



2023 ESG REPORT



CANADA NICKEL
COMPANY

ACRONYM	DEFINITION
AODA	Accessibility for Ontarians with Disabilities Act, 2005
CAD	Canadian Dollars
CEO	Chief Executive Officer
CNC	Canada Nickel Company Inc.
CH ₄	Methane
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
CPR	Cardio Pulmonary Resuscitation
ESG	Environment, Social and Governance
ESTMA	Extractive Sector Transparency Measures Act (Canada)
EV	Electric Vehicle
FEED	Front-End Engineering Design
GBA+	Gender-Based Analysis Plus
GHG	Greenhouse Gas
GRI	Global Reporting Initiatives
HR	Human Resources
HRCC	Human Resources and Compensation Committee of the Board of Directors of CNC
IAAC	Impact Assessment Agency of Canada
IFR	Incident Frequency Rate
IPT	In-Process Tailings
JHSC	Joint Health and Safety Committee
LGBTQQIP2SA	Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersex, Pansexual, Two-spirited, and Asexual
LOM	Life of Mine

ACRONYM	DEFINITION
MJ	Megajoules
ML	Megalitres
MTPA	Million Tonnes per Annum
N ₂ O	Nitrous Oxide
OBCA	Business Corporations Act (Ontario)
PDAC	Professional Development Association of Canada
PGM	Platinum Group Metals
PPE	Personal Protective Equipment
RTDS	Regional Technology Development Site
SOP	Standard Operating Procedure
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
TCFD	Task Force on Climate-Related Financial Disclosures
TMF	Tailings Management Facility
TSXV	TSX Venture Exchange
TWG	Technical Working Group
UK	United Kingdom
UN GC	United Nations Global Compact
UN SDG	United Nations Sustainable Development Goals
USD	United States Dollars
WHMIS	Workplace Hazardous Materials Information System

TABLE OF CONTENTS

2023 ESG PERFORMANCE SUMMARY	6
A MESSAGE FROM CANADA NICKEL COMPANY'S CEO	8
Our Purpose	10
Our Commitment to Continuous Engagement with Partners	11
Our Team	12
Our Future	12
2023 Company Highlights	13
A MESSAGE FROM THE CHAIR OF THE BOARD	14
ABOUT CANADA NICKEL COMPANY'S 2023 ESG REPORT	17
Report Scope	17
Operating with a Purpose	18
COMPANY OVERVIEW	19
Organization/Operations	19
Supply Chain	20
Defining Local Procurement	21
Responsible Exploration	21
2023 ESG REPORT HIGHLIGHTS	22
Governance	23
Community Relations	23
Indigenous Relations	24
Health and Safety	24
Talent and Culture	24
Environment	25
Financial Sustainability	25
GOVERNANCE	26
Governance Structure	27
Board Composition	28
A MESSAGE FROM THE CHAIR OF THE ESG COMMITTEE	32
MEET CANADA NICKEL'S ESG COMMITTEE	34
POLICIES AND GOVERNANCE	37
Risk Management	37
Business Ethics	37
Corporate Governance Policies	37



COMMUNITY RELATIONS	38
Canada Nickel Company's Contributions Program	41
Performance	44
INDIGENOUS RIGHTS AND RELATIONSHIPS	48
A Message from Chief Bruce Archibald of Taykwa Tagamou Nation	50
HEALTH, SAFETY, AND WELLBEING	52
Our Commitment to Safety	53
The Importance of Communication	54
Hazard Identification and Risk Management	54
Emergency Preparedness	56
Occupational Health and Industrial Hygiene	57
Being a Good Neighbour	58
Mental Health and Wellbeing	58
OUR PEOPLE	60
Commitment to a Healthy Workplace	61
Personal and Professional Development	62
Diversity, Equity, and Inclusion	63
Looking Ahead	63
ENVIRONMENT	64
Commitment to Responsible Development and Environmental Management	65
Water Stewardship	68
Biodiversity	70
CLIMATE CHANGE	72
Mineral Carbonation: The Path to Net-Zero Carbon Nickel ²³	73
REFERENCES	78
FORWARD LOOKING STATEMENTS	79
APPENDICES	
APPENDIX A – 2023 DATA TABLES	
APPENDIX B – GRI CONTENT INDEX	
APPENDIX C – TCFD CONTENT INDEX	
APPENDIX D – CODE OF BUSINESS CONDUCT AND ETHICS	
APPENDIX E – WORKPLACE VIOLENCE, HARASSMENT AND DISCRIMINATION POLICY	
APPENDIX F – ISSUE RESOLUTION POLICY	

2023 ESG PERFORMANCE SUMMARY

	2022	2023	IMPROVED PERFORMANCE
EXPLORATION			
Metres Drilled	76,998	22,155	-
HEALTH AND SAFETY			
Recordable Work-Related Injuries	3	1	✓
Total Recordable Work-Related Injury Frequency (IFR)	0.29	0.02	✓
Number of Lost-time Injuries	1	0	✓
Number of Near Misses	5	6	✗
Recordable Lost-time Injury Frequency	0.02	0	✓
Number of Fatalities	0	0	-
ENVIRONMENT			
GHG Emissions Scope 1 (tCO ₂ e) ^{1,2}	2,879 d	685 d	✓
GHG Emissions Scope 2 (tCO ₂ e) ³	2	2 ⁴	-
GHG Emissions Intensity (kg of CO ₂ /drilled metre)	37	31	✓
Water Consumption Per Drilled Metre (m ³ water/metre) ⁵	0.28	0.48	✗
Average Water Taking Per Drill Per Day (m ³ water/drill) ⁵	20.26	33.65	✗
Energy Intensity (Megajoules/metre drilled)	532	462	✓

¹ Emission factors adapted from the 2023 Canadian National Inventory Report (United Nations Climate Change, 2023)

² Reduction in Scope 1 GHG emissions from 2022 is directly correlated with decrease in total metres drilled

³ Fuel consumption reported by Contractors operating on CNC properties. When only hours worked per equipment provided, an estimation was made based on consumption rates provided by other contractors with similar machinery. Gases included in the calculation: CO₂, CH₄ and N₂O.

⁴ Value is rounded to the nearest tonne

⁵ Water consumption per meter drilled was estimated using a combination of in-line flow measurement data and pump rate capacity formulas. The observed increase in water consumption per meter drilled is attributed to the enhanced accuracy of flow measurement readings and estimations. In 2024, improvements will include the implementation of systematic in-line flow measurement readings, further reducing the reliance on estimations.

COMMUNITY RELATIONS			
Number of Communications	508	1489	✓
Donations and Sponsorships (\$) ⁶	9,600	151,700	✓
Meetings with Stakeholders	64	102	✓
Number of Comments, Recommendations, Concerns, and Questions Recorded	434	185	✗
Amount Invested in Local Economy (%) ⁷	38	27	-
TALENT AND CULTURE			
Number of Employees	31	31	✗
Employee Turnover (%)	6	26	✗
Women/Gender Diversity in Workforce (%)	32	32	-
Number of New Hires	10	6	✓
Senior Management Hired Locally (%) ⁸	10	25	✓
GOVERNANCE			
Independent Board Members (%) ⁹	86	83	✗
Female Board Members (%)	29	33	✓
Visible Minority Representation on the Board of Directors (%)	14	17	✓
Number of Board of Directors Committee Meetings	5	12	✓

⁶ 2022 Contributions Program was not initiated until November 2022 and therefore donation amounts are not directly comparable between years.

⁷ Decrease in community investment from 2022 to 2023 is related to lower rates of drilling that reduced the need for local contractors. Community investments include all sponsorships and donations from CNC's Contributions Program, consulting fees associated with hosting and attending public events within the Timmins region, membership payments for participation in community organizations, fees affiliated with Indigenous Nation consultations, as well as equipment rentals and purchases made within the Timmins region. The 2023 community investment spend is based on the fiscal year and includes the \$446,440 in payments to Indigenous Nations.

⁸ Local consisting of Cochrane District (Northeastern Ontario), with senior management considered managers and above.

⁹ The number of independent directors hasn't decreased; the percentage of independent directors decreased as a result of the overall size of the board decreasing following the resignation of an independent director in 2023.

A MESSAGE FROM CANADA NICKEL COMPANY'S CEO

IN THIS SECTION:

Our Purpose	10
Our Commitment to Continuous Engagement with Partners	11
Our Team	12
Our Future	12
2023 Company Highlights	13



The global transition toward electric vehicles (EVs) has brought to light significant ethical and environmental challenges associated with nickel sourcing. Much like the controversies surrounding blood diamonds and blood cobalt, “blood nickel” represents the devastating impact of mining practices in certain regions around the world.

At CNC, we believe that the path to a sustainable future lies in responsible sourcing and production practices. Our commitment to ESG standards ensures that our operations not only minimize environmental harm but also uphold the highest ethical standards. Canadian nickel, known for its significantly lower carbon footprint and stringent safety regulations, offers a viable solution to the problems posed by nickel mining practices outside of the Western world.

For many years, CNC has intensified its focus on sustainable mining practices. In late 2022, a small team of dedicated CNC engineers conducted groundbreaking

work in mineral carbonation in attempt to improve the future of mining while protecting our environment.

By the end of 2023, our team successfully engineered and commercialized what became known as the in-process tailings (IPT) carbonation process, harnessing the natural ability of the host rocks at our deposit to spontaneously capture and sequester CO₂. This groundbreaking method is one of the only known methods to permanently sequester megatonnes of CO₂ annually, transforming our projects into large-scale carbon sinks capable of producing net-zero metals. This achievement, which was incorporated into the **2023 Feasibility Study** for our Crawford Project, showcases the exceptional talent and dedication of our team, underscoring our commitment to pioneering advancements in the mining sector, and the potential to deliver a negative carbon footprint in nickel extraction.



Our Purpose

At CNC, our purpose is to lead the world toward a future where the extraction and use of critical minerals are synonymous with sustainability and innovation. Our Crawford Project site, located in the Timmins Nickel District in Northeastern Ontario, is setting new global benchmarks for clean, responsible, and innovative mining. Through our IPT Carbonation process, we are working every day toward preparing ourselves to be able to sequester over 1.3 million tonnes of carbon annually. This natural process not only reduces the effects of climate change, but also significantly contributes to carbon reduction—a revolutionary advancement in mining technology.

Our commitment to responsible mining practices and the relentless pursuit of technological advancements ensures that we are leaders in the global transition to a low-carbon economy, not merely participants. The achievements at our Crawford Project already position us as global trailblazers in innovation and sustainable mining practices, proving that economic growth and environmental protection can, and should, go hand-in-hand.

Through our actions, we are building a legacy of sustainable development, setting new standards for the industry. As we move forward, our social purpose will continue to guide us:

We originate materials to responsibly power the energy transition.



Our Commitment to Continuous Engagement with Partners

At CNC, we recognize that fostering strong relationships with true partners is essential to our success. Our approach to partner engagement is built on transparency, proactive communication, and collaborative decision-making. In 2023, we continued to prioritize open dialogue with local communities, Indigenous Nations, investors, and industry partners. We actively sought and valued partner and stakeholder input, ensuring their voices were heard and their concerns were addressed. Here are some key highlights of our engagement initiatives in 2023:

- Awarded \$151,700 in sponsorships, donations, and contributions, demonstrating our commitment to supporting local communities and initiatives
- Increased the number of communications by over 190% from 2022 to 2023, totalling more than 1,480, reflecting our dedication to maintaining open and effective communication with all stakeholders
- Held 100+ meetings with stakeholders, a 59% increase from 2022, showcasing our proactive approach to engaging with and addressing the needs and concerns of stakeholders
- Continued to use a communications software to maintain an up-to-date database of all correspondences, allowing the company to filter

by group, contact, and topic, and track all concerns/comments until closed, ensuring transparency and accountability in our operations

- Continued to hold meetings with CNC's three community committees (Socioeconomic, Environmental, and Workforce Planning), reinforcing our commitment to collaborative decision-making and community involvement
- Kept the public informed by hosting public events, such as Open Houses, with 1 virtual Open House held in Q1 of 2024, 2 in Q2 of 2024, and 1 in Q3 of 2024, ensuring ongoing transparency and public engagement



Our Team

In 2023, our Board of Directors and senior management team continued to demonstrate their strong dedication to ethical mining practices, drawing on several individuals with significant industry and ESG expertise. Their advice has been instrumental in fostering thoughtful and effective development across our corporate structure and operations.

Last year, we established the ESG Committee, which remains a pivotal part of our governance framework. This year, we continue to drive these important initiatives forward in our organization.

The Committee, consisting of four members of the Board of Directors and supported by senior leadership, leverages their varied experiences and perspectives to enhance CNC's performance in environmental, social, governance, health, and safety matters. Their oversight helps us effectively deliver on our commitment to responsible and sustainable business practices.

Under the leadership of an independent Director and Chair David Smith, the Board of Directors continues to deliver invaluable strategic advice to our organization's leadership. As we advance our priorities, I look forward to working closely with both him and my fellow Directors in the coming year.

Our Future

As we look ahead, CNC is poised for a transformative future. We are gearing up for the construction of our flagship Crawford Project in 2025, pending federal and provincial permit approvals. Our focus will be on advancing permitting, with a goal of completing the Environmental Impact Statement (EIS) by November 2024, marking a crucial milestone for our company. Furthermore, we're completing work on the Front-End Engineering Design (FEED) to position us for long lead orders and critical construction decisions. Additionally, securing a comprehensive financing package, including joint venture partnerships and equity investments, is a priority and scheduled on time in partnership with our trusted investors.

Through collaboration, partnerships, and our substantial nickel reserves, CNC is positioned to play a pivotal role in the global transition to a low-carbon economy. We are dedicated to delivering a thriving Timmins Nickel District, knowing that we will play a transformational role in providing the world with a greener, cleaner, and safer source of nickel. Our focus on developing the Crawford Project in Northeastern Ontario will enable us to become the leading source of clean critical minerals for the Western World. Together, we are committed to building a sustainable future, and I look forward to continuing this journey with all our stakeholders.



Mark Selby, CEO and Director



2023 Company Highlights

- Completed a feasibility study for the Crawford Project, with an updated reserve and resource, robust project economics, and significant long-term nickel production. Based on industry information, Crawford ranks as 2nd largest nickel reserve in the world, and, when fully ramped up, would be Western World's largest nickel sulphide operation
- Released the [2022 ESG report](#) highlighting initiatives to minimize environmental impact and engage with local communities
- Formed strategic collaborations with key industry, community, and Indigenous partners to advance the development of the Crawford Project and explore new technologies
- Commenced pilot plant operations for the Crawford Project, aimed at optimizing processing techniques
- Achieved best drill results to date at the Reid property, further expanding nickel resources
- Held numerous information and consultation meetings with Indigenous Nations and community stakeholders to discuss the Crawford Project
- Announced plans to expand exploration activities and increase production capabilities at the Crawford Project
- Provided a comprehensive year in review of achievements, emphasizing successful resource expansions, technological advancements, and strong community relationships
- Announced a significant investment from Anglo American in 2023
- Agnico Eagle and Samsung SDI secured significant investments in CNC in Q4 2023, which were announced in early 2024, reflecting strong confidence in our projects and strategic vision.

A MESSAGE FROM THE CHAIR OF THE BOARD OF DIRECTORS

Over the past year, our Board of Directors has played an important role in guiding CNC through a transformative period, marked by strategic advancements and achievements that underscore our commitment to sustainability and growth. As we publish our second ESG report, we are proud to demonstrate continued progress and the significant impact our ESG initiatives have had on our operations.

In 2023, the Board of Directors placed a large emphasis on strengthening our governance structures as we continue to scale up our organization. By refining our policies and procedures at the Board and Committee levels, we have ensured a defined framework that supports our long-term vision. The Board's support of management efforts to advance partnerships and secure essential financing have been particularly successful, providing a solid foundation for our growth.

As we advance towards production, formalizing our operations and expanding our team have been top priorities. This past year, we have focused on building a skilled and dedicated workforce that aligns with our objectives. Our growth has necessitated the formalization of roles and responsibilities, ensuring that we have the right talent in the right place to drive our projects forward efficiently and sustainably.

We were pleased to announce significant investments from three of the world's leading companies: Agnico Eagle, Anglo American, and Samsung SDI. These investments reflect the confidence industry leaders have in our projects and strategic direction. The support from Agnico

Eagle, Anglo American, and Samsung SDI is instrumental in advancing our initiatives and highlights the value and potential of our efforts.

The nickel market has seen some challenges over the past year, with fluctuating interest rates and evolving participation from investors and governments. Despite these hurdles, we have remained steadfast in our commitment to deliver clean critical minerals to North America and the world. Being nimble has been an important part of successfully navigating some of the challenges our industry experienced, allowing us to stay focused and deliver results.

As we look towards the future, we remain committed to advancing our projects with a focus on sustainability. Our efforts this year have continued to build a solid foundation for the work ahead as we continue to grow. I extend my sincere gratitude to the Board of Directors, and our entire team at CNC for their hard work and dedication, and to our trusted partners for their ongoing support.

Together, we are making significant strides towards a more sustainable and prosperous future for all. Thank you for being part of our journey.



A handwritten signature in black ink, appearing to read 'D Smith', written in a cursive style.

David Smith,
Chair of the Board

United Nations Sustainable Development Goals (UN SDGs)



UN Global Compact Principles

1. Businesses should support and respect the protection of internationally proclaimed human rights.
2. Businesses should make sure that they are not complicit in human rights abuses.
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.
5. Businesses should uphold the effective abolition of child labour.
6. Businesses should uphold the elimination at discrimination in respect of employment and occupation.
7. Businesses should support a precautionary approach to environmental challenges.
8. Businesses should undertake initiatives to promote a greater environmental responsibility.
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.
10. Businesses should work against corruption in all its forms, including extortion and bribery.

ABOUT CANADA NICKEL COMPANY'S 2023 ESG REPORT

CNC's 2023 Sustainability Report is the second official edition documenting our performance, progress, and objectives for material environmental, social, health and safety, and economic topics for the period of January 1st to December 31st, 2023.

This Report details CNC's contributions to the United Nations Sustainable Development Goals (UN SDGs) and the 2021 Global Reporting Initiatives (GRI) Standards. Additionally, CNC has aligned with the Task Force on Climate-related Financial Disclosures for the first time in this report (refer to Appendix C). As a proud signatory of the United Nations Global Compact (UNGC), this report also serves as our 'Communication on Progress.'

Report Scope

In this report, "Canada Nickel", "CNC", "the Company", "we", "us", and "our" refer to Canada Nickel Company Inc. and projects where CNC has controlling ownership.

Performance data is reported for those projects and properties owned by CNC where activity took place during the reporting period (i.e., Bannockburn, Crawford, Mann, Midlothian, Moody-Stimson, Sothman, Texmont, and Powell). CNC has no active mining operations on which to report. Material



topics included in this Report align to best practices and industry standards; and are a reflection of Environment, Social, and Governance (ESG) topics that matter the most to our organization and our partners.

CNC is the only operator responsible for the management and operational performance of all sites reported. Performance data and descriptions of activities are reflective of the 2023 calendar year, unless otherwise specified. Note that the reporting period for the ESG Report differs from CNC's period for financial reporting, as the company has elected to align our ESG reporting to the calendar year.

For additional information on our annual financial results, please consult our [2023 Extractive Sector Transparency Measures Act \(ESTMA\)](#) and [Financial Statements](#).

CNC's senior management, CEO, and Board of Directors have reviewed and approved this report.

Operating with a Purpose

Informed by industry and ESG expert insights, stakeholder, and Indigenous feedback, as well as contributions from employees, executives, and members of the Board of Directors, CNC evaluated its roles, responsibilities, and opportunities for adding value to our business, our partners, and society. The result of this evaluation was our Social Purpose, a statement which will guide the values and strategic decisions driving our company and our operations towards a sustainable future.

“We originate materials to responsibly power the energy transition.”



ORIGINATE

Targeting responsible production of metals which can be recycled for generations to come, while bolstering the short-term supply needed to meet rising global demand.



POWER

With demand for these materials rising to critical levels, we are well positioned to enact necessary change while remaining visionary, resourceful, and receptive to new technologies.



MATERIALS

Our deposits have the potential to produce not just nickel, but a host of minerals such as chromium, cobalt, and platinum group metals which can supply a rapidly evolving technical market.



ENERGY TRANSITION

We strive to be key players in the fundamental shift occurring in the global economy as the world moves towards low carbon technologies and sustainable priorities.



RESPONSIBLY

Leveraging modern technologies and CNC's unique IPT Carbonation process, access to low carbon grid power, and industry-leading design and environmental expertise to target net-zero carbon emissions and net-positive outcomes for communities and society.

COMPANY OVERVIEW

Organization/Operations

CNC is a Canadian exploration and development company headquartered in Toronto, Ontario, Canada with operations located in Northeastern Ontario. We are rapidly advancing the next generation of net-zero carbon nickel-cobalt projects, preparing to supply the metals needed to power the EV revolution and high growth stainless steel market.

