

DATE OF INITIAL ISSUANCE	10/03/2022	REVIEW DATE	
APPROVED BY	VP Sustainability	VERSION NUMBER	V1

LOCAL PROCUREMENT POLICY

1. COMMITMENT

Canada Nickel Company Inc (hereafter Canada Nickel or the Company) will, to the maximum extent possible while ensuring safety, quality, and economy, give preference to goods and services provided by Local Companies, provided such goods and services are competitive in quality, terms, delivery, service, quantity, and price to, or better than, goods and services obtainable elsewhere.

This Procurement Policy applies to all Canada Nickel employees involved in the procurement process and all types of procurement occurring during the exploration and development phase of the Crawford Nickel Project.

Canada Nickel's Local Procurement Policy for the Crawford Nickel Project was developed under advisement from the Community Contributions and Local Procurement Committee, comprised of social, economic, and municipal representatives from Cochrane, Iroquois Falls, Smooth Rock Falls, and Timmins.

2. EXCLUSIONS

The scope of this policy excludes the following areas where competitive local sourcing may not be achievable, at least in short and medium term:

- Goods and services of a proprietary or highly specialized nature;
- Goods and services for which the widely recognized reputation and relevant experience of the providing company is a key component in the validity and qualification of the good or service rendered;
- Low value ad-hoc requirements, where the costs and timing associated with processing and delivery of orders is likely to be prohibitive for Local Companies; and
- Emergency operational, safety, or environmental issues.

3. REVIEW

For the first two (2) years following the initial issuance of the Policy, the Policy will undergo review with the Community Contributions and Local Procurement Committee twice a year, or as needed, to verify the relevance of its contents and address challenges, concerns, or suggestions raised in the period since the previous review. Following this early period of the Policy's issuance, the Policy will be reviewed annually.

In the event that the Community Contributions and Local Procurement Committee is dissolved, the Policy will be reviewed by Canada Nickel's own leadership and procurement representatives as relevant in alignment with the previously outlined review schedule.

4. KEY DEFINITIONS

The following are the definitions of local to be applied when determining a Local Company, noting that a business's location is defined by both geographic location and ownership:

- **Tier 1 Local Companies** are those suppliers who are situated within the Cochrane District (including Iroquois Falls, Cochrane, Timmins, Hearst, Kapuskasing, Black River-Matheson, Moosonee, and Smooth Rock Falls)
- **Tier 2 Local Companies** are those suppliers who are situated within Northeastern Ontario (defined as consisting of the following districts: Algoma, Sudbury, Cochrane, Timiskaming, Nipissing, and Manitoulin) and Abitibi-Témiscamingue (defined as consisting of the following regional county municipalities: Abitibi, Abitibi-Ouest, Vallée-de-l'Or, Rouyn-Noranda, and Témiscamingue)

5. PROCUREMENT STATUS

All other things being equal, a Local Company will be given greater preference during selection of a contract or business opportunity, with a Tier 1 Local Company being prioritized over a Tier 2 Local Company. Of note, Indigenous owned and operated businesses, or business with Indigenous joint ventures or partnerships, will be given highest preference during procurement.