure its effectiveness and efficiency.</p> <p>Mr. Dupont adds that Canada Nickel has held monthly meetings with the Impact Assessment Agency of Canada (IAAC) to share deadlines and address questions as they arise, and to coordinate the process steps.</p> <p>Mr. Gauthier adds that the federal process is still relatively new, and all the involved parties are learning how to make it work.</p>
Q & I 2	A participant mentions that the project map shows that the Highway 655 relocation corridor seems to pass over Jocko Creek. The participant mentions that they have a camp in the exact area.	<p>Ms. Armstrong mentions that no decisions have been made on the precise location of the Highway's relocation and asks the participant if they could reach out to her after the meeting to send the camp's precise coordinates.</p> <p>Mr. Gauthier mentions that Ms. Armstrong's contact information will be shared at the end of the meeting.</p>
Q & I 3	A participant asks if the existing 115 kV transmission line would be sufficient to supply the project.	Mr. Dupont answers that the 115 kV powerline will not be sufficient because of the project's size and Canada Nickel's intention to electrify its operations as much as technical and economical constraints allow. He mentions that options were discussed and assessed with local electricity

QUESTIONS AND INTERVENTIONS		ANSWERS
		providers. While the 115 kV powerline would be sufficient for the construction phase, the investment required to connect the line to site would probably not be worth it for such a short amount of time. The 230 kV line is required for the project.
Q & I 4	A participant asks if a local First Nation still plans to finance the project's haul fleet.	Mr. Dupont answers that Taykwa Tagamou Nation (TTN) are an important partner in the project. Two memorandums of understanding (MOU) were signed between TTN and Canada Nickel. The first concerns the 230 kV powerline connecting to site, which will be constructed, owned, and operated by Transmission Infrastructure Partnership One (TIP1), a joint venture of TTN. The second concerns financing, managing, and maintaining the project's haul fleet.
Q & I 5	A participant asks if Canada Nickel has contracts to supply global manufacturing with its products.	Ms. Armstrong answers that contracts relating to project financing, supply of products, and downstream processing haven't been signed. Different options are still being assessed. Mr. Dupont further adds that Canada Nickel's current focus is on the Feasibility Study and the permitting process. The project is well financed for both those steps, construction being the next important step.
Q & I 6	A participant asks if there would be sufficient space on the site to build a stainless-steel plant.	Mr. Dupont answers that the scale of the project is very large and that it would depend on the size of the plant. Although it is probable that the iron and nickel concentrates will go to stainless-steel and battery production, the location of this type of downstream processing has not yet been established. If located in one of the neighbouring communities, a significant amount of power will be necessary to supply such an operation.

QUESTIONS AND INTERVENTIONS		ANSWERS
Q & I 7	Mr. Gauthier asks if Canada Nickel is planning ore processing on site.	Mr. Dupont answers that milling will occur onsite, producing three types of concentrates: a high-grade nickel, a low-grade nickel, and an iron concentrate. The project's size and variety of concentrates allows Canada Nickel different possibilities with regards to downstream processing.
Q & I 8	A participant asks if the additional properties will be part of the Crawford Feasibility Study.	Mr. Dupont answers that the Feasibility Study will only focus on the Crawford Project. He adds that the other properties are ongoing early exploration operations and would be treated as separate projects. Ms. Armstrong adds that if the regional properties have project potential, Canada Nickel would need to undertake a separate Impact Assessment Process for these projects.
Q & I 9	A participant asks if Canada Nickel is still in discussion with Glencore to use its Metallurgical site for a pilot project.	Mr. Dupont answers that Canada Nickel no longer believes a smaller pilot project to assess the project's proposed metallurgical process, the original proposed use of Glencore's facilities, will be necessary, but this could change as the project and the global market conditions evolve.
Q & I 10	A participant asks if Canada nickel will cover the whole Highway 655 relocation costs.	Mr. Dupont answers that since the relocation is a project necessity, Canada Nickel presently plans to cover the costs.
Q & I 11	The participant further asks how long the extension of the highway will be.	Ms. Armstrong answers that the initial estimate is to move around 12 kilometers of the current highway for a new segment length of around 20 kilometers. She adds that changes to travel times will be part of the impact assessment and is expected to be no more than a few minutes.

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. MEETING END

Mr. Gauthier thanks the participants for the feedback and questions. He reminds them that a second public meeting will be held virtually on Monday, May 16th, 2022, at 6:00 PM. He further mentions that Canada Nickel is planning many other engagement opportunities for the community, so they can provide feedback and share comments on the project.

Ms. Armstrong and Mr. Dupont thanks the participants for their presence and time.

The meeting ends at 12:36 PM.

APPENDIX I PRESENTATION