CNC's common shares are widely held, trading on both the TSX Venture Exchange under the symbol "CNC" and the OTCQB (Venture Market) under the symbol "CNIKF".



Along with our flagship Crawford Project, CNC has acquired more than 20 exploration projects in the region, with exploration activities in 2023 taking place on the following:

Crawford Project (100%) CNC's flagship project – a proposed open pit operation containing nickel, iron, cobalt, chrome, platinum, and palladium.	Sothman (100%) Nickel Exploration Property. In 2023, preliminary drilling was undertaken to define the extent and characteristics of mineralization.	Texmont ¹⁰ (100%) Nickel Exploration Property. In 2023, exploratory and infill drilling was completed to model the geology and publish a mineral resource in 2024.	Powell (100%) Nickel Exploration Property. In 2023, airborne geophysical surveys were conducted to measure magnetics and electromagnetics.	Midlothian (100%) Nickel Exploration Property. In 2023, preliminary drilling was undertaken to define the extent and characteristics of mineralization.
	Bannockburn (100%) Nickel Exploration Property. In 2023, exploratory and infill drilling was completed to model the geology and publish a mineral resource in 2024.	Mann (Option to acquire 100%) Nickel Exploration Property. In 2023, preliminary drilling was undertaken to define the extent and characteristics of mineralization.	Moody-Stimson (100%) Nickel Exploration Property. In 2023, airborne geophysical surveys were conducted to measure magnetics and electromagnetics.	

¹⁰ The Texmont property saw brief production from July 1971 to December 1972, with Sheridan Geophysics Ltd. operating a 500-ton-per-day mill and with the capacity of producing 200,000 lbs of refined nickel products monthly. Power for the mine was supplied by diesel generators, but the high cost of diesel, exacerbated by the 1971 "Energy Crisis" and a burdensome fuel-oil tax, led to the operation's closure. The Texmont deposit is interpreted as having higher grade mineralization in thinner (<20 m) horizons.

Supply Chain

DISCOVERY

EXPLORATION

PLANNING

Activities undertaken at our exploration properties are supported by the hard work of our supplier, consultant, and contractor network.

When working on CNC's properties, contractors are required to abide by our policies related to responsible and safe exploration and engagement with both the public and Indigenous Peoples. Contractors are expected to report regularly on health, safety, and environmental performance. CNC has a zero-tolerance policy for non-

compliance with these expectations. Failure to meet these rigorous standards may result in removal from the property and contract termination.

Per our [Local Procurement Policy](#), preference on competitive bids is given first to businesses that are Indigenous owned and operated, or Indigenous joint ventures or partnerships, followed by businesses that meet our definition of Local, defined in consultation with CNC's external stakeholder [Socioeconomic Committee](#).



Defining Local Procurement

Tier 1 Local Companies are those suppliers who are situated within the Cochrane District.

Tier 2 Local Companies are those suppliers who are situated within Northeastern Ontario and Abitibi-Témiscamingue, Québec.

Responsible Exploration

CNC's Responsible Exploration Policy, guided by industry best practices and adapted to suit the interests and expectations of our operating regions, outlines the requirements for conducting exploration activities on our properties with the intent to create minimal disturbance to the environment and people.

The Policy addresses all activities relating to mineral exploration, covering a broad spectrum of human and environmental aspects ranging from archeology and land use to air, water, and waste management and biodiversity conservation.

Using regulation and industry best practices, including [PDAC's E3 Program](#) as guidance, the Responsible Exploration Program was implemented in 2021. All employees and contractors conducting exploration work on behalf of CNC on our properties are required to abide by its guidelines as outlined below.

- Site selection that makes a best effort to, when possible:
 - Minimize vegetation removal
 - Use existing access routes

- Maintain distance of 100 metres from any permanent waterbody or waterway, opposed to the regulatory requirement of 30 metres as per the Provincial Standards for Early Exploration under O. Reg. 308/12 of the Mining Act (Government of Ontario, 1990)

- Tracking and reporting on water withdrawal
- Conducting post-activity site remediation
- Required use of biodegradable drilling fluids
- Pre, active, and post-drill site inspections conducted by the environmental team
- Best practices when dealing with: wildlife, water body crossings, fish management, archeological and cultural sites, spills (reportable and non-reportable), and equipment and vehicle operation

2023 ESG REPORT HIGHLIGHTS

IN THIS SECTION:

Governance	23
Community Relations	23
Indigenous Relations	24
Health and Safety	24
Talent and Culture	25
Environment	25
Financial Sustainability	25



■ Governance

- Chief Executive Officer (CEO) and Chair positions separated in Q1 of 2023, with David Smith having assumed role of Chair
- Five dedicated committees at the Board of Directors level, including the ESG Committee
- Annual review of governance policies

■ Community Relations

- **\$1,546,400** total spend on community investments¹¹
- **27%** of procurement was local
- **180+ comments**, recommendations, questions, and concerns recorded
- Continued participation in community events, including but not limited to: Timmins Indigenous Peoples Day, Mattagami First Nation's Annual Traditional Pow Wow, Timmins Mining Expo, Prospectors and Developers Association of Canada Conference, Timmins Chamber Ring of Fire State of Mining Event, and The Mining Investment Event of the North
- Collaboration with local organizations to support families in need, including assisting the Northeastern Ontario Family and Children's Service (NEOFACs) and Timmins Anti-Hunger Coalition with packing and delivering holiday food boxes in November and December



¹¹ Community investments include all sponsorships and donations from CNC's Contributions Program, consulting fees associated with hosting and attending public events within the Timmins region, membership payments for participation in community organizations, fees affiliated with Indigenous Nation consultations, as well as equipment rentals and purchases made within the Timmins region. The 2023 community investment spend is based on the fiscal year and includes the \$446,440 in payments to Indigenous Nations.

■ Indigenous Relations

- **98** meetings with Indigenous Nations in 2023, 59 of which were in person
- **\$446,440** in payments to Indigenous Nations¹²
- Continuous engagement with Apitipi Anicinapek Nation, Flying Post First Nation, Matachewan First Nation, Mattagami First Nation, Taykwa Tagamou Nation and The Métis Nation of Ontario (Region 3) for the Crawford Project
- Two Exploration Agreements signed with two First Nations
- **670+** communications (meetings, email correspondences, phone calls, text messages) with Indigenous Nations – equating to **45%** of all external communications.

¹² Payment is based on 2023 fiscal year. Refer to CNC's 2023 ESTMA Report for additional details related to payment types. Dollar values and communication numbers have been rounded to the nearest ten for simplicity and consistency in reporting. All payments are recorded in CAD unless otherwise specified.



■ Health and Safety

- **0** fatalities as a result of work-related injuries
- **0** high-consequence work-related injuries
- **0** lost time injuries
- **1** recorded work-related injury

■ Talent and Culture

- **50%** of staff employed during the 2023 calendar year were local
- CNC is continuing to grow the team through the hiring of an Accounts Payable Coordinator, Executive Human Resource (HR) Advisor, Director of Indigenous Relations and Public Affairs, Human Resource (HR) Coordinator, Project and Financial Analyst, Senior Electrical Lead, Senior Project Manager, and Sustainable Communities Coordinator.
- Development of the **Workforce Planning Committee** in March 2023

■ Environment

- **0** reportable spills in 2023
- **76%** reduction in scope 1 emissions between 2022 and 2023¹³
- In-Process Tailings (IPT) carbonation variability testing estimated the CO₂ storage capacity at the Crawford Project to be an average of **1.3 million tonnes** per annum (mtpa) over Life of Mine
- Continued multi-year environmental baseline programs for the Crawford Project
- Continued Federal Impact Assessment permitting process for the Crawford Project, with submission of the Impact Statement targeted for Q4 of 2024

¹³ Reduction in scope 1 emissions is primarily a function of decrease in exploration program (reduction of metres drilled). Refer to emissions intensity values in the appended data tables, as well as the **ESG Performance Summary**, for a normalized metric that accounts for emissions relative to each metre drilled.



■ Financial Sustainability

- Anglo American secured a **\$26.2 million** investment in CNC in Q1 2023. Anglo American now holds a **7.6%** ownership in CNC.
- Agnico Eagle secured a **\$34.7 million** investment in CNC in Q4 2023, which was provided in Q1 2024. Agnico Eagle now holds an **11.0%** ownership interest.
- Samsung SDI secured a **US\$18.5 million** investment in CNC in Q4 2023, which was provided in Q1 2024. Samsung SDI now holds an **8.7%** ownership interest in CNC.

GOVERNANCE

IN THIS SECTION:

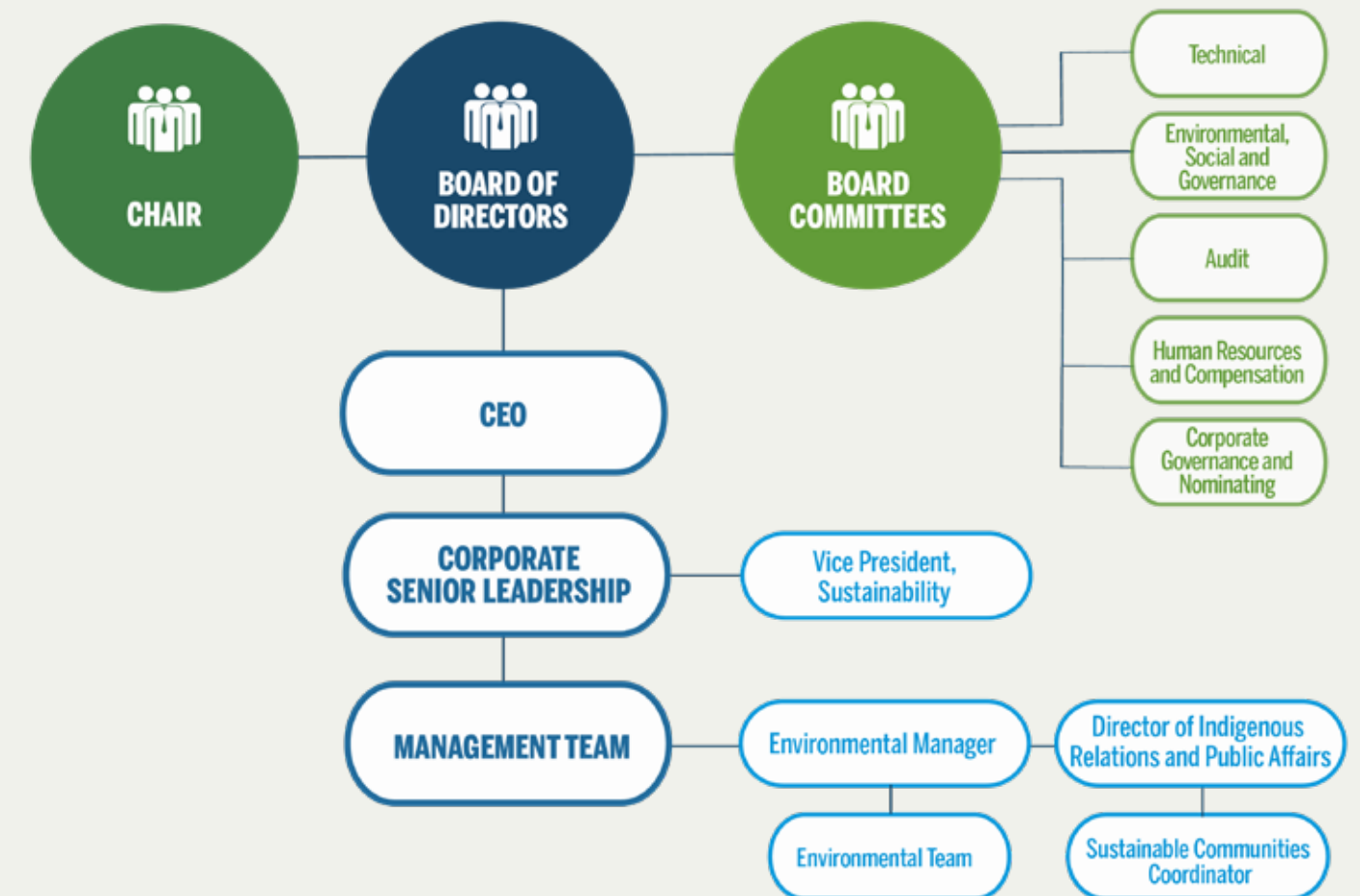
Governance Structure	27
Board Composition	28



Governance Structure

CNC works in accordance with the highest standards of corporate governance and ethics. We are guided by our commitment to ongoing engagement with stakeholders, communities, and Indigenous Nations so we may respond to community concerns honestly and transparently, while working to directly optimize the potential benefits of our projects. This approach is instilled in our leadership and applies to every one of our people.

Our commitment to ESG work is embedded in every aspect of our operations. Responsibility for its oversight and approval of strategies, goals, purpose, and values rests directly with our Board of Directors and CEO. Development and operational execution of these elements falls primarily to our Vice President of Sustainability, who communicates regularly with senior executives, management, and employees, and oversees a team of technical experts to ensure ESG protocols, policies, and standards are properly implemented, and concerns or incidents are dealt with quickly and appropriately.



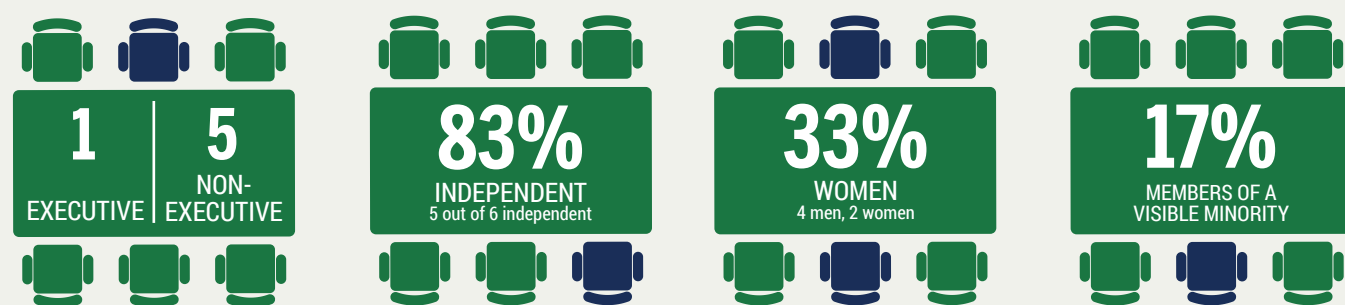
Board Composition¹⁴

CNC's Board of Directors is responsible for the stewardship of the business and for acting in the best interests of the company.

Directors are elected each year by shareholders at the Annual Meeting of Shareholders from individuals nominated by the Board of Directors and the Corporate Governance and Nominating Committee, or by a shareholder by means of a shareholder proposal upon compliance with the requirements prescribed by the Business Corporations Act (Ontario) ("OBCA") or by complying with the advance notice requirements of the Corporation's by-laws. The Board of Directors also recommends the number of members to sit on the Board of Directors to shareholders for approval. Between annual meetings, the Board of Directors may appoint members to serve until the next Annual Meeting of Shareholders, subject to the OBCA and CNC's by-laws.

CNC is committed to building our company as a next generation leader supporting the global energy transition, a commitment led by a Board of Directors comprised of diverse experiences and expertise. Each Director was selected for their unique knowledge in areas including ESG, finance and capital markets, and/or mining and processing, backed by the highest personal and professional integrity, ethics, values, as well as a commitment to advancing CNC's ambitious objectives.

Additional information on Directors and their competencies can be found in [Team](#).



- ✓ All committees independent
- ✓ Annual director elections
- ✓ Annual say-on-pay
- ✓ Diverse representation on the Board of Directors and executive management

- ✓ Directors elected individually
- ✓ Separate Chair and CEO
- ✓ Board of Directors attendance

¹⁴ Board of Directors composition is defined according to representation during the 2023 calendar year.



Board of Directors Committees

The Board of Directors has five Committees supporting CNC's activities:

Audit Committee

Oversees integrity of financial reporting and disclosure requirements, financial risk management and internal controls, and performance and independence of external auditors.

Corporate Governance and Nominating Committee

Oversees Board of Directors governance, including nomination, disclosures, implementation, administration, evolution of applicable legal framework, and monitoring of policies, charters, and procedures, as well as promoting a culture of integrity throughout the corporation.

The Corporate Governance and Nominating Committee performs an annual assessment of: (i) the effectiveness of the Board of Directors as a whole, the committees of the Board of Directors and the contributions of individual Directors, and (ii) the skills level of Directors in various listed categories.

Environment, Social, and Governance (ESG) Committee

Oversees fulfillment of responsibilities relating to health and safety, Indigenous relations, climate change, environmental, and social matters concerning the corporation, as well as implementing ESG practices consistent with an entity that has set a net-zero objective and adopted a social purpose.

Health and Safety

Oversees related mandates, standards, and policies while ensuring accountability for safety across all levels of operation. Ensures opportunities for training and personal/professional development and, where necessary, reviews the nature and extent of compliance and non-compliance with occupational health and safety programs, policies, and regulations.

Environment, Climate Change, Indigenous Relations, and General ESG

Conducts review of management reports, performance results, and audits on sustainability, environmental, and social matters, including stakeholder and Indigenous engagement outcomes, environmental incidents, and program or policy implementation. Confirms that operational procedures are in place to minimize adverse effects of social and environmental

violations or incidents, and to provide recommendations relating to operational risk and risk management, monitoring and controlling environmental risk, and the effect of regulatory initiatives and trends.

Human Resources and Compensation Committee

Oversees elements of human resources, including organizational structure, compensation philosophy and policies, executive compensation and incentives, retention and attraction, and succession planning.

Technical Committee

Oversees obligations and responsibilities of the corporation relating to technical matters, operational strategy and performance, innovation, and research and development.



A MESSAGE FROM THE CHAIR OF THE ESG COMMITTEE



As Chair of the Environmental, Social, and Governance Committee at CNC, I am delighted to share an update with you about our recent achievements and outline our future areas of focus. Our Committee is dedicated to supporting CNC's leadership team in achieving operational excellence, an unwavering culture of safety, world-class environmental stewardship, and strong local and Indigenous partnerships, ensuring CNC remains at the forefront of sustainable mining practices that manage the risks climate change presents.

With an extensive background in social and governance excellence and a passion for environmental sustainability and climate change, I find this role both fulfilling and challenging. I am particularly excited about supporting CNC's commitment to investing in exploration and mining innovations, demonstrating how traditional industries can lead in sustainability.

Our ESG Committee offers crucial oversight, counsel and guidance to build and maintain CNC's position as a global leader in health and safety, environmental sustainability, strong governance, and transparency. We support the executive leadership team in making informed decisions through the lens of established frameworks and standards, while keeping an eye on our social purpose – to originate materials to responsibly power the energy transition.

Over the past year, the Committee has been focused on adopting an ESG Charter and supporting management in publishing a comprehensive, inaugural ESG annual report. Our guidance is helping to foster a strong safety culture and sustainable

procurement practices, enabling strong partnerships. I am particularly proud of CNC's ongoing initiatives that focus on local procurement and Indigenous engagement, which have strengthened our projects and fostered deep community relationships.

Looking ahead, we aim to bring CNC's ambitious goals to life, including producing low-carbon critical minerals and supporting our claims with robust and verifiable accounting practices. Over the next year, our main goals include aligning our ESG Report with climate change disclosure standards and enhancing our supply chain collaboration and greenhouse gas accounting practices. We aim to showcase the business opportunities within the mining sector, traditionally seen as non-sustainable, by demonstrating how CNC is innovating by putting sustainability at the forefront of the business.

I am proud to be part of CNC's commitment to sustainable practices. As an organization, CNC firmly believes that sustainability is not just a necessity for businesses of all sizes but also a legacy we leave for future generations. The ESG Committee is passionately dedicated to advancing CNC's ambitious ESG goals, and we are excited by the potential for positive change in the industry. I look forward to our continued work to activate our social purpose.



Sincerely,

Francisca Quinn,
Chair, ESG
Committee, Canada
Nickel Company



MEET CANADA NICKEL'S ESG COMMITTEE

IN THIS SECTION:

Francisca Quinn	35
Mike Cox	35
Jennifer Morais	36
Sean Whitaker	36



FRANCISCA QUINN

Francisca Quinn brings 25 years of experience in corporate strategy, sustainability, and climate change management; helping corporations set decarbonization pathways, implement industry leadership initiatives, and excel in ESG disclosure across various sectors and geographies. Francisca founded ESG advisory Quinn+Partners in 2011 to create better businesses through the lens of sustainability.

A Canada Clean50 Honouree in 2013 and 2017, Francisca is passionate about guiding businesses toward a low-carbon economy through innovative models, stakeholder collaboration, and low-carbon technologies. Under her leadership, the ESG Committee has adopted a formal Committee Charter and supported management in publishing CNC's inaugural ESG Report. She takes pride in initiatives that have shaped a safety-focused culture, advanced local procurement, and involved local communities and Indigenous Nations in projects, showcasing CNC's commitment to equity, inclusion, and responsible practices.

Francisca is dedicated to aligning CNC's ESG reporting with leading standards, ensuring transparency for investors and stakeholders. The Committee aims to support CNC's emerging role as a global leader in sustainable mining, highlighting opportunities like net-zero metals production, innovative carbon sequestration, and carbon measurement for product responsibility.



MIKE COX

Mike Cox brings over 35 years of experience in metal mining and processing operations from global organizations such as Inco Ltd. and Vale SA. He has held senior leadership positions across Europe, Canada, and Asia, overseeing operations that supplied nickel products for multiple generations of nickel batteries.

As the head of both United Kingdom (UK) and Asian refineries at Vale, Mike managed a portfolio of precious metal and nickel refineries, earning global recognition for operational excellence, including the prestigious Shingo Award during his tenure.

As a member of the ESG Committee at CNC, Mike has helped guide CNC's ESG goals and standards. His strategic advice helps shape the company's commitment to ethical sourcing, carbon-neutral operations, and sustainable growth. Mike is known for creating safe working environments and achieving operational excellence, which is instrumental in CNC exceeding industry benchmarks in environmental stewardship, social responsibility, and governance.





JENNIFER MORAIS

Jennifer Morais brings over 25 years of senior executive experience in the global private equity and alternatives investment industry, complemented by over a decade in global mining finance and management consulting. As co-founder and managing partner of Acuity Partners Inc., she advises private equity, private credit, and other alternative investment firms.

As a female in the male-dominated mining sector during the '90s, Jennifer recognized the critical need for industry change. That experience drives her commitment to advancing ESG standards that truly influence industry behavior and decision-making.

Jennifer is motivated by CNC's potential to lay the groundwork for a new frontier in mining that is focused on sustainability. She aims to ensure CNC's environmental missions are deeply integral in its strategy and integral to its success. By helping guide the company's ESG efforts, she aims to align decisions with impact goals and advocates for the adoption of leading measurement tools to be used to evaluate environmental and social outcomes. Jennifer's goal is to ensure CNC's impact on local communities and diverse representation is both meaningful and measurable as the company evolves toward production.



SEAN WHITAKER

Sean Whitaker brings extensive technical and innovation experience from his role at Anglo American. Motivated by the opportunity to accelerate mining towards a cleaner, greener, and healthier tomorrow, Sean is committed to guiding CNC's ESG Committee by sharing his expertise in innovative practices that will advance CNC's sustainability goals.

With safety being Anglo American's first priority, Sean contributes valuable insights to CNC, ensuring continuous progress in safety standards. His extensive knowledge supports CNC's trajectory toward becoming a world-class operation, where he evaluates project constraints and identifies opportunities to unlock value for all stakeholders.

Sean is enthusiastic about the potential of CNC's project to have a positive impact on the region through the application of best-practice social performance standards, bringing lasting benefits to Indigenous communities, and net-zero metal production. He actively supports CNC's technical innovation objectives and the integration of ESG programs into operational designs, helping ensure alignment with global best practices for maximum impact and sustainability.

POLICIES AND GOVERNANCE

Risk Management

CNC has developed, and continues to manage and maintain, a complete Risk Register addressing health and safety, human resources, financial, administrative, technical, environmental, political, social, and reputational risks. The Risk Register is updated and reviewed by the Board of Directors on a quarterly basis, with meetings between risk owners of senior management occurring on a more frequent basis.

Business Ethics

CNC is committed to operating to the highest standards of professional and ethical conduct across all business units and operations.

To further demonstrate this commitment, CNC is in the process of developing leading and comprehensive policies concerning our approaches to Anti-Corruption and Bribery, Whistleblowing, as well as Workplace Violence, Harassment, and Discrimination¹⁵. Official release of these policies and subsequent training are targeted for year-end 2024.

Corporate Governance Policies

We have a comprehensive set of policies governing our operations and they are informed by both legal requirements and best industry practice:

- Code of Business Conduct and Ethics, which has been finalized since the release of CNC's 2022 ESG Report and can be found under Appendix D. A status update related to the implementation of this policy will be captured in the 2024 ESG Report.
- Workplace Violence, Harassment, and Discrimination Policy¹⁵, which has been finalized since the release of CNC's 2022 ESG Report and can be found under Appendix E. A status update related to the implementation of this policy will be captured in the 2024 ESG Report.
- Issue Resolution (Whistleblower) Policy, which has been finalized since the release of CNC's 2022 ESG Report and can be found under Appendix F. A status update related to the implementation of this policy will be captured in the 2024 ESG Report.
- Health and Safety Policy
- Local Procurement Policy
- Responsible Exploration Policy

Additional policies currently under review include the:

- Environmental, Social and Governance (ESG) Policy
- Anti-Corruption and Bribery Policy

¹⁵ The former Workplace Violence Policy and Sexual Harassment and Discrimination Policy were combined to form a single Workplace Violence, Harassment and Discrimination Policy.

COMMUNITY RELATIONS

IN THIS SECTION:
Canada Nickel Company's
Contributions Program
Performance

41
44



Community engagement has been a pillar of CNC's ethos since its founding. From exploration to project development, we continue to ensure that we are contributing to positive social and economic development where we operate.

Early and meaningful engagement helps us to ensure that CNC brings positive benefits to the people who live and work near our operations, and that any challenges can be addressed efficiently and collaboratively.

Through collaboration with project stakeholders and Indigenous Nations, CNC has established a core set of guidelines and best practices for our social performance that emphasize our dedication to remaining transparent, attentive, and collaborative.

- Early, ongoing, and proactive engagement that is developed cooperatively and enables opportunities for all interested individuals, including marginalized populations, to become involved;

- Continuous, accessible information sharing that transparently addresses concerns, questions, and discloses environmental and impact assessment results across a range of mediums, including presentations, newsletters, factsheets, meeting reports, regulatory documents, media, and email;
- Taking project decisions per feedback obtained from a multitude of diverse external perspectives, in addition to engineering, environmental, economic, and regulatory limitations;
- Implementing and participating in different channels that allow for discussion and cooperative decision-making – both by creating our own and participating in existing committees and workgroups;
- Contributing to sustainable communities through local procurement, local employment, and sponsorship and donation programs;

¹⁶ Value corresponds with contributions that were made to applicants requiring funding between January 1st, 2023 and December 31st, 2023.

¹⁷ Decrease in local procurement from 2022 to 2023 is related to lower rates of drilling that reduced the need for local contractors.

- Recognizing that our operations have the potential for both positive and negative community impacts, and therefore taking measures to discuss, analyze, and address those potential impacts with project stakeholders and Indigenous Nations prior to project development;
- Maintaining and publicly disclosing a record of project stakeholder and Indigenous Nation feedback with our corresponding response or undertaken action;
- Disclosing financial performance and taxation through Financial Statements and ESTMA reporting; and
- Providing multiple avenues for grievance reporting - either raised directly to a CNC team member, submitted to a general community email address, or shared confidentially through our website – and responding to each grievance with the same efficiency and degree of seriousness.

Throughout our early stages to present, CNC contributes to the economic and social values of our operating region through taxes, local wage and benefits, procurement (goods and services) spending, community contributions, Indigenous partnerships, and infrastructure improvement planning. Looking ahead, our growing role as a leading employer in the region, offering competitive wage and benefits, presents an opportunity for us to attract and retain crucial talent to the area. As a potential major industrial customer, communities in the region have also expressed hopes that we may

attract complementary business and industry, furthering their economic development.

CNC is a proud partner and member of Core5, or the Northern Ontario Regional Technology Development Site (RTDS), alongside the Timmins Economic Development Corporation and NORCAT. Bringing together leaders and entrepreneurs of manufacturing and mining, Core5 works to connect mineral producers, local enterprises, and EV manufacturers throughout Canada with the support, expertise, and relationships to build the next generation of low-carbon technologies in our region.



Canada Nickel Company's Contributions Program

Recognizing the unique needs of our region, CNC has developed and implemented a Contributions Program in collaboration with local stakeholders and our Socioeconomic Committee, which comprises two components: the Short-Term Contributions Program and the Legacy Contributions Program. These initiatives aim to address existing or potential challenges within the region that may be triggered or amplified by our operations. These programs are reviewed and audited by our Socioeconomic Committee on a routine basis and follow strict **guidelines** that give priority to programs that support vulnerable populations, contribute to economic, social, health/wellbeing, education, or environmental improvement, and address the urgent topics of greatest importance to the communities within our region. Applications to CNC's

Contributions Program are evaluated based on the following criteria:

- Whether the organization is a non-profit or partners with non-profit organizations
- The novelty of the program
- The extent of the program's impact
- Relevance to vulnerable populations
- Ability to address urgent needs
- Overall quality of the application
- Realism of the program's budget, timeline, and work plan

Programs are more likely to be successful if they are innovative, consider often-overlooked issues, benefit multiple communities, support various vulnerable populations, and address several urgent needs.



Short-term Contributions Program

CNC's Short-Term Contributions Program is designed for programs with budgets up to \$5,000 that will be completed within a year. It focuses on addressing immediate, local needs and requires applications to be submitted by specific deadlines depending on the program period. In 2023, there were 16 successful applications received through the Short-term Contributions Program. Successful applicants were from Matachewan First Nation, Taykwa Tagamou Nation, Cochrane, Iroquois Falls, Smooth Rock Falls, and Timmins.

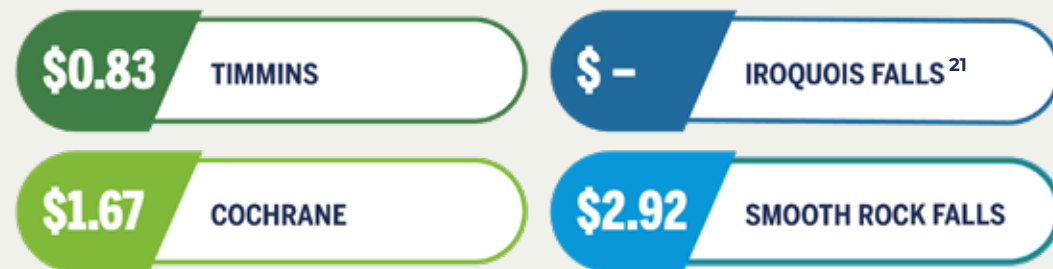
NUMBER OF SUCCESSFUL CONTRIBUTION PROGRAM APPLICATIONS BY CATEGORY¹⁸



FUNDING AWARDED THROUGH ALL CONTRIBUTION PROGRAMS BY CATEGORY



FUNDING AWARDED THROUGH SHORT-TERM CONTRIBUTIONS PROGRAM PER CAPITA^{19, 20}



¹⁸ Includes applications for First Nation donations, Short-term Contributions Program, and Legacy Contributions Program

¹⁹ Census data from Statistics Canada was used to calculate Funding Awarded per Capita (Statistics Canada, 2023)

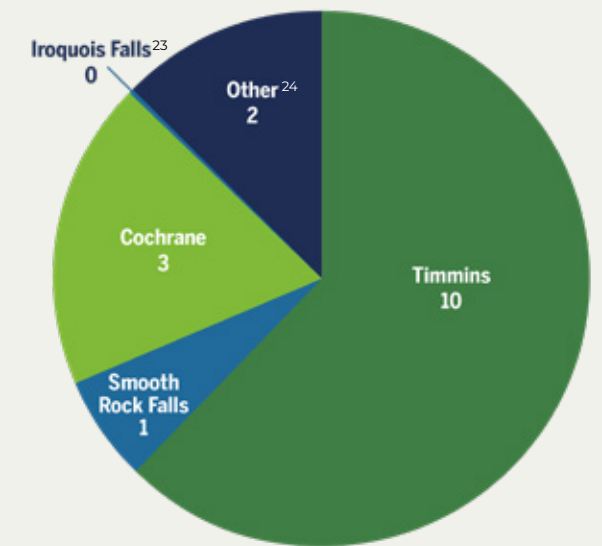
²⁰ Excludes \$100,000 donation to Timmins and District Hospital Foundation, as this is considered to be a regional donation and is not specific to a single community

²¹ The Town of Iroquois Falls only submitted one application to Canada Nickel's Contributions Program in 2023, which was unsuccessful

Congratulations to the successful Short-term Contribution Program applicants of 2023!

- Matachewan First Nation
- Taykwa Tagamou Nation
- Cochrane Classic Vintage Riders Club and Museum
- Cochrane Curling Club
- Collège Boréal
- Mattagami Region Conservation Authority
- Mattagami Ski Club
- North Eastern Ontario Family and Children's Services
- Porcupine Music Festival
- Rock and Gold Gymnastics Club
- Sports for Kids Timmins²²
- Timmins Anti-Hunger Coalition
- Timmins and District Hospital
- Timmins Festivals and Events Committee
- Timmins Youth and Wellness Hub

NUMBER OF SUCCESSFUL SHORT-TERM CONTRIBUTIONS PROGRAM APPLICATIONS BY COMMUNITY



Legacy Contributions Program

The Legacy Contributions Program is aimed at larger-scale projects with budgets exceeding \$5,000 and longer durations, often extending multiple years. This program addresses more significant, long-term challenges related to potential environmental and socioeconomic impacts of the Crawford Project. It also involves a more detailed application process and funding schedule. The annual deadline for applications to CNC's Legacy Contributions Program is August 31st for programs beginning in the following calendar year.

Timmins and There was one successful application to CNC's Legacy Contributions Program in 2023, for which \$100,000 was awarded to the Timmins and District Hospital (TADH) Foundation. The TADH Foundation launched a \$40 million campaign in 2023 to enhance care at the facility, targeting critical needs related to

equipment and technology, including a major renovation and expansion of the Emergency Department. Over a five-year period, with an anticipated campaign end date of 2027, the initiative will address rising demographic pressures and outdated equipment, as the hospital's Emergency Department visits have doubled from 20,000 to 40,000 annually. This increased demand is assumed to be driven by factors such as a growing homeless population, limited primary care, and the opioid epidemic. The campaign will also tackle space deficiencies and improve patient privacy through Meditech Expanse, an integrated electronic health record system designed to streamline patient information management by consolidating all data into a single, accessible digital record. Additionally, the funds will update medical imaging equipment to ensure continued high-quality diagnostic services amidst rapid technological advancements.

²² Sports for Kids Timmins had two successful applications through the Short-term Contributions Program in 2023, which is why only 15 recipient organizations are listed.

²³ The Town of Iroquois Falls only submitted one application to Canada Nickel's Contributions Program in 2023, which was unsuccessful

²⁴ Included two First Nation communities through donations program.

Performance

We want to ensure that project stakeholders, communities, and Indigenous Nations get the information that they want to hear, when they want to hear it. Our approach is constantly evolving to suit emerging interests and needs while still conveying accurate and timely information about our operations. We measure the success of our engagement and performance, and identify opportunities for improvement, through:

- Internal and external surveys to compare perspectives and seek opportunities for change;
- Third party review, through the Socioeconomic Committee, of successful contribution outcomes;
- External validation of potential Project impacts and proposed mitigation measures by our Committees;
- Annual quantitative evaluation and disclosure of wage, procurement, tax, and contributions through the ESG Report;
- Analysis of pre-operation socioeconomic conditions which incorporate the Gender Based Analysis Plus (GBA+) process²⁵, validated and/or supplied by regional municipalities, for future assessment of impacts and effectiveness of mitigation measures

²⁵ GBA+ is an analytical process used to assess how different women, men, and gender diverse people may experience project impacts and opportunities.

2023 Engagement Highlights

98 Meetings with Indigenous Nations



100+ Meetings with stakeholders



60 Phone calls with stakeholders and Indigenous Nations

Attended 29 public events

12 Board Committee meetings



External Engagement Categories

- Indigenous Nations
- Recreational Organizations
- Media
- Land Users
- Health Institutions
- Municipal Institutions
- Government (Municipal, Provincial, Federal)
- Environmental Organizations
- Educational Institutions
- Economic Institutions
- Community Groups
- Business or Commercial Organizations
- Civil or Special Interest Groups – **New 2023 Engagement Category**

Main Topics of Interest Identified Through Engagement for the Crawford Project

- **Economic Opportunities/Jobs**
Awareness of economic opportunities associated with local procurement, local employment, expansion of regional industry, and significant economic development
- **Wildlife and Vegetation**
Potential impacts on wildlife habitat and species at risk, disturbance to populations and potential for species relocation, and compensation planning
- **Land Use**
Recognizing existing or potential future recreational, traditional, cultural, and other land uses occurring in proximity to exploration or development activities
- **Social Impacts**
Generally relating to existing local challenges that could be enhanced or triggered by project development, including housing availability, substance abuse, access to social and healthcare services, all susceptible to rapid population increases or changing economic status
- **Water Management**
Current management of intake water and drill cuttings, future planning around diversions, ground and surface water management, and water treatment

- **Project Design and Infrastructure**
Opportunities for improved power, rail, and highway infrastructure in the north as a result of project development, concerns relating to potential scale of site footprint, and future tailings management
- **Emissions and Climate Change**
Project's goal for net-zero carbon operations and related prospects for promoting investment in the region through the potential for net-zero carbon industrial hubs

Community Committees

Based on positive feedback received during early engagement, CNC has formed three voluntary committees comprised of nominated representatives from local stakeholder groups and organizations with a demonstrated interest and expertise in the committees' focuses.

Environmental Committee

With duties likely to extend into project operation, the Committee's objectives are to engage in meaningful and productive conversations about potential environmental impacts, proposed solutions to manage or minimize those impacts, and overall CNC environmental practices and commitments. CNC's Environmental Committee includes representatives from the following organizations: Cochrane Local Citizen Committee, Friends of the Porcupine River Watershed, GreenFirst Forest Products, Meadowlark Environmental Consulting, Ontario Clean Water Agency, Ontario Rivers Alliance, Porcupine Health Unit,

The City of Timmins and Mattagami Region Source Protection Committee, The Town of Cochrane, and The Town of Iroquois Falls.

Socioeconomic Committee

Focusing on analyses of potential social and economic project impacts while taking a collaborative approach to related mitigation measures that could be implemented, the Committee has already successfully supported CNC in developing and implementing our Local Procurement Policy, as well as Community Contributions Guidelines, which were launched in late 2022. The Socioeconomic Committee is made up of representatives from social and economic community organizations, as well as representatives of vulnerable populations, including: Aboriginal Peoples Alliance of Northern Ontario, Cochrane District Social Services Administration Board, Northern Ontario Angels, The City of Timmins, The Town of Cochrane, The Town of

Iroquois Falls, The Town of Smooth Rock Falls, Timmins Chamber of Commerce, Timmins District and Multicultural Centre, Timmins Economic Development Corporation, and Timmins Native Friendship Centre.

Workforce Planning Committee

Comprised of regional education leaders and employment experts, the Committee advises on potential challenges and opportunities for worker attraction and retention, while brainstorming collaborative solutions that stand to benefit industries across the region. CNC's Workforce Planning Committee includes representatives from the following organizations: Apatisiwin Employment and Training, Cochrane District Social Planning Council, Cochrane District Social Services Administration Board, Collège Boréal, Keepers of the Circle, NORCAT, Northern College, and The Far Northeast Training Board.



INDIGENOUS RIGHTS AND RELATIONSHIPS

IN THIS SECTION:

A Message from Chief Bruce

Archibald of Taykwa Tagamou Nation 50



CNC strives to work in true partnership with Indigenous Nations to establish mutually beneficial, cooperative, and productive relationships centered around transparent information sharing, respectful engagement, and open dialogue.

We recognize that each Indigenous Nation has their own unique values, histories, practices, beliefs, and goals. As such, we endeavor to work with each Nation to develop methods for engagement and participation that align with their distinct priorities. Some examples of these methods, in addition to those listed above, include:

- Signing of Early Exploration Agreements, which includes, but is not limited to, compensation for exploration activities on Traditional Territories;
- Organizing site visits to show firsthand how we conduct our operations;
- Ensuring significant participation in baseline programs, including sharing of workplans and study results, as well as arranging for accompaniment of consultants during field monitoring programs;

- Signing of Impact Assessment Process Agreements intended to foster full participation of Indigenous Nations in the federal Impact Assessment process, outlining effective communication channels and platforms for meaningful engagement and facilitating tangible capacity building within the Nations that will extend beyond the Crawford Project and CNC;
- Supporting community-based committees designed to be representative of the Nation to support Impact Assessment and engagement activities, incorporating Knowledge Holders, Elders, youth, etc.;
- Negotiating Operational Project Agreements (Impact and Benefit Agreements, Mutual Support Agreements, etc.) that address and respond to potential project impacts and opportunities; and,
- Collaborative development of business partnerships around key project components and infrastructure that ensure long term, tangible benefits, as well as the expansion of economic opportunities and own-source revenue.





A Message from Chief Bruce Archibald of Taykwa Tagamou Nation

Wachay,

As the Chief of Taykwa Tagamou Nation, where Canada Nickel Company's flagship Crawford Project is located on our Traditional Territory, I am writing in support of Canada Nickel Company's ESG practices, as I truly believe that Canada Nickel Company has fostered sustainable development practices that will support the long-term well-being of First Nation communities and the environment in northeastern Ontario.

With the inception of Canada Nickel Company in 2019, Taykwa Tagamou Nation was immediately in discussions with the company in support of mutually shared goals: True partnership based on the recognition of our inherent and Treaty rights that value environmental stewardship of our Traditional Territory and my community's place as stewards of these

lands, in addition to multi-generational own-source revenue opportunities that place equity and ownership at the forefront through innovation in industry.

Through early, ongoing, and genuine engagement, we are achieving just that.

We have mutually achieved innovative economic development partnerships, such as Taykwa Tagamou Nation's joint venture "TIP-1" supplying power for the Crawford Project through the development of a new 230 kV transmission line with Canada Nickel Company involved as the primary customer once construction is complete and the line is operational. In addition to that innovative project, Canada Nickel Company has signed a Memorandum of Understanding (MOU) with Taykwa Tagamou Nation on financing the planned mine fleet for its Crawford Project. With Canada Nickel Company aiming to produce zero-carbon nickel, the mobile mining fleet is likely to be comprised of electric shovels and trolley-assisted haul trucks to leverage the benefit of the available hydroelectric power in the region.

Both the MOU and own-source revenue arrangements complement Taykwa Tagamou Nation's economic development strategy and mark a step away from only being a signatory to the rigid limitations of Impact Benefit Agreements, which typically govern the economic relationship between mining projects and First Nations, to a relationship where our First Nation has a true seat at the table and is an active participant in a major project to be developed within our Traditional Territory.

And not just any major project - a major project that is working towards making the world a greener place. With Canada Nickel Company's In-Process Tailings (IPT) carbonation process, they have the ability to sequester an average of 1.3 million tonnes of CO2 annually during the 27-year peak period of the project life. This would make their Crawford Project alone one of the largest carbon storage facilities in Canada - a revolutionary step in mining practices. With this project rapidly advancing towards production, with the potential to add hundreds of thousands of tonnes of clean, low carbon nickel, we know that North America's supply chain will now be filled with safe and responsible labour and environmental practices and above this - a model for true First Nation partnership based on rights recognition.

In addition to their own processes, Taykwa Tagamou Nation received full funding for our own Traditional Knowledge and Land Use Study to determine ourselves how their project would potentially impact our Traditional Territory both socially and environmentally. We have been true partners in developing every mitigation

measure proposed through the federal Impact Assessment process, set our own Valued Components for the project, are invited as equal colleagues to every environmental monitoring session, and are currently working with Canada Nickel Company and other proponents in the region to develop our own in-house environmental monitoring program to continue to train our own members to sustain this important work as we look towards a 40+ year life of mine.

It is of my belief that Canada Nickel Company continues to set a precedent by ensuring First Nation communities are not just those that need to be consulted with - but rather are true business and environmental steward partners that will benefit their communities and the Northern Ontario economy at large.

On behalf of Taykwa Tagamou Nation, we wish Canada Nickel Company continued success in their ongoing implementation of ESG standards. We are proud to continue partnering towards our mutual goals of sustainability and reconciliation.



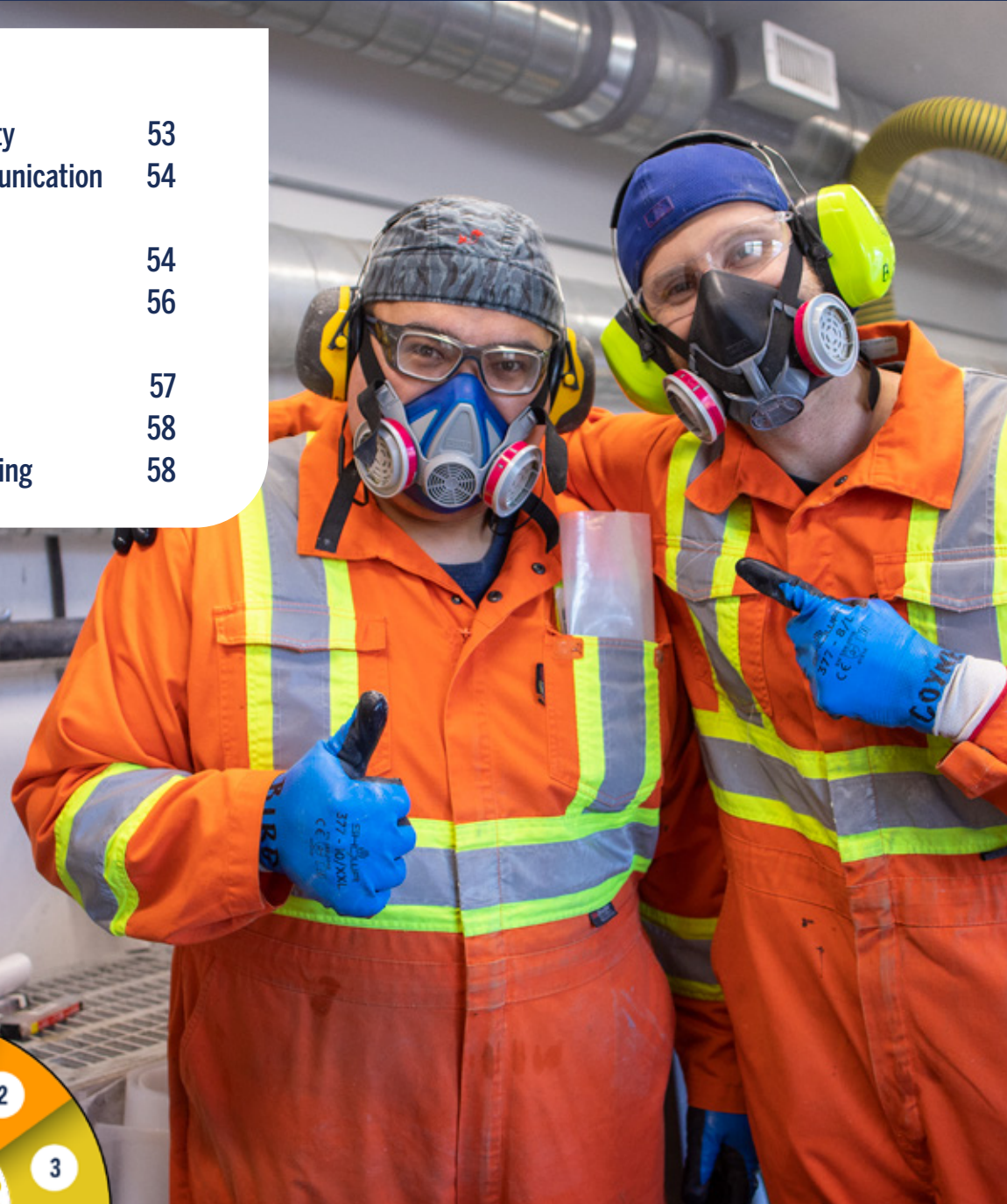
Meegwetch,

Chief Bruce Archibald
Taykwa Tagamou Nation

HEALTH, SAFETY, AND WELLBEING

IN THIS SECTION:

Our Commitment to Safety	53
The Importance of Communication	54
Hazard Identification and Risk Management	54
Emergency Preparedness	56
Occupational Health and Industrial Hygiene	57
Being a Good Neighbour	58
Mental Health and Wellbeing	58



Our Commitment to Safety

Creating and maintaining a safe operating environment that protects the health and wellbeing of our people and surrounding communities is CNC's top priority. All individuals in the workplace – supervisors, workers, contractors, consultants, and visitors – must be dedicated to the continued improvement of health, safety, and wellbeing, and must understand the importance of individual accountability, reporting, and awareness in achieving better, safer operations for all.

Achieving a safe workplace is a group effort, one which requires:

- Fulsome commitment from leadership in building a safety culture;
- Comprehensive training and education suited to specific employee roles and responsibilities;
- Honest and transparent reporting from all individuals on CNC's sites;
- Efficient and effective corrective actions, taken through collaborative discussion;
- A combination of sound engineering design principles and the right tools and skills for the job; and
- Prioritizing the implementation and monitoring of leading indicators to proactively prevent unfortunate events, rather than merely reacting to them.

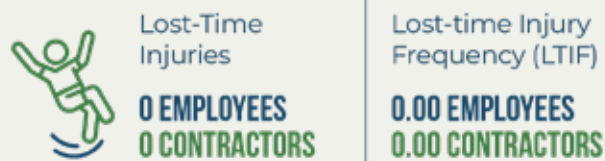
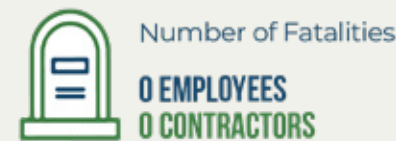
CNC is proud to be a Canadian owned and operated business, with all current operations based in Ontario's stringent, safety minded, and politically stable jurisdiction. As such, all our operations

are bound by the [Ontario Occupational Health and Safety Act](#), enforced by the Ministry of Labour, Immigration, Training and Skills Development of Ontario. CNC is aligned to the requirements of the Act, and complies with any and all inspections, recommendations, and corrective actions from the Ministry.

“At Canada Nickel, our people and our communities are at the heart of everything we do. We are dedicated to not just meeting but exceeding health and safety standards, with benchmarks that position us as a global leader in responsible long-term mining. By fostering a culture of safety, comprehensive training, and transparent reporting, we ensure that everyone on our sites— including nearby communities— are protected. Our commitment to these values drives us to lead the industry in safe, sustainable practices that prioritize the wellbeing of both our employees and the communities we call home.”



– Desmond Tranquilla,
Vice President
Projects, CNC



The Importance of Communication

Communication between employees, supervisors, and senior executives is crucial to ensuring awareness and resolution of health and safety concerns in the workplace.

Our operations hold monthly meetings of the Joint Health and Safety Committee, which consists of employees, trained worker and management representatives, the Human Resources Manager, and Vice President of Sustainability. Meeting minutes for the Committee are approved and publicly posted within the workplace, ensuring transparency in their actions and priorities.

Monthly meetings are also held between the Vice President of Sustainability,

Director of Exploration, Human Resources Manager, and the entire operations team in Timmins. Information is shared with staff, including incident reports and the monthly health and safety highlights, followed by an open discussion period for individuals to raise any concerns, questions, or recommendations regarding CNC's health and safety culture.

Any incidents which occur, including near misses and contractor incidents, are shared with senior executives every week, and reported to the Board of Director's Technical Committee every quarter.

Reporting

CNC requires all employees to immediately report to their supervisor all incidents that result in injury or property damage, and all near misses with the potential for injury or property

damage. Each incident is recorded and analyzed to determine causes and contributing factors, information which is then used to reduce or eliminate the risk of future incidents.

Our requirements, and the significance we place on providing a safe space free from reprisal for reporting incidents or concerns, extends beyond our own employees. Contractors operating on CNC sites, including drilling companies and environmental consultants, are required to report any incidents which occur while conducting work for CNC, and to provide any internal forms used to record and analyze such occurrences.

Hazard Identification and Risk Management

To develop, maintain, and improve our health and safety practices at our operations, we have implemented a comprehensive hazard identification and risk management program that covers routine and non-routine work environments and tasks.

Our health and safety risk analysis is an ongoing process, aided by a comprehensive and continuously maintained risk register. We have completed a thorough analysis of work hazards, in the field and at our core logging facility involving key members of our team, including staff and management. This analysis has helped us identify potential risks, develop comprehensive control measures, and implement mitigation strategies to minimize the impact of our operations.

As part of our commitment to continuous improvement, we conduct

monthly workplace inspections to identify potential hazards, monitor compliance with safety regulations and protocols, and evaluate efficiency of control measures.

We take employee and contractor feedback seriously and encourage individuals to report any concerns or hazards immediately. Individual workers are the best equipped to evaluate the limits of their knowledge and skill – each worker has the right to refuse work that they believe is unsafe without reprisal and are encouraged to work with the company to resolve these situations to avoid recurrence.

Training

We invest in training and education for our employees to ensure they are equipped with the skills and knowledge necessary to identify and respond to potential hazards.

We have trained all our employees in their routine tasks, emphasizing the importance of following standard operating procedures and established safety protocols. For non-routine tasks, employees are required to sit with a supervisor prior to commencing work to complete a detailed analysis of and develop controls for potential risks and hazards. Additionally, contractors are required to participate in an orientation prior to commencing work with CNC, where they are given a comprehensive overview of company policies and procedures, health and safety protocols, and workplace expectations.

List of training topics provided to employees, subject to their specific role and responsibilities:

- Accessibility for Ontarians with Disabilities Act (AODA)
- Equipment Operation
- First Aid/Cardiopulmonary Resuscitation (CPR) Training
- Joint Health and Safety Committee (JHSC) Training
- Occupational Health and Safety Act
- Supervisor Training
- Violence and Harassment
- Workplace Hazardous Materials Information System (WHMIS)
- Working with Asbestos

Emergency Preparedness

While our objective is to identify, evaluate, and control risks, we have an Emergency Response Plan in place to handle sudden, unexpected, or high-consequence scenarios that may arise despite best efforts to be preventative.

Currently, our Emergency Response Plan is tailored to our only active operations centre in Timmins, Ontario. Looking ahead, as CNC and our operations continue to grow, unique Emergency Response Plans will be developed that suit each operations centre.

The purpose of these plans is to provide an accessible, concise outline of responsibilities and authorities for response, communication, and recovery to ensure the safety and wellbeing of workers, the public, and company property in the event of an emergency. All employees are trained on the contents of the Plan, which is

to be reviewed and updated at regular intervals by the Joint Health and Safety committee.

Primary Objectives of the Emergency Response Plan

- Be able to quickly and effectively control and manage the situation;
- Establish clear communication channels to ensure appropriate awareness and response, both internally and externally;
- Provide concise, comprehensible instructions which support the certainty and authority of responsible individuals; and
- Ensure the safety of all individuals, whether a CNC employee or otherwise, at all times, regardless of what situations may arise.



Occupational Health and Industrial Hygiene

CNC's Health and Safety programs emphasize both the short- and long-term wellbeing of our employees, contractors, and the public.

We are firm believers in the approach of anticipation, recognition, evaluation, and control of workplace factors that could have acute, chronic, or lasting consequences. Recognizing that each role is distinct, we work closely with individuals to understand, mitigate, and monitor their working environment and personal wellbeing.

Case Study: Monitoring

Throughout 2023, we continued to pursue vigorous monitoring and management of airborne hazards in the workplace.

The Crawford Project's core contains small concentrations of chrysotile – also called white asbestos, chrysotile is the most common form of asbestos and is found at many ultramafic nickel sulphide mines. We take the presence of chrysotile in our core very seriously and have implemented measures to ensure that its presence does not pose a risk to those handling it. This includes appropriate PPE and ventilation where required, as well as conducting a quantitative visual assessment of chrysotile content in the core during geological logging, supplemented by metallurgical analysis.

In 2020, we began a third party led, biannual air quality and noise dosimetry sampling program targeting asbestos, airborne respirable dust particulates, and respirable crystalline silica. The objective of this program is to improve our approach to air quality monitoring and exposure controls, thereby protecting the long-term wellbeing of our employees. The program is ongoing.

Results of the sampling to date have led to improvements in PPE requirements for all roles involved in the handling of chrysotile containing core, installation of a state of the art, modular cutting room, and upgrades to ventilation throughout the core logging facility.



NOISE
Area/task-specific PPE and sound proofing of modular cutting room



TEMPERATURE
Ventilation, air flow, and environmental awareness



AIR QUALITY
Ventilation, monitoring, and area/task-specific PPE



ERGONOMICS
Fatigue mats, appropriately sized core racks, adjustable saws with custom lightweight core tubes



PHYSICAL HAZARDS
Area/task-specific PPE, regular workplace inspections, SOPs

Being a Good Neighbour

We recognize that our activities can have an impact on the safety and wellbeing of those outside of our team. When conducting field activities, including drilling and baseline programs, we are sharing the land and its resources with others who may be using it for recreational, traditional, cultural, or business purposes. As our presence during exploration and development is temporary, we must ensure that our impact on these activities is managed to ensure their safe and enjoyable continuation.

Prior to conducting business activities on a new property, we work with Indigenous Nations and make best efforts to contact trappers, property owners, outfitters, businesses, recreational clubs, and other land users who we know to be active in that area. Through this contact, we are able to share workplans and coordinate to ensure safe access and conduct for all, while also establishing a communication channel for any questions or concerns for those sharing the land. At all times, we use appropriate notifications and signage to identify our work areas and have trained all employees and contractors on appropriate conduct when interacting with Indigenous Peoples and external land users in the field.

Mental Health and Wellbeing

Worker health and safety is not just a factor of the workplace, but of an employee's overall physical and mental wellbeing, as well.

²⁶ Fatalities or other injuries from which the worker cannot recover (e.g., amputation of a limb), or does not or is not expected to recover fully to pre-injury health status within 6 months (e.g., fracture with complications)

Hours worked pertains to employees only and was not tracked for contractors. All other parameters were tracked for both employees and workers who are not employees (contractors reporting directly to CNC).

All CNC employees have access to a wide range of health and wellness resources, including mental health, family relationships, financial support, and more, through a third party managed Employee and Family Assistance programs and medical insurance. Scope of access ranges from personal finance advisory, family or individual counseling, stress management, healthy eating, medical services, and paramedical services. We also maintain a physician on retainer for our employees.

Performance

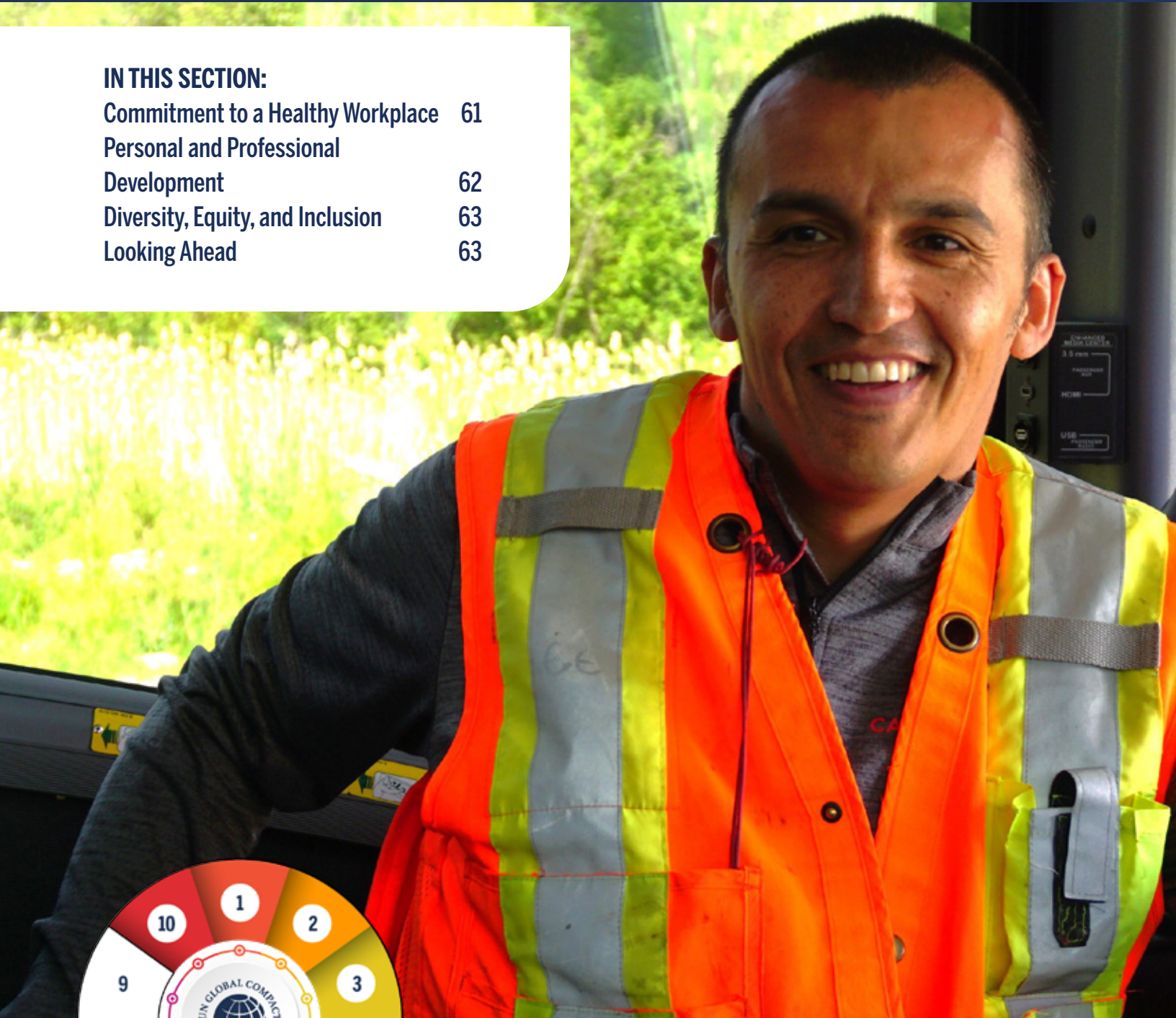
- 0 fatalities as a result of work-related injury
- 0 high-consequence work related injuries²⁶
- 0 cases of occupational diseases
- 1 recordable work related injuries, primarily cuts or as a result of repetitive motion
- 0 lost time injury
- 6 near misses
- 9 corrective measures implemented
- 12 workplace inspections
- 48,018 employee hours worked



OUR PEOPLE

IN THIS SECTION:

Commitment to a Healthy Workplace	61
Personal and Professional Development	62
Diversity, Equity, and Inclusion	63
Looking Ahead	63

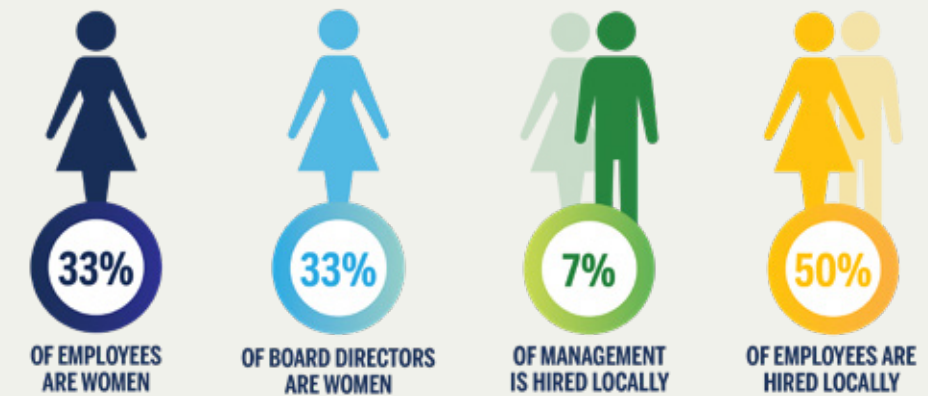


Commitment to a Healthy Workplace

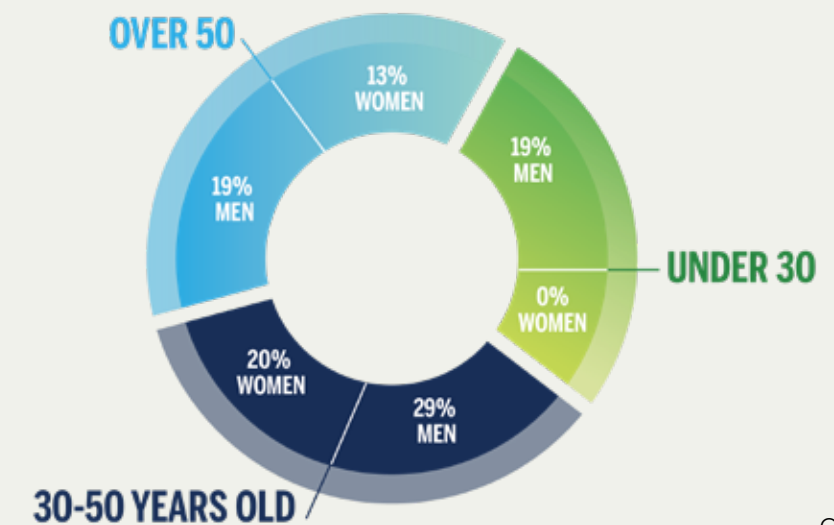
At CNC, we are proud of our culture and the way we operate. We believe that treating each other with respect, equity, and dignity is foundational to our success. We are committed to creating a work environment where everyone feels valued, supported, and empowered to reach their full potential.

Trust is essential in any successful team and we work hard to build and maintain that trust across our operations. We operate with transparency and open communication, encouraging creative thinking and collaboration in everything from project design and health and safety to corporate image and values. We understand that everyone has unique strengths and perspectives and we celebrate those differences as key components of our collective success.

OUT OF 31 EMPLOYEES TOTAL



94% OF WORKFORCE IS PERMANENT, AND 6% CONTRACT



Other areas of diversity are not yet tracked

Personal and Professional Development

CNC takes pride in being an employer of choice in our operating region. We strive to ensure work-life balance; providing flexible scheduling, competitive compensation, and, where responsibilities permit, hybrid workplace options. We seek to attract, retain, and develop talent, with human resources working closely with individuals to assess their unique needs, skills, and interests, and implement measures necessary to ensure employee well-being both at work and at home.

Employee Compensation

Compensation for executives is approved by the Human Resources and Compensation Committee (HRCC), taking into account factors such as market conditions, compensation practices of similar companies, and individual skills and performance. Recognizing that success is a collective effort, annual incentives are awarded on the basis of personal and company-wide achievements in the form of cash and equity.



In November 2023, the HRCC retained an independent third-party compensation advisor to assess the Corporation's approach to executive and Director compensation, which included a review of the Corporation's compensation philosophy and benchmarking the Corporation's executive and Board of Directors compensation arrangements against those of its chosen compensation peer group and versus its compensation strategy.

Employee Development

Our goal is to grow alongside our employees. We encourage long-term growth and development, including opportunities for advancement, skill development, and further education, with the aim of supporting our employees in achieving their full potential and a fulfilling career with CNC. In addition to mandatory health and safety and task specific training, employees are enabled to pursue leadership and management courses, higher education, professional certification, and soft skill development per their unique interests and career targets. Funding support for external training and education is available.



Diversity, Equity, and Inclusion

CNC aspires to build operations that harness not only the potential of our natural resources, but the potential of our people. We strive to act as a catalyst for positive social change and mutual prosperity, recognizing and celebrating the cultures, backgrounds, and values that make up our diverse team. To that end, we are committed to recognizing and eliminating barriers that may stand in the way of equal say, opportunity, and recognition across our workforce.

Recognizing that these commitments must extend beyond our employees, we will continue to engage underrepresented populations in the design, impact

assessment, and operation of our Projects, including Indigenous Peoples; the LGBTQQIP2SA communities, multicultural groups, social services, and local charities. The views, recommendations, and experiences of these individuals will help our operations to be a positive force in the lives and futures of our host communities.

CNC is also proud to be a signatory of Equal by 30—a campaign that is a part of the **Equality in Energy Transitions Initiative**. This campaign is a joint initiative between the International Energy Agency (IEA) and Clean Energy Ministerial (CEM), which aims to establish gender equality and diversity in the energy sector, with the goal of closing the gender gap by 2030.

Looking Ahead

As our operations advance in the coming years, our team at the Crawford Project is projected to reach over 1,000 people. With this significant growth comes greater responsibility. Our company will maintain its unwavering commitment to safety, inclusion, and opportunity for all employees.

We understand that success is not just measured by operational milestones, but by our contributions to local communities and Indigenous Nations. As such, we will continue to prioritize local and Indigenous employment and training opportunities, ensuring that our growth generates positive outcomes for those around us.

Our thriving company culture is a cornerstone of our success, and we remain committed to maintaining a work environment that treats all employees with respect and dignity, and fosters a sense of accountability, purpose, and potential.



ENVIRONMENT

IN THIS SECTION:

Commitment to Responsible Development and Environmental Management	65
Water Stewardship	68
Biodiversity	70



Commitment to Responsible Development and Environmental Management

We acknowledge that the health, integrity, and prosperity of the environment directly impacts the wellbeing of the communities in which we operate, and therefore the success and continuity of our operations. We strive for excellence, leadership, and sustainability through continual improvement in our environmental performance and management of land, where we seek to minimize our impact on the local and global ecosystem.

For CNC, responsible development means recognizing the environmental challenges faced by our communities and the planet, and applying this

understanding to foster economic growth, pursue innovation for net-zero carbon emissions, and position ourselves to support the transition to a low carbon economy. **We originate materials to responsibly power the energy transition.**

We are resolute in our commitment to prioritize the protection and sustainable management of our environment as a fundamental cornerstone of our operations and selection of development partners as we pursue production of some of the critical minerals needed to power key technologies for a low carbon future.



Impact Assessment

CNC is conducting a Federal Impact Assessment for the Crawford Project, supported by substantial baseline data and effects modelling. This process aims to avoid or mitigate

negative effects while optimizing socioeconomic benefits. Since early 2021, comprehensive baseline studies have been completed to support this initiative. A summary of the baseline programs conducted to date can be seen in the table below.

CRAWFORD BASELINE PROGRAMS			
Program	2021	2022	2023
Air Quality Monitoring	✓	✓	✓
Hydrology Monitoring	✓	✓	✓
Aquatics Resources	✓	✓	✓
Terrestrial Ecology Study	✓	✓	✓
Archaeological and Cultural Heritage Assessment	-	✓ (desktop)	✓ (desktop)
Noise and Vibration Study	-	-	✓
Surface Water	✓	✓	✓
Groundwater	✓	✓	✓
Light Level Monitoring	-	✓	✓
Soil and Sediment Sampling	-	-	✓
Country Foods Sampling	-	-	✓
Environmental Geochemistry	✓	✓	✓
Country Foods Sampling	-	-	✓
Environmental Geochemistry	✓	✓	✓

Environmental Monitoring

Current monitoring activities primarily focus on water management, emissions tracking, drill site inspections, and ensuring safe access. We are committed to continuously improving our water management and emissions tracking by collaborating closely with on-site contractors to ensure comprehensive data collection. In addition, we conduct thorough inspections at all exploration sites to ensure compliance with our environmental standards. In 2023, we completed 34 drill site inspections, 39 pre-drill site inspections, and 128 post-drill site inspections. Once the Crawford Project becomes operational, our monitoring activities will be expanded to address all potential Project impacts.

Permitting and Compliance

Canada as an operating jurisdiction imposes regulatory frameworks designed to ensure high standards of environmental protection in the mining industry, enforced through rigorous monitoring, compliance assessments, and permitting requirements. CNC's Crawford Project is subject to provincial and federal regulations – as such, we maintain close communication with regulators. The company conducts frequent assessment and management of regulatory risks to ensure timelines and compliance are maintained.

Risk Assessment

Prior to conducting any activities that may have an impact on the environment, a risk assessment compliant with our Responsible Exploration Policy is conducted by our

environmental team to determine: proximity of environmentally sensitive areas and watercourses, potential environmental hazards, third party land use, accessibility, and species at risk. This information is shared with the exploration team to support safe and responsible program planning of drill locations, timing, and access.

Incident Reporting

All environmental incidents, regardless of size, are reported to our Environmental team, who take immediate remedial action and investigate cause, effect, and corrective measures. Reports are periodically shared with the entire team (including executives and Board) and Indigenous Nations, with a record of incidents published in our annual ESG Report. For incidents requiring regulatory reporting or posing an immediate public safety risk, we have established a streamlined communication process that engages internal and external stakeholders and Indigenous Nations.

Controls

CNC has developed a comprehensive series of best practices and the Responsible Exploration Policy to ensure environmental protection is at the heart of all our activities.

All CNC operations are bound by stringent and comprehensive internal and external controls for environmental protection and resource management, overseen as appropriate by federal and provincial regulators and the ESG Board Committee.

Collaboration

We work with stakeholders, regulators, and Indigenous Nations to understand and address concerns, obtain local expertise on environmental conditions and land and resource use, and discuss baseline/monitoring programs, potential impacts, and proposed mitigation measures. These efforts are supported by the Environmental Committee and the Impact Assessment Committees.

As our operations progress and the Crawford Project moves into development and towards production, our reporting will evolve to reflect relevant Environmental topics.

In 2023, CNC had zero instances of environmental non-compliance, fines, exceedances, or reportable spills.

Water Stewardship

Located primarily within the Southwestern Hudson Bay watershed, we recognize that our properties are ripe with watercourses vital to the wellbeing of downstream and neighboring communities. We are committed to modelling, monitoring, and managing water withdrawal and discharge, and incorporating water stewardship into all stages of project design and operation.

Guided by executive leadership and the Environment team, responsible water management is achieved through:

- Continuous incident reporting and tracking water taking;
- Enforced compliance with our Responsible Exploration Policy,

designed to account for and exceed industry best practices and regulatory standards;

- Ongoing baseline programs characterizing aquatic environments, geochemistry, and surface and groundwater sources;
- Estimating future water withdrawal, consumption, and discharge, and modelling for potential operational impacts; and
- Conducting risk assessments to identify potential hazards, sensitive aquatic environments, and any potential for discharge contaminants.

Performance

While water taking is required for exploration programs, we operate on the understanding that a balance between our needs and those of the greater ecosystem must be maintained.

Our leading source of water taking is exploration drilling, where water is pumped either from groundwater or local waterbodies and injected into the boreholes to extract drill cuttings. The mixture of cuttings and water is brought back to surface and managed to separate the solids using natural lowlands or manmade sumps, allowing clean water to flow back to the environment.

Though the operations are relatively small-scale, best practices are implemented to minimize or eliminate potential impacts. These requirements include measures for maintaining minimum distances from surface water bodies, implementing erosion control measures to prevent suspended solids,

requiring the use of biodegradable drilling fluids, conducting visual inspections of drill sites, and limiting water withdrawal.

We have also conducted geochemistry assessments of our target geology which have shown no acid generation potential and very low metals leaching potential, demonstrating that the cuttings pose no long-term risks to water quality.

Water withdrawal is measured and reported monthly to ensure it remains below a set target, ensuring that water takings does not exceed sustainable levels.



Water Withdrawal

Total water withdrawal from all areas: (Surface water + Groundwater) 10.7 ML (megalitres)²⁷

No withdrawal of seawater, produced water, or third-party water

No water withdrawn from areas with water stress



Water Discharge

Total water discharge from all areas in megalitres (Surface water + Groundwater, assumed) = 10.7 ML²⁸

Primary substances of concern for water discharge are suspended solids, as targeted by exploration standards and Ontario's regulatory regime. In the case no discharge criteria is imposed, best practices are implemented to minimize the risk of suspended solids migration to receiving water destinations.



²⁷ Flow meters were equipped on drilling water intakes in 2023. Daily flow rates have been collected by recording daily measurements and averaging the daily intakes. The average was multiplied by the numbers of days drilled. The 2023 result can be considered an estimation. This estimation does not account for domestic water consumption by staff at the corporate or site offices.

²⁸ Primary substance of concern for water discharge is Suspended solids, as targeted by exploration standards and Ontario guidelines. No discharge criteria imposed, but best practices implemented to minimize the risk of migration of suspended solids to the receiving water destinations. corporate or site offices.

Biodiversity

Biodiversity, a cornerstone of ecosystem stability, resilience, and human health is a critical factor when evaluating the success of our environmental performance.

Though the impacts of our current operations are temporary and limited to a relatively small footprint, we implement robust planning and operating systems that prioritize the protection of local species, vegetation, and interconnected ecosystems. These efforts include:

- Baseline programs documenting the presence or potential presence of species at risk and broader characterization of wildlife and vegetation species and habitat;
- Prioritized use of existing access for exploration activities to keep necessary clearing contained and to a minimum;
- Wildlife encounter protocols outlined in the Emergency Response Plan and Responsible Exploration Policy;
- Completing modelling and assessment of potential effects to biodiversity from project development, operation, and closure, and developing corresponding mitigation measures or corrective actions;
- Working with Indigenous Nations to integrate Traditional Knowledge and land use into our assessment of effects and baseline programs; and
- Incorporating information on species at risk, critical habitats, and sensitive ecosystems into our pre-drilling risk assessment and project design decisions.

Performance

CNC's many exploration properties are located within Northeastern Ontario, a habitat primarily consisting of coniferous forest and swamp. With the Crawford Project progressing towards development, terrestrial and aquatic studies are underway targeting species at risk, mammals, bats, birds/breeding birds, fish and fish habitat, and flora/vegetation communities. Additional efforts, taken in collaboration with Indigenous Nations, are being made towards the identification, monitoring, and protection of culturally important species.

Terrestrial baseline studies and field observations, though ongoing, have identified to date the presence of wolf, marten, snowshoe hare, grouse, bear, fox, lynx, moose, otter, and other species typical of Northern Ontario. The Crawford Project is located on the southern boundary of the Kesagami range for Woodland Caribou. Although no caribou have been reported or identified in the Project area, possibly because of historic disturbance and human activity, this element will be considered in the Project's development.

Information collected during these investigations will inform the design, operation, and closure of CNC's operations. The Conceptual Closure Plan for the Crawford Project is currently under development and has been a leading topic of discussion with Indigenous Nations and stakeholders to ensure that the land is returned to a state which encourages and supports biodiversity in the region.

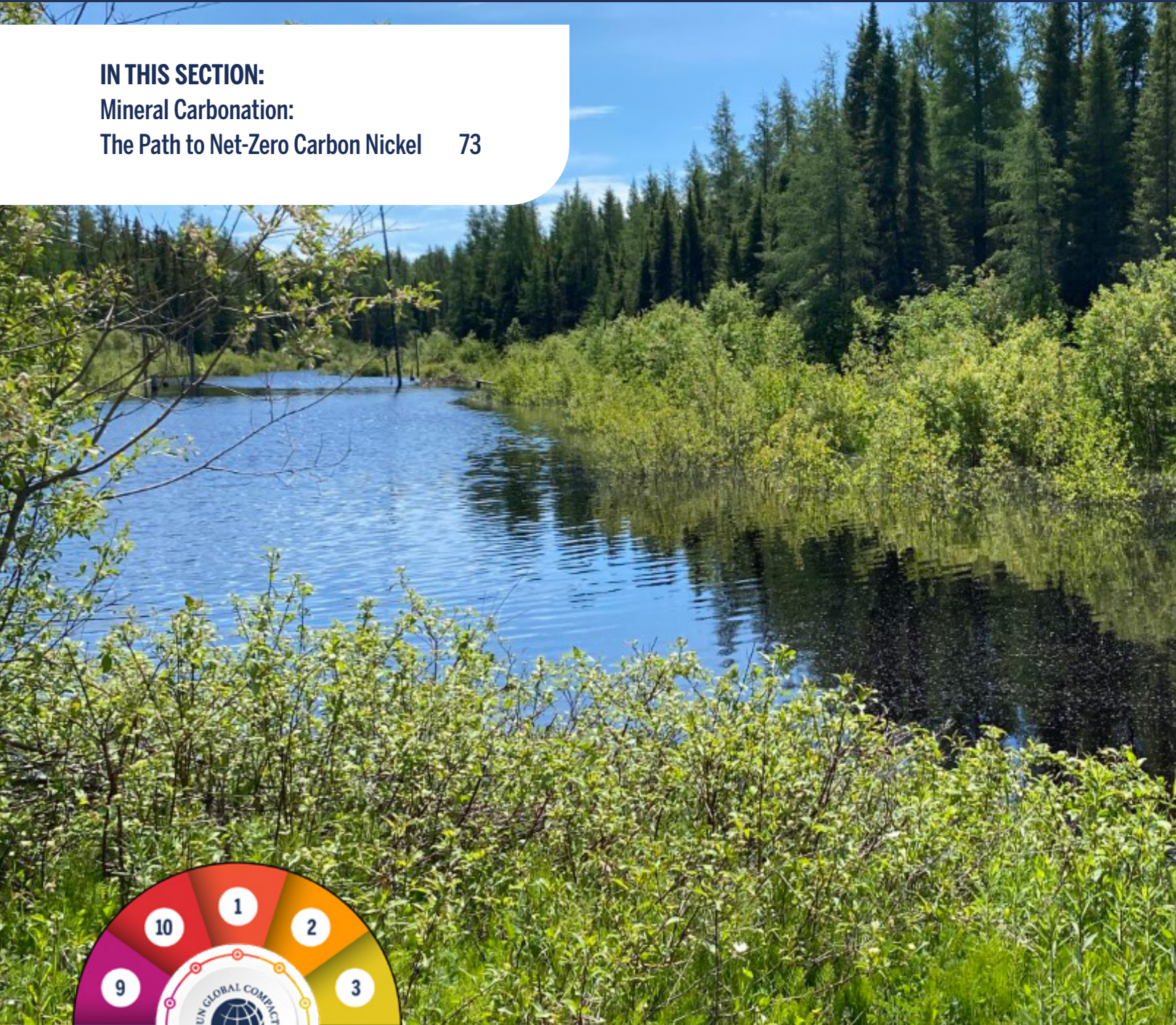


CLIMATE CHANGE

IN THIS SECTION:

Mineral Carbonation:

The Path to Net-Zero Carbon Nickel 73



Mineral Carbonation: The Path to Net-Zero Carbon Nickel²⁹

CNC's Crawford Project is hosted in ultramafic rock, which contains minerals that naturally absorb and sequester carbon dioxide (CO₂) through a process called mineral carbonation. CNC has developed the novel IPT Carbonation process which involves injecting a concentrated source of CO₂ into tailings generated by the milling process for a brief period of time before they are discharged permanently to the tailings management facility. This process, called mineral carbonation, fixes CO₂ mineralogically to the tailings while they are still in the processing circuit, rather than after they have been finally deposited.

In practical terms, this natural advantage provides CNC the opportunity to sequester carbon dioxide on a large scale while producing critical minerals. Carbon sequestration test work conducted in early 2023 has demonstrated the potential for CNC to sequester an average of 1.3 million tonnes of carbon annually over the life of the project.

By leveraging the concentrates produced at the Crawford Project and the CO₂ storage capacity of the tailings, CNC believes Timmins has the potential to become a hub for a Low and potentially Zero Carbon Industrial Cluster, where emissions generated by nearby industry is captured and stored in the Crawford Project's tailings.

How it Works

Mineral carbonation is a naturally occurring process during which carbon dioxide (CO₂) reacts with minerals in ultramafic or mafic rocks to form stable carbonates, resulting in the permanent sequestration of CO₂. CNC's Crawford Project is hosted in ultramafic rock, which contains brucite, serpentine and olivine minerals, all of which have the ability to sequester CO₂ through mineral carbonation. CNC has been conducting extensive research and development since its inception to harness this property with the goal of developing the Crawford Project as a net-zero mine by 2050. We believe our sequestration capacity and trolley assist haul trucks that use electricity rather than diesel for uphill haulage will help us meet that goal for our future Scope 1 emissions. We will continue to strive to reduce our Scope 2 emissions, primarily through the use of Ontario's clean electricity grid. We will be working closely with companies that comprise our future supply chain and share our greenhouse gas reduction goals to target reduced Scope 3 emissions for CNC, which will likely be the most challenging to reduce. Setting near-term goals for greenhouse gas emission reductions is not appropriate at this time, as our emissions do not yet qualify us as an industrial emitter.

Geologic deposits that facilitate this reaction, such as ours, are often called **carbon sinks**, which, in broader terms, are aspects of the natural environment able to store CO₂.

There are two routes by which this reaction can occur:

²⁹ Information, values, and definitions provided in this section are accurate as of August 2024, and may reflect some information dated outside of the 2023 reporting period.

Passive Carbonation happens when atmospheric CO₂ is exposed to a responsive material and reacts to store the CO₂ in mineral form. At a mine site like the Crawford Project, this can occur while ore is being handled during the mining and milling processes, once material has been deposited into a stockpile, in the open faces of the mine, and the tailings management facility (TMF). Passive carbonation is a relatively slow form of CO₂ sequestration. Passive carbonation relies on the sequestering minerals be exposed to CO₂. However, as the surface area is relatively low (compared to rock that has been finely crushed and ground) and the CO₂ concentrations are at atmospheric levels (0.04%) compared to concentrated CO₂ (>=70% CO₂), the process will be less efficient, take longer and will be limited by the area of surfaces exposed to the atmosphere.

Active Carbonation is a method of accelerating the otherwise naturally occurring, passive process, using a concentrated source of CO₂. Based on lab and pilot-scale testing, the sequestration of CO₂ using IPT Carbonation is estimated to take hours compared to months or years for the passive route. This allows IPT Carbonation to be added to our production process to provide for a continuous sequestration of CO₂. In addition to providing a rapid and technologically achievable method of industrial-scale CO₂ sequestration, the tailings which contain the sequestered CO₂ are comparatively benign and are expected to lock the CO₂ in its new mineral form for centuries, if not millennia.

2023 IPT Carbonation Highlights

CNC has devoted extensive resources to evaluating the potential of IPT Carbonation at the Crawford Project, and beyond.

IPT Carbonation Variability Testing

In 2023, extensive variability testing determined the CO₂ storage capacity of different sections of the Crawford deposit. As a result, a CO₂ store capacity model was developed for the Crawford Project, estimating an average storage capacity of 1.3 million tonnes per annum (MTPA) of CO₂ over the life of the mine (LOM).

IPT Carbonation Pilot Program

The 2023 pilot program was a significant success, demonstrating the scalability of IPT Carbonation technology. The process was scaled by over 50 times, from bench-scale tests (3 litres) to pilot-scale (175-200 litres), achieving or surpassing the target CO₂ storage metrics in continuous operation as intended for industrial applications.

CNC has developed and carried out extensive lab and pilot-scale test work to develop and evaluate the efficacy of the IPT Carbonation technology for the Crawford Project and other future projects that may be developed on CNC's other projects in the Timmins region.

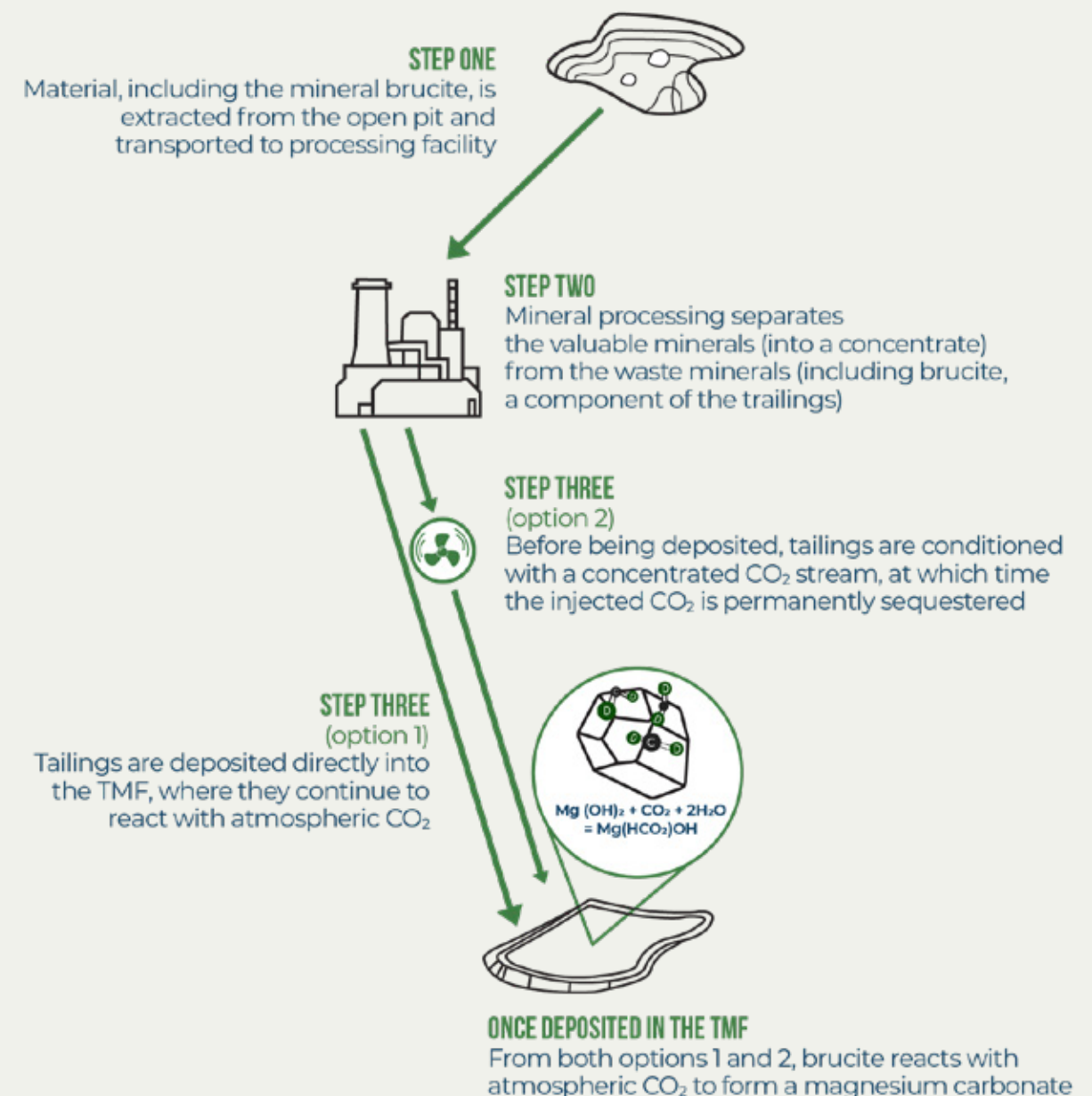
IPT Carbonation is a cost effective, easily integrated modular add-on to the mineral processing plant, in which tailings, at the end of the processing cycle and prior to deposition in the TMF, are briefly conditioned with concentrated CO₂. The injected CO₂ reacts with minerals in the tailings (in our case, primarily brucite) to form

carbonate minerals which sequesters the CO₂ in mineral form within the TMF.

CNC is continuing to develop and refine the IPT Carbonation process to best utilize the sequestration capacity of the Crawford Project. The goal of the continuing work is to better define the process and its operation conditions, and more accurately establish capital

and operating costs. CNC believes that the Crawford Project could become one of Canada's largest CO₂ storage facilities.

The company is continuing to work with regulators and partner institutes to evaluate the full potential for carbon sequestration at the Crawford Project, and the opportunities for its application that could extend beyond our own 20+ regional properties.



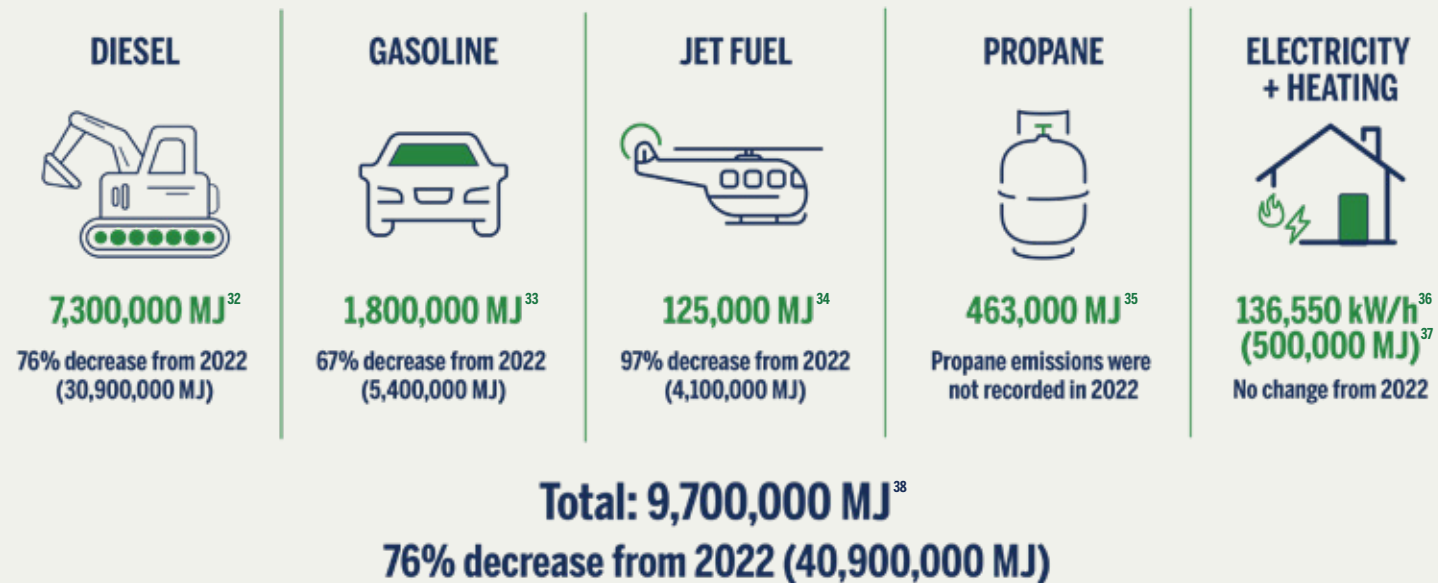
Performance

We have estimated our Scope 1 and Scope 2 emissions and energy consumption as they relate to our current activities. Drilling is the primary contributor to these metrics, with an emissions intensity of 31kg CO₂ equivalent per metre drilled and an energy intensity of 462 MJ per metre drilled. This factor is prone to fluctuation, subject to the number of drills active and their meterage, and accounts for the emissions and energy use that CNC has direct control over. 2023 was the second year this information was compiled.

CNC also uses energy and emits greenhouse gas emissions through our corporate and site offices and business travel, but given the negligible scale of those emissions, they are currently excluded from our inventory.

SCOPE 1 (DIRECT) EMISSIONS: 685 TONNES CO₂e³⁰
76% decrease from 2022 (2,879 tonnes CO₂e)

SCOPE 2 (INDIRECT) EMISSIONS: 2 TONNES OF CO₂e³¹
No change from 2022 (2 tonnes of CO₂e)



³⁰ Includes CO₂, CH₄, N₂O, accounting for all of CNC's exploration properties active in 2023.

³¹ Value is rounded to nearest tonne

³² Rounded to nearest hundred thousand

³³ Rounded to nearest hundred thousand

³⁴ Rounded to nearest thousand

³⁵ Rounded to nearest thousand

³⁶ Rounded to the nearest ten.

³⁷ Rounded to nearest hundred thousand

³⁸ Note that the 71% reduction in metres drilled from 2022 to 2023 contributes to lower energy consumption rates. Energy consumption was calculated using data provided by contractors and service providers. Refer to the 2023 Data Tables and ESG Performance Summary for detailed emission intensity values. Emission intensity provides a clearer comparison by normalizing emissions relative to production or output, offering better insight into the company's performance in reducing environmental impact over time.

Looking Ahead

Aligning with our Purpose and Canada's net-zero by 2050 target, we have made mitigating climate change a central focus in the development of the Crawford Project. With this objective in mind, the Crawford Project is being designed with the goal of becoming a net-zero carbon producer of nickel, iron, chromium, platinum group metals and cobalt to supply the future of smart technologies, including EVs.

In support of our focus on climate change, we have prioritized:



Integrating Renewable Infrastructure: Capitalizing on Ontario's availability of low carbon grid power and our operations' proximity to key existing infrastructure, including road, rail, power, accommodations, and social, educational, and healthcare services.



Leveraging Technologies: Designing the Crawford Project with smart technologies in mind, including the trolley assisted haul trucks and electric rope shovels, and pursuing automation and electrification opportunities to drive efficiencies and reduce the project's carbon footprint.



Innovative Thinking: Dedicating research and development resources to enhance our carbon sequestration potential, both passive and active, and collaborating with academic, commercial, government, and community partners to explore additional opportunities for environmental and technical advancement.



Risk Assessment and Impact Evaluation: Conducting research and development (R&D), as well as impact assessment level risk assessments related to emissions, energy consumption, and carbon mineralization potential. Accurate modelling and measurement of energy consumption and emissions intensity.



Powering the Energy Transition: Pursuing production of net-zero carbon nickel, steel, and cobalt to supply the rapidly advancing various steel and electric battery markets needed for the energy transition.

REFERENCES

2023 Canadian National Inventory Report. United Nations Climate Change, 17 Apr. 2023.

Government of Ontario. (1990). Mining Act, R.S.O. 1990, c. M.14.

Statistics Canada. "Census Profile, 2021 Census of Population." www12.statcan.gc.ca, 15 Nov. 2023, www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/index.cfm?Lang=E.

FORWARD LOOKING STATEMENTS

This Report contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation about Canada Nickel Company Inc. ("CNC" or the "Company"). All statements, other than statements of historical fact, are forward-looking statements and based upon expectations, estimates and projections as at the date of this Report. Often, but not always, forward-looking statements can be identified by the use of words such as "may", "will", "expect", "believe", "anticipate", "illustrative", "potential" or the negative of these terms or variations of them or similar terminology. In this Report, forward looking information includes, but is not limited to, statements regarding: the potential of the Company's Crawford project, including future zero carbon production; potential size of carbon storage facilities and ability to have a net negative carbon footprint; timing and results of economic studies, including the assumptions, qualifications and limitations contained in the Company's current technical report; mineral resource estimates and mineral reserve estimates; ability to realize on projected economic estimates, including EBITDA, NPV, IRR, all-in sustaining costs, free cash flow and C1 cash costs; scale, capital costs, operating costs and life of mine projections; potential to commercialize the IPT Carbonation process; timing of receipt of permits and commencement of construction and initial production; eligibility for Canadian federal refundable tax credits; the ability to sell marketable materials; strategic plans, including future exploration and development results; and corporate and technical objectives; statements regarding the future of the nickel market, including supplier and political risks; and exploration activities at the Company's regional properties. Forward-looking information is necessarily based upon several 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, the ability to accurately predict mineralization, 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, changes in international, national and local government, legislation, controls, regulations and political or economic developments, failure to obtain regulatory or shareholder approvals, relationships with local stakeholders, and the impact public health 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 forward-looking 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 Report 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.

This Report has been completed by CNC. Certain corporate projects referred to herein are subject to agreements with third parties who have not prepared, reviewed or approved this Report. The Report is not intended to reflect the actual plans or exploration and development programs contemplated for such projects. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, CNC disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although CNC believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. For additional information with respect to these and other factors and assumptions underlying the forward-looking information contained herein concerning the Company, please refer to the public disclosure record of the Company, including the Company's annual information form for the year ended October 31, 2022 and the most recent annual and interim financial statements and related management's discussion and analysis of the Company, which are available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

Foreign Exchange Assumptions

All amounts discussed herein are denominated in CAD dollars unless otherwise specified.

APPENDIX A – 2023 DATA TABLES

Significant locations of operation are considered Timmins and Corporate. Corporate refers to those individuals without a designated reporting location.

Our People

Workforce by Gender and Employment Status (# of employees)

SITE	GENDER	TOTAL NUMBER OF EMPLOYEES	PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES	PART-TIME EMPLOYEES
Timmins	Male	11	11	0	0
	Female	5	5	0	0
	Sub-total	16	16	0	0
Corporate	Male	10	10	0	0
	Female	5	4	0	1
	Sub-total	15	14	0	0
Total		31^{1,2}	30	0	1

¹ CNC retains 2 individuals as independent contractors who are considered under total employee count.

² The end of the reporting period was used for workforce count. Absenteeism rate has not been tracked to date.

Workforce Category by Age and Gender (# of employees)

CATEGORY	UNDER 30		30 – 50		OVER 50		TOTAL
	Male	Female	Male	Female	Male	Female	
Administrative	0	0	0	1	0	2	4
Technical	4	0	1	0	0	0	5
Professional	2	0	2	2	0	1	6
Manager	0	0	4	2	0	0	6
Executive	0	0	2	1	6	1	9
Total	6	0	9	6	6	4	31

Total Salary Ratios

	RATIO
Highest-paid individual salary to median salary	7.6
Percentage increase in salary for the highest-paid individual to the median percentage increase in salary	2.3
Average Entry Level Salary to local (Timmins) minimum wage	3.0

Ratio of Average Female Salary to Average Male Salary by Category and Site

CATEGORY	TIMMINS	CORPORATE
Technical ³	-	-
Professional	1.3	-
Manager	0.8	0.9
Executive	-	0.7

³ No ratio presented for categories where both males and females are not represented

Overview of Benefits Provided to Full-Time Employees

	TIMMINS	CORPORATE
Life Insurance	Yes	Yes
Health Care	Yes	Yes
Disability and Invalidity Cover-age	Yes	Yes
Parental Leave	ESA entitlement	ESA entitlement
Retirement Provision	No	No
Stock Ownership	Yes	Yes
Pre-Retirement Planning	Yes	Yes
Retraining for Continued Work	Yes	Yes
Severance Pay	Yes	Yes
Assistance Transition to Non-Working Life	Yes	Yes

New Hires by Age and Gender (# of employees)

	TIMMINS	CORPORATE	TOTAL
Under 30	2	0	2
30-50 years old	2	1	3
Over 50	0	1	1
Male	3	1	4
Female	1	1	2

Employee Turnover (Voluntary and Involuntary) by Age and Gender

	TIMMINS	CORPORATE	TOTAL
Under 30	3	0	3
30-50 years old	2	0	2
Over 50	3	0	3
Male	6	0	6
Female	2	0	2

Board and Senior Management

PERFORMANCE METRIC	VALUE
Size of Board (#)	6
Female Board Members (%)	33
Visible Minority Board Members (%)	17
Independent Board Members (#)	5
Females in Senior Management (%)	25
Senior Management Hired Locally (%) ⁴	25

⁴ Local consisting of Timmins region, with senior management considered managers and above.

Environment

Regulatory Actions

NUMBER OF REGULATORY ACTIONS	FINES (CAD\$)
0	0

Reportable Spills/Releases

NUMBER OF INCIDENTS
0

GHG Emissions

PERFORMANCE METRIC	UNIT	VALUE
Scope 1 Emissions ⁵	Tonnes of CO ₂ e	685 ⁶
Scope 2 Emissions	Tonnes of CO ₂ e	2 ⁷
Scope 3 Emissions	Tonnes of CO ₂ e	Not calculated
Emissions Intensity	kg of CO ₂ e / metre drilled	31

⁵ Emission factors adapted from the 2023 Canadian National Inventory Report (Statistics Canada, 2023)

⁶ Fuel consumption reported by Contractors operating on CNC properties. When only hours worked per equipment provided, an estimation was made based on consumption rates provided by other contractors with similar machinery. Gases included in the calculation: CO₂, CH₄ and N₂O.

⁷ Value rounded to nearest tonne

Energy Consumption

PERFORMANCE METRIC	UNIT	VALUE
Non-Renewable Fuel Consumption	Megajoules	9,700,000 ⁸
Diesel	% of total non-renewable energy consumption	75 ⁹
Gasoline	% of total non-renewable energy consumption	19 ⁹
Aviation Fuel	% of total non-renewable energy consumption	1 ⁹
Propane	% of total non-renewable energy consumption	5 ⁹
Renewable Fuel Consumption	Megajoules	0
Electricity and Heating Consumption	Megajoules	491,600 ¹⁰
Cooling and steam consumption	Megajoules	0
Electricity, Heating, Cooling, and Steam Sold	Megajoules	0
Total Energy Consumption ¹²	Megajoules	10,200,000 ^{9,11}
Energy Intensity ¹²	Megajoules / metre drilled	462

Water Management

PERFORMANCE METRIC	SOURCE ¹³	VALUE (MEGALITRES)
Water Withdrawal ¹⁴	Surface and Groundwater	10.7
Water Withdrawal from areas with water stress	Surface and Groundwater	0
Water Discharge ¹⁶	Surface and Groundwater	10.7
Water Consumption ¹⁶		N/A

⁸ Value is rounded to nearest hundred thousand

⁹ Data provided by contractors and service providers (estimated or measured).

¹⁰ Value is rounded to nearest hundred

¹¹ Conversion to energy based on public sources (volume to energy), validated with Government of Canada data.

¹² Fuel and electricity (only two sources of energy used) reported for consumption within the organization, but the estimate takes into account the contractors deemed under the control of CNC (directly managed).

¹³ No seawater, produced water, or third-party water withdrawn or discharged

¹⁴ Flow meters equipped on drilling water intakes throughout 2023. Daily flow rates have been collected by sampling daily measurements and averaging the daily intakes. The average was multiplied by the number of days drilled. The 2023 result can be considered an estimation.

¹⁵ No discharge criteria imposed, but best practices implemented to minimize the risk of migration of suspended solids to the receiving water destinations.

¹⁶ As the water withdrawn is discharged back into the environment

Health and Safety

Key Performance Indicators

PERFORMANCE METRIC	EMPLOYEES	CONTRACTORS (WORKERS WHO ARE NOT EMPLOYEES)
Workers Covered by Occupational Health and Safety System (%)	100	100
Hours Worked	47,518	Not tracked
Number of Fatalities	0	0
Lost-Time Injuries	0	0
Lost-time Injury Frequency (LTIF)	0.00	0
Recordable Work-Related Injuries	1	0
Recordable Work-Related Injury Frequency (IFR)	0.02	0
Total Occupational Disease Rate	0	0
High-Consequence Injuries	0	0
Recordable Work-Related Ill Health	0	0
Fatalities as a Result of Work-Related Ill Health	0	0

Economic Performance

Economic Value Distributed (CAD\$ million)

PERFORMANCE METRIC	VALUE
Revenue	0
Operating Costs	28.4
Employee Wages and Salaries ¹⁷	3.2
Payments to Providers of Capital	2.3
Payments to Canadian Government	0.5
Community Investments	1.5
Proportion of Spending on Local Suppliers (%)	27
Economic Value Retained	-35.9

Contributions and Donations

Funding Awarded by Contributions Program Type

PROGRAM TYPE	AMOUNT AWARDED (CAD)
Short-term Contributions Program	\$ 46,700.00
Legacy Contributions Program	\$ 100,000.00
Donations	\$ 5,000.00
Total	\$ 151, 700.00

¹⁷ Wages include gross salaries and benefits paid to government institutions on behalf of employees, including pensions, insurance, and payroll.

Funding Awarded Through All Contribution Programs by Category

CATEGORY	AMOUNT AWARDED (CAD)
Health/Wellbeing	\$ 129,000.00
Education	\$ 5,000.00
Social	\$ 11,000.00
Environmental	\$ 1,500.00
Economic	\$ 5,200.00

Funding Awarded Through Short-term Contributions and Donations Program by Community¹⁸

COMMUNITY	AMOUNT AWARDED (CAD)
Timmins	\$ 34,200.00
Cochrane	\$ 9,000.00
Iroquois Falls	\$ 0.00
Smooth Rock Falls	\$ 3,500.00
Other	\$ 5,000.00

Funding Awarded Through Short-term Contributions Program Per Capita¹⁹

CATEGORY	AMOUNT AWARDED PER CAPITA (CAD) ²⁰
Timmins	\$ 0.83
Cochrane	\$ 1.67
Iroquois Falls ²¹	\$ -
Smooth Rock Falls	\$ 2.92

¹⁸ Excludes \$100,000 donation to Timmins and District Hospital Foundation, as this is considered to be a regional donation and is not specific to a single community.

¹⁹ Excludes \$100,000 donation to Timmins and District Hospital Foundation, as this is considered to be a regional donation and is not specific to a single community.

²⁰ Census data from Statistics Canada was used to calculate Funding Awarded per Capita (Statistics Canada, 2023)

²¹ The Town of Iroquois Falls only submitted one application to Canada Nickel's Contributions Program in 2023, which was unsuccessful

Number of Successful Contributions Program Applications by Category

CATEGORY	NO. SUCCESSFUL APPLICATIONS ²²
Economic	2
Health/Wellbeing	9
Environmental	1
Education	1
Social	4
Total	17

Number of Successful Short-term Contributions Program Applications by Community

COMMUNITY	NO. SUCCESSFUL APPLICATIONS ²³
Timmins	10
Smooth Rock Falls	1
Cochrane	3
Iroquois Falls ²⁴	0
Other ²⁵	2

²² Includes applications for First Nation donations, Short-term Contributions Program, and Legacy Contributions Program

²³ Excludes Legacy Contributions Program donation to Timmins and District Hospital Foundation, as this is considered to be a regional donation and is not specific to a single community.

²⁴ The Town of Iroquois Falls only submitted one application to Canada Nickel's Contributions Program in 2023, which was unsuccessful

²⁵ Included two First Nation communities through donations program.



APPENDIX B – GRI STANDARDS CONTENT INDEX

Canada Nickel Company has reported information relating to the January 1, 2023 to December 31, 2023 reporting period with reference to the GRI Standards.

GRI 1: Foundation 2021

Canada Nickel has reported disclosures from the GRI Topic Standards for each of our material topics, determined through a materiality assessment conducted in 2022. Note that a materiality assessment was not conducted in 2023. Where information is relevant and available, additional disclosures have been included beyond our list of material topics. Guidance on where information relating to disclosures can be found is available in the Reference column of our GRI Standards Content Index. Note that reference locations correspond with 2023 ESG Report headings, not sub-headings. Some disclosure information may be presented directly in the Index, where appropriate.

ESG Report: Referring to Canada Nickel's 2023 ESG Report

ESTMA: Referring to Canada Nickel's 2023 Extractive Sector Transparency Measures Act – Annual Report

➔ Available [here](#)

ACFS: Referring to Canada Nickel's Audited Consolidated Financial Statements for Years Ended October 31, 2023 and 2022

➔ Available [here](#)

MDA: Referring to Canada Nickel's Management's Discussion & Analysis For the Year Ended October 31, 2023

➔ Available [here](#)

GRI 2: GENERAL DISCLOSURES 2021	
GRI Indicator	Reference
2-1 Organizational details	2023 ESG Report - Company Overview
2-2 Entities included in the organization's sustainability reporting	2023 ESG Report – About Canada Nickel's 2023 ESG Report
2-3 Reporting period, frequency and contact point	2023 ESG Report – About Canada Nickel's 2023 ESG Report
2-4 Restatements of information	2023 ESG Report – 2023 ESG Performance Summary. No data from CNC's 2022 ESG Report has been revised. Key reporting metrics are compared for 2022 and 2023 in the above section.
2-5 External assurance	External assurances were not completed for the 2023 ESG Report.
2-6 Activities, value chain and other business relationships	2023 ESG Report - Company Overview
2-7 Employees	2023 ESG Report – Our People, 2023 Data Tables (Appendix A)
2-8 Workers who are not employees	2023 ESG Report – Our People, 2023 Data Tables (Appendix A)
2-9 Governance structure and composition	2023 ESG Report – Governance
2-10 Nomination and selection of the highest governance body	2023 ESG Report – Governance
2-11 Chair of the highest governance body	2023 ESG Report – Governance, A Message from the Chair of the Board of Directors
2-12 Role of the highest governance body in overseeing the management of impacts	2023 ESG Report – Governance, A Message from the Chair of the Board of Directors, A Message from the Chair of the ESG Committee, Meet the ESG Committee MDA
2-13 Delegation of responsibility for managing impacts	2023 ESG Report – Governance, A Message from the Chair of the Board of Directors MDA
2-14 Role of the highest governance body in sustainability reporting	2023 ESG Report – Governance, A Message From Canada Nickel's CEO, A Message from the Chair of the ESG Committee

GRI 2: GENERAL DISCLOSURES 2021	
GRI Indicator	Reference
2-15 Conflicts of interest	2023 ESG Report - Business Conduct and Code of Ethics (Appendix C)
2-16 Communication of critical concerns	2023 ESG Report – Governance, Policies and Governance, Community Relations
2-17 Collective knowledge of the highest governance body	2023 ESG Report – Governance www.canadanickel.com/#team
2-18 Evaluation of the performance of the highest governance body	2023 ESG Report – Governance
2-19 Remuneration policies	2023 ESG Report – Our People MDA ACFS
2-20 Process to determine remuneration	2023 ESG Report – Our People MDA ACFS
2-21 Annual total compensation ratio	2023 ESG Report – 2023 Data Tables (Appendix A)
2-22 Statement on sustainable development strategy	2023 ESG Report – A Message From Canada Nickel's CEO
2-23 Policy commitments	2023 ESG Report – Policies and Governance
2-24 Embedding policy commitments	2023 ESG Report – Policies and Governance
2-25 Processes to remediate negative impacts	2023 ESG Report – Governance, Community Relations
2-26 Mechanisms for seeking advice and raising concerns	2023 ESG Report – Governance, Community Relations
2-27 Compliance with laws and regulations	There were no instances of non-compliance during the reporting period.
2-28 Membership associations	2023 ESG Report – About Canada Nickel's 2023 ESG Report, Community Relations CNC is a member of UN Global Compact and Core5
2-29 Approach to stakeholder engagement	2023 ESG Report – Community Relations
2-30 Collective bargaining agreements	Not applicable to any operations during the reporting period.

GRI 3: MATERIAL TOPICS 2021	
GRI Indicator	Reference
3-1 Process to determine material topics	2022 ESG Report – Defining Our Priorities (p. 11-13) Note that Materiality Assessment does not need to be conducted on an annual basis and therefore was not conducted in 2023
3-2 List of material topics	2022 ESG Report – Our Material Topics (p. 12) Note that Materiality Assessment does not need to be conducted on an annual basis and therefore was not conducted in 2023
3-3 Management of Material Topics	2022 and 2023 ESG Reports - Described in the relevant section for each material topic.

GRI 101: BIODIVERSITY 2024	
GRI Indicator	Reference
101-1 Policies to halt and reverse biodiversity loss	2023 ESG Report – Policies and Governance
101-2 Management of biodiversity impacts	2023 ESG Report – Environment, Climate Change
101-3 Access and benefit-sharing	2023 ESG Report – Community Relations, Indigenous Rights and Relationships
101-4 Identification of biodiversity impacts	2023 ESG Report – Environment
101-5 Locations with biodiversity impacts	2023 ESG Report – Environment. Note that specific sites with the most significant impacts on biodiversity were not identified in 2023 – not applicable at current size of operations.
101-6 Direct drivers of biodiversity loss	2023 ESG Report – Environment, Climate Change
101-7 Changes to the state of biodiversity	Not applicable at current size of operations.
101-8 Ecosystem services	2023 ESG Report – Community Relations, Indigenous Rights and Relationships

GRI 201: ECONOMIC PERFORMANCE 2016	
GRI Indicator	Reference
201-1 Direct economic value generated and distributed	2023 ESG Report – Community Relations, 2023 Data Tables (Appendix A)
201-2 Financial implications and other risks and opportunities due to climate change	2023 ESG Report – Climate Change
201-3 Defined benefit plan obligations and other retirement plans	Canada Nickel does not have benefit plan obligations or other retirement plans.
201-4 Financial assistance received from government	No government financial assistance was received during the reporting period.

GRI 202: MARKET PRESENCE 2016	
GRI Indicator	Reference
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2023 ESG Report – 2023 Data Tables (Appendix A)
202-2 Proportion of senior management hired from the local community	2023 ESG Report – 2023 Data Tables (Appendix A)

GRI 203: INDIRECT ECONOMIC IMPACTS 2016	
GRI Indicator	Reference
203-1 Infrastructure investments and services supported	2023 ESG Report – Community Relations CNC's most notable contribution in 2023 was a \$100,000 CAD donation to the Timmins District and Hospital Foundation, detailed under the Legacy Contributions Program sub-section
203-2 Significant indirect economic impacts	2023 ESG Report – Community Relations

GRI 204: PROCUREMENT PRACTICES 2016	
GRI Indicator	Reference
204-1 Proportion of spending on local suppliers	2023 ESG Report – Community Relations



GRI 302: ENERGY 2016	
GRI Indicator	Reference
302-1 Energy consumption within the organization	2023 ESG Report – Climate Change, 2023 Data Tables (Appendix A)
302-2 Energy consumption outside of the organization	Not applicable.
302-3 Energy intensity	2023 ESG Report – 2023 Data Tables (Appendix A)
302-4 Reduction of energy consumption	2023 ESG Report – 2023 ESG Performance Summary, Climate Change, 2023 Data Tables (Appendix A)
302-5 Reductions in energy requirements of products and services	2023 ESG Report – 2023 ESG Performance Summary, Climate Change, 2023 Data Tables (Appendix A)

GRI 303: WATER AND EFFLUENTS 2018	
GRI Indicator	Reference
303-1 Interactions with water as a shared resource	2023 ESG Report – Environment
303-2 Management of water discharge-related impacts	2023 ESG Report – Environment
303-3 Water withdrawal	2023 ESG Report – Environment, 2023 Data Tables (Appendix A)
303-4 Water discharge	2023 ESG Report – Environment, 2023 Data Tables (Appendix A)
303-5 Water consumption	2023 ESG Report – Environment, 2023 Data Tables (Appendix A)

GRI 305: EMISSIONS 2016	
GRI Indicator	Reference
305-1 Direct (Scope 1) GHG emissions	2023 ESG Report – Climate Change, 2023 Data Tables (Appendix A)
305-2 Energy indirect (Scope 2) GHG emissions	2023 ESG Report – Climate Change, 2023 Data Tables (Appendix A)
305-3 Other indirect (Scope 3) GHG emissions	Not calculated during this reporting period.
305-4 GHG emissions intensity	2023 ESG Report – 2023 Data Tables (Appendix A)
305-5 Reduction of GHG emissions	2023 ESG Report – 2023 ESG Performance Summary, Climate Change, 2023 Data Tables (Appendix A)
305-6 Emissions of ozone-depleting substances (ODS)	Not applicable at current size of operations.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable at current size of operations.

GRI 401: EMPLOYMENT 2016	
GRI Indicator	Reference
401-1 New employee hires and employee turnover	2023 ESG Report – Our People, 2023 Data Tables (Appendix A)
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2023 ESG Report – Our People, 2023 Data Tables (Appendix A)
401-3 Parental leave	All our employees are entitled to the federal parental leave. No additional monetary supplements are provided by the company. No employees took parental leave during the reporting period.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	
GRI Indicator	Reference
403-1 Occupational health and safety management system	2023 ESG Report – Health, Safety and Wellbeing
403-2 Hazard identification, risk assessment, and incident investigation	2023 ESG Report – Health, Safety and Wellbeing
403-3 Occupational health services	2023 ESG Report – Health, Safety and Wellbeing
403-4 Worker participation, consultation, and communication on occupational health and safety	2023 ESG Report – Health, Safety and Wellbeing
403-5 Worker training on occupational health and safety	2023 ESG Report – Health, Safety and Wellbeing
403-6 Promotion of worker health	2023 ESG Report – Health, Safety and Wellbeing
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2023 ESG Report – Health, Safety and Wellbeing
403-8 Workers covered by an occupational health and safety management system	2023 ESG Report – Health, Safety and Wellbeing, 2023 Data Tables (Appendix A)
403-9 Work-related injuries	2023 ESG Report – Health, Safety and Wellbeing, 2023 Data Tables (Appendix A)
403-10 Work-related ill health	2023 ESG Report – Health, Safety and Wellbeing, 2023 Data Tables (Appendix A)

GRI 404: TRAINING AND EDUCATION 2016

GRI Indicator	Reference
404-1 Average hours of training per year per employee	2023 ESG Report – Health, Safety and Wellbeing, Our People On the job training hours per individual were not tracked in 2023. CNC estimates an approximate 7 hours of standardized onboarding training per employee, and 5 hours of onboarding training per executive (accounting primarily for health and safety, policy, and government mandated training). This does not include new task or job specific training, or continuous development and education.
404-2 Programs for upgrading employee skills and transition assistance programs	2023 ESG Report – Health, Safety and Wellbeing, Our People, 2023 Data Tables (Appendix A)
404-3 Percentage of employees receiving regular performance and career development reviews	No system for regular performance and career development reviews currently in place.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016

GRI Indicator	Reference
405-1 Diversity of governance bodies and employees	2023 ESG Report – Governance, Our People, 2023 Data Tables (Appendix A)
405-2 Ratio of basic salary and remuneration of women to men	2023 ESG Report – 2023 Data Tables (Appendix A)

GRI 406: NON-DISCRIMINATION 2016

GRI Indicator	Reference
406-1 Incidents of discrimination and corrective actions taken	No incidents occurred during reporting year.

GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016

GRI Indicator	Reference
411-1 Incidents of violations involving rights of Indigenous Peoples	No incidents occurred during reporting year.

GRI 413: LOCAL COMMUNITIES 2016

GRI Indicator	Reference
413-1 Operations with local community engagement, impact assessments, and development programs	2023 ESG Report – Community Relations, Indigenous Rights and Relationships, Environment
413-2 Operations with significant actual and potential negative impacts on local communities	2023 ESG Report – Community Relations

OMISSIONS

GRI Indicator	Reason for Omission
GRI 205: ANTI-CORRUPTION 2016	
205-1 Operations assessed for risks related to corruption	Not a material topic. No operation is considered to be at significant risk for incidents of corruption.
205-2 Communication and training about anti-corruption policies and procedures	
205-3 Confirmed incidents of corruption and actions taken	

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not a material topic. No legal actions.
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GRI 301: MATERIALS 2016

301-1 Materials used by weight or volume	Considered immaterial at this stage given scale of our operations. We will look to revisit our disclosure in this area over the coming years.
301-2 Recycled input materials used	
301-3 Reclaimed products and their packaging materials	

GRI 306: WASTE 2020

306-1 Waste generation and significant waste-related impacts	Not material at current size of operations. We will look to revisit our disclosure in this area over the coming years.
306-2 Management of significant waste-related impacts	
306-3 Waste generated	
306-4 Waste diverted from disposal	No reportable spills during the reporting period.
306-5 Waste directed to disposal	

OMISSIONS	
GRI Indicator	Reason for Omission
GRI 402: LABOR/MANAGEMENT RELATIONS 2016	
402-1 Minimum notice periods regarding operational changes	No minimum notice period is currently in place. We will look to revisit our disclosure in this area over the coming years.
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not applicable to operations.
GRI 408: CHILD LABOR 2016	
408-1 Operations and suppliers at significant risk for incidents of child labor	No operation is considered to be at significant risk for incidents of child labour.
GRI 409: FORCED OR COMPULSORY LABOR 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No operation is considered to be at significant risk for incidents of forced or compulsory labour.
GRI 410: SECURITY PRACTICES 2016	
410-1 Security personnel trained in human rights policies or procedures	Not considered a material topic. No security personnel are currently employed by the company. No operation is considered to require security personnel.
GRI 415: PUBLIC POLICY 2016	
415-1 Political contributions	No contributions made
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	
416-1 Assessment of the health and safety impacts of product and service categories	Not applicable to operations.
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	

OMISSIONS	
GRI Indicator	Reason for Omission
GRI 417: MARKETING AND LABELING 2016	
417-1 Requirements for product and service information and labeling	Not applicable to operations.
417-2 Incidents of non-compliance concerning product and service information and labeling	
417-3 Incidents of non-compliance concerning marketing communications	
GRI 418: CUSTOMER PRIVACY 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable to operations.

APPENDIX C – TCFD CONTENT INDEX

TCFD Disclosure Index

Canada Nickel Company (CNC, the Company) is reporting information relating to the January 1, 2023 to December 31, 2023 reporting period with reference to the Task Force on Climate-Related Financial Disclosures (TCFD) guidance. Comprising 11 disclosures under 4 key pillars, TCFD provides a framework for organizations to disclose climate-related financial risks and opportunities.

TCFD Recommendation	CNC Response
GOVERNANCE	
<p>Describe the board's oversight of climate-related risks and opportunities</p>	<p>CNC's Board of Directors exercises oversight of climate-related risks and opportunities through its Environmental, Social, and Governance (ESG) Committee. This Committee, established and appointed by the Board, plays a pivotal role in ensuring the Corporation's adherence to its obligations concerning climate change, environmental issues, and the implementation of ESG practices aligned with the Company's commitment to achieving net-zero emissions by 2050 and embracing a social purpose – <i>to originate materials to responsibly power the energy transition.</i></p> <p>The ESG Committee is responsible for regularly reporting to the Board of Directors, with the Chair of the Committee delivering these reports, which may be presented verbally during Board meetings 2-3 times per year. This ensures that the Board is continuously informed about the Company's progress and challenges in managing climate-related risks and opportunities.</p> <p>Furthermore, as part of its commitment to mitigating climate change, the Company is required to undertake a Best Available Technologies/ Best Environmental Practices (BAT/BEP) Determination. This assessment evaluates potential greenhouse gas (GHG) mitigation measures throughout all phases of the Project and will be included in the Environmental Impact Statement submission for the Crawford Project in Q4 or 2024. Building on this determination, the Company must develop a credible net-zero plan aimed at minimizing GHG emissions as early as possible and throughout the Project's lifespan, with the objective of achieving net-zero emissions by 2050. This plan will guide the Company in implementing effective climate-related mitigations and ensure ongoing compliance with relevant environmental standards and principles.</p> <p>CNC has strengthened its climate governance by aligning with globally recognized standards, including the Task Force on Climate-related Financial Disclosures (TCFD) as of this year. The ESG Committee is responsible for ensuring that company practices are consistently aligned with current and evolving global standards. With the adoption of TCFD recommendations, CNC is enhancing its resilience and informing investors and stakeholders about how climate change could affect the company's future performance. These standards ensure that CNC's approach to climate governance is both comprehensive and aligned with international best practices. The ESG Committee is responsible for oversight of the Company's ESG strategies that reflect these standards, ensuring that climate-related risks and opportunities are both effectively managed and reported.</p>



Describe management's role in assessing and managing climate-related risks and opportunities	<p>Management at CNC takes a proactive approach to assessing and managing climate-related risks and opportunities, with key responsibilities assigned to the Vice President (VP) of Sustainability and the ESG team. The VP of Sustainability leads efforts to integrate climate considerations into the Company's strategic planning and operations, supported by the ESG team, which oversees the implementation of environmental and social governance practices.</p> <p>A critical tool in this process is the Risk Register, which is reviewed monthly by department managers. This register highlights all potential risks the Company may face, categorizing each by its nature—whether low, medium, or high risk. It also outlines specific mitigation measures and identifies the personnel responsible for managing these risks. While the Risk Register does not currently include specific risks directly associated with climate change due to the absence of an operating asset, it comprehensively addresses technical and environmental risks, including risks relating to impact assessments and net-zero mining, ensuring that the Company is well-prepared to manage climate-related challenges as they arise in the future. This regular review process ensures continuous monitoring and adjustment of risk management strategies, keeping the Company aligned with its sustainability objectives.</p>
STRATEGY	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>A part of its commitment to responsible development and in preparation for the Environmental Impact Statement (EIS) submission scheduled for Q4 2024, CNC is currently undertaking a comprehensive assessment of climate-related risks and opportunities. This exercise is critical for ensuring that the Company can address and mitigate potential climate-related impacts as it potentially transitions from exploration to the construction and operational phases of the Crawford Project. The results of this assessment will be a key component of the EIS, helping to guide CNC's strategies for managing climate-related challenges and leveraging opportunities to align with long-term sustainability goals.</p> <p>Through the development of the EIS, CNC has identified several climate-related risks and opportunities over the short, medium, and long term. In the short term, risks are primarily associated with the immediate impacts of project activities such as vegetation clearing and land disturbance, which can lead to the release of greenhouse gases (GHGs) and a reduction in carbon sinks. These activities are essential for the construction and early operational phases, but present challenges in managing GHG emissions effectively.</p> <p>In the medium term, CNC anticipates ongoing risks related to the operation of its mining and processing facilities, including the continuous emission of GHGs from machinery and energy use. However, there are opportunities to implement BAT and BEP to mitigate these emissions, such as through the adoption of energy-efficient equipment and processes, as well as strategies to enhance carbon sequestration through active and passive mineral carbonation during operations.</p> <p>Over the long term, CNC's primary focus will shift to the decommissioning and closure of the project. This phase presents risks such as potential residual greenhouse gas (GHG) emissions and long-term environmental impacts. Nevertheless, CNC identifies significant opportunities to enhance carbon sinks through comprehensive land reclamation and innovative technologies. This approach aligns with global climate goals, such as those outlined in the Paris Agreement to achieve net-zero emissions by 2050 and the United Nations Sustainable Development Goals (SDGs). By integrating these objectives, CNC aims to contribute positively to global efforts to combat climate change and its impacts.</p>

	<p>CNC has also established several community committees, one of which is the Environmental Committee. This committee is comprised of members from communities within the vicinity of the Crawford Project, who can provide local expertise and insight with regards to climate-related risks. This committee focuses on identifying potential Project-related environmental impacts, and jointly establishing solutions to mitigate these impacts through monitoring efforts. CNC has also hired multiple Impact Assessment Coordinators from Indigenous Nations, who play a key role in ensuring that Indigenous perspectives are incorporated into the Company's environmental and climate risk management strategies. CNC is committed to fostering long-term partnerships with both Indigenous Nations and local communities affected by potential developments, and will ensure that opportunities for co-management continue to be provided to strengthen the Company's sustainability practices. CNC also actively collaborates with both provincial and federal governmental authorities to receive technical advice related to climate risks, to ensure that the Company is operating within the appropriate regulatory frameworks, and to adhere to BEP that could enhance the protection of natural resources. By working closely with governmental authorities, CNC hopes to influence policy development within the mining sector to promote low carbon mining operations.</p>
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>CNC's business strategy includes the goal to become a net-zero carbon producer by 2050, which directly addresses climate-related risks while aligning with market opportunities created by the rising demand for low-carbon products. As indicated in the <i>Message from Canada Nickel's CEO, Message From the Chair of the Board of Directors, and Message From the Chair of the ESG Committee</i> sections of the 2023 ESG Report, CNC is positioning itself to become a leader in providing critical minerals with a low GHG footprint. These efforts are essential to allow for a global shift towards cleaner energy technologies, specifically with regards to the growing demand for electric vehicle batteries.</p> <p>CNC actively incorporates climate considerations into the Company's project design and risk management strategy. The use of In-Process Tailings (IPT) Carbonation Technology to sequester CO₂ during processing activities positions CNC to reduce its carbon footprint, thereby mitigating climate-related risks. By leveraging Ontario's low-carbon electricity grid, CNC is also able to minimize Scope 2 emissions and ensure that operations remain efficient.</p> <p>CNC's financial planning incorporates costs associated with addressing climate risks, such as investments in carbon capture technologies, partnerships for advancing sustainability efforts within the mining sector (ie. UN Global Compact signatory), and leveraging technologies that will allow for energy-efficient operations. For example, the Crawford Project design includes the integration of smart technologies such as trolley-assisted haul trucks and electric rope shovels, which will rely on electricity rather than diesel fuel and ultimately allow CNC to significantly reduce the Company's carbon footprint.</p>

<p>Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</p>	<p>While scenario analysis has not yet been established as a key component of CNC's strategic approach to managing climate-related risks, this will be incorporated if the Company moves into the construction and operational phases of the Project to strengthen climate risk management.</p> <p>Scenario analysis will involve assessing climate-related risks under multiple future climate scenarios, including physical risks and transition risks. These different scenarios can provide insight as to how the Company can better assess the potential impacts of climate-related risks on its operations. If CNC operations expand, the Company will aim to develop a formalized Climate Change Strategy, which could incorporate different climate-related scenarios.</p> <p>CNC prioritizes water conservation and recycling to reduce dependence on external water sources, which positions the Company favourably under climate-related scenarios that could result in water scarcity. CNC manages water usage for drilling operations by establishing sumps as required under the Company's Responsible Exploration Policy, which significantly reduces water consumption. For any drill locations within 30-100 m of a water body, CNC will ensure a sump is established to capture water and drill cuttings to prevent drill cuttings (which are all biodegradable) and de-watering fluids from entering nearby water sources. These sumps are developed in areas where water is known to be scarce, or for operations where multiple drills are drawing from the same water source. The use of sumps allows water to be recycled and repurposed for drilling operations, however, the requirement for sump construction is determined on a case-by-case basis. In addition to water management, CNC employs electricity in minerals extraction and processing as a strategy to mitigate effects from regulation and rising carbon costs.</p> <p>CNC also ensures that any drill holes determined to encounter artesian water are plugged and sealed to minimize water consumption. This process aids in preventing the release of pressurized groundwater, which would otherwise flow out of the drill holes, resulting in water loss. CNC prioritizes engagement with Indigenous Nations to ensure that traditional knowledge related to water management is incorporated into the Company's overall approach to addressing issues related to climate change.</p>
RISK MANAGEMENT	
<p>Describe the organization's processes for identifying and assessing climate-related risks.</p>	<p>CNC has developed a structured approach to identifying and managing risks, which encompasses both technical and environmental aspects of the Company's operations. While there are currently no specific climate-related risks that are being monitored since the Company does not yet have an operating asset, the existing risk management approach still provides a framework to recognize potential risks and implement the necessary controls to mitigate them.</p> <p>CNC's Risk Register is a tool that the Company uses to identify new risks, track risks that have previously been identified, assess the respective impacts of identified risks, and highlight relevant controls that can be implemented to minimize the likelihood of these risks. This tool is reviewed quarterly by department managers, which allows all senior employees to remain informed of emerging risks and ensure that appropriate controls are in place. By having a continuous review process, CNC is able to adjust the risk management strategy as needed to ensure that strategies remain resilient. Having the input from all departments ensures that a holistic view of potential risks is provided.</p>

	<p>The CNC Board of Directors is actively involved in risk identification by providing oversight and reviewing identified risks that relate to both short-term and long-term operations. Routine Board meetings, as well as Committee meetings consisting of Board members, are held to strategically plan for climate-related risks and ensure adequate mitigation measures are in place.</p> <p>CNC also engages with Indigenous Nations, technical experts, governmental authorities, and local communities to ensure that climate risks are appropriately identified. This has been accomplished through the establishment of the Technical Working Group (TWG) in Q1 of 2024, following this reporting period. The TWG serves as a platform for collaboration between the aforementioned groups to discuss technical concerns, baseline studies, and potential impacts associated with CNC's proposed developments. The TWG includes participation from provincial and federal governmental departments, including but not limited to: Environment and Climate Change Canada (ECCC), the Department of Fisheries and Oceans Canada (DFO), Natural Resources Canada (NRCAN), the Ministry of Environment, Conservation, and Parks (MECP), and the Ministry of Natural Resources and Forestry (MNR). Additionally, CNC's Environmental Committee, which is comprised of local community members with technical expertise, serves as a platform to identify any climate risks and suggest controls. This technical expertise ensures that CNC is able to remain compliant with changing regulatory frameworks, and allow climate-related risks to be identified early.</p>
<p>Describe the organization's processes for managing climate-related risks.</p>	<p>In addition to the establishment of the TWG, Environmental Committee, and the Company's Risk Register tool, CNC is required to undergo a federal impact assessment for its proposed Crawford Project, which aids in risk identification and management. Section 8.12 of the Impact Assessment Agency of Canada (IAAC) Tailored Impact Statement Guidelines (TISG) for the Crawford Project provides detailed requirements for addressing climate impacts. CNC must quantify and report GHG emissions for each project phase, including a description of main emission sources, as well as a summary of net emissions and emissions intensity. CNC is also required to provide a quantitative and qualitative description of the Project's positive or negative impact on carbon sinks, as well as outline any mitigation measures that will be implemented to restore disturbed carbon sinks. The TISG require CNC to outline the Project's alignment with federal emissions reduction targets and global climate commitments, including the net-zero emissions plan by 2050. The Company must complete a BAT/BEP Determination that aims to assess potential GHG mitigation measures throughout all Project phases.</p> <p>CNC's federal impact assessment requires the Company to complete an Impact Statement that considers the severity and likelihood of effects related to climate change. For each potential project effect that is established, respective mitigation measures are developed, which are jointly reviewed and approved by Indigenous Nations and governmental authorities.</p>
<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Refer to above line items under Risk Management category.</p>

METRICS AND TARGETS

<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>CNC uses a range of metrics to assess climate-related risks, which are aligned with the Company's strategy and risk management processes. The monitoring of GHG emissions, carbon sequestration potential, fuel consumption, and water consumption are key components of the Company's risk management process and are critical to assessing climate-related risks.</p> <p>CNC monitors and publicly discloses the Company's Scope 1 and Scope 2 GHG emissions. Scope 1 emissions account for direct emissions associated with fuel consumption by the Company and contractors, which is monitored on an annual basis. CNC saw a 76% reduction in Scope 1 emissions from 2022 to 2023, primarily due to a decrease in drilling activities. The Company's emissions intensity (kg of CO₂e/metre drilled) more accurately represents efforts to decrease emissions, which decreased from 37 in 2022 to 31 in 2023. CNC does not currently report on Scope 3 emissions and certain operational metrics (ie. emissions due to business travel). As the Company potentially progresses into the construction and operational stages of the Project, more comprehensive monitoring systems will be implemented to ensure alignment with global reporting standards. CNC currently calculates its GHG emissions by partially relying on fuel consumption volumes provided by contractors. In some cases, where detailed fuel data is unavailable, emissions are estimated based on other operational metrics, such as hours worked, equipment used, and the fuel consumption per hour for each piece of equipment. This approach can introduce inaccuracies, as fuel consumption varies depending on factors such as equipment efficiency, work conditions, and operational intensity. Estimating emissions from hours worked or equipment use without precise fuel data may not capture the full variability in fuel consumption, which could potentially lead to the underestimation or overestimation of emissions. CNC acknowledges this challenge and is working to refine data collection and estimation methods to improve the accuracy of its GHG emissions reporting as its operations expand.</p> <p>CNC also monitors the carbon sequestration potential of its operations through the use of innovative technologies, such as the IPT Carbonation Technology. This process is projected to sequester more than 1.3 million tonnes of CO₂ annually throughout the life of the Crawford Project, which would result in a net positive carbon sink.</p> <p>CNC also tracks the Company's water usage to minimize its environmental footprint. This is primarily accomplished through the use of flow metres installed on water intakes that are used throughout exploration activities, such as drilling. The Company's water withdrawal is measured on a daily basis to ensure that withdrawal volumes remain below regulated targets (50 m³/day/source). This metric is reported on publicly within the Company's annual ESG Reports.</p>
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<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>CNC has disclosed the Company's Scope 1 and 2 emissions in both the 2022 and 2023 ESG Reports under the Climate Change section, as well as the appended annual data tables. A year-over-year comparison can be found under the ESG Performance Summary in the 2023 ESG Report. In 2023, total emissions were as follows:</p> <ul style="list-style-type: none"> - Scope 1 (Direct): 685 tonnes CO₂e - Scope 2 (Indirect): 2 tonnes CO₂e - Scope 3: Not disclosed, as the Company's emissions are not yet classified as industrial-level. <p>CNC has long-term goals to target reductions, as the Company strives to move towards net-zero carbon production by 2050.</p>
<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.</p>	<p>CNC does not currently have quantitative Scope 1, 2 and 3 targets for current operations. However, CNC has several qualitative targets to assist with managing climate-related risks, with the focus of achieving net-zero emissions by 2050.</p> <p>These qualitative targets include the Company's net-zero plan and the implementation of BAT/BEP. CNC's net-zero plan focuses on avoiding emissions, reducing emissions, and offsetting residual emissions by 2050.</p> <p>CNC's IPT Carbonation technology is a form of BAT that will allow the Company to sequester CO₂ during mineral processing activities, while aiming to achieve net-zero emissions by 2050. Recent test results indicate CNC's IPT technology can sequester 1.3 million tonnes of CO₂ per annum, which would allow for a net-positive carbon sink of 46,678 kilotonnes of CO₂ over the life of the Crawford Project. CNC also intends to leverage innovative technologies, such as trolley-assisted haul trucks and electric rope shovels, which rely on electricity opposed to diesel and will contribute to a lower carbon footprint. CN prioritizes using Ontario's low carbon electricity grid to reduce Scope 2 emissions from purchased energy.</p>



APPENDIX D – CODE OF CONDUCT



Code of Conduct

The purpose of Canada Nickel Company Inc. (the "Company" or "Canada Nickel") is to originate materials to responsibly power the energy transition. This Code of Conduct ("Code") was created to outline principles to which the Company's employees, officers and directors are expected to responsibly adhere to in the conduct of the Company's business. For the purposes of this Code, the term "employees" includes all persons who are permanent employees, employees on contracts or consultants to the Company or any of its subsidiaries (including Central Timmins Nickel Company Inc., NetZero Metals Inc. and Net Zero Royalty Inc.), persons who are on secondment with the Company or any of its subsidiaries and persons provided by a temporary agency who are on long-term assignments with the Company or any of its subsidiaries. This Code sets forth principles regarding responsibilities that the Company's directors, officers, and employees have to other employees, officers, directors, the public and any other stakeholders. Any violations of this Code or any other policies established by the Company from time to time may result in disciplinary action, up to and including termination of service.

The Company's Corporate Governance and Nominations Committee (the "Committee"), a committee of the Board of Directors of the Company (the "Board"), oversees compliance with the Code. The Committee has delegated day-to-day responsibility for administering and interpreting the Code to the Chief Financial Officer of the Company (the "CFO"). If the CFO is not available, issues related to administration of the code should be directed to the Chair of the Committee.

The Company expects its employees, officers, and directors to exercise reasonable judgement when conducting the Company's business. Canada Nickel is committed to applying a sustainable mindset to all its activities, and continuing to prioritize health and wellbeing, environmental stewardship, and relationships built on mutual trust and respect in its actions. The Company is a participant of the United Nations Global Compact and applies the 10 principles to guide continual improvement on performance and standards. The Company encourages its employees, officers, and directors to refer to this Code frequently to ensure that they are acting within both the letter and the spirit of this Code. The Company also understands that this Code will not contain the answer to every situation you may encounter or every concern you may have about conducting the Company's business ethically and legally. In these situations, or if you otherwise have questions or concerns about this Code, the Company encourages you to speak with your supervisor (if applicable) or, if you are uncomfortable doing that, with the CFO or the Chair of the Committee. Directors and the Chief Executive Officer of the Company (the "CEO") should bring any questions or concerns about this Code to the Chair of the Committee.

The Company's employees, officers and directors generally have other legal and contractual obligations to the Company. This Code is not intended to reduce or limit these other obligations that you may have rather, the standards in this Code should be viewed as the minimum that the Company expects in the conduct of the Company's business.

1. WORKPLACE AND EMPLOYEE RELATIONS

The Company fosters a work environment in which all individuals are treated with respect and dignity and strives to cultivate a positive workplace culture based on open and honest communication, mutual trust, and equal opportunities based on merit.

The Company will not tolerate any form of discrimination, harassment or violence in accordance with this Code and Canada Nickel's Workplace Violence, Workplace Harassment, and Discrimination Policy. Workplace harassment can involve unwelcome words or actions that are known or should be known to be offensive, embarrassing, humiliating, or demeaning to a worker or group of workers, in a workplace. It can also include behaviour that intimidates, isolates, or even discriminates against the targeted individual(s). Workplace harassment also includes workplace sexual harassment. Sexual harassment can involve unwelcome words or actions associated with sex, sexual orientation or gender that are known or should be known to be offensive, embarrassing, humiliating, or demeaning to a worker or group of workers, in a workplace. Workplace violence includes the exercise of physical force by a person against a worker, in a workplace, that causes or could cause physical injury to the worker. It also includes an attempt to exercise physical force against a worker in a workplace, that could cause physical injury to the worker; and a statement or behaviour that a worker could reasonably interpret as a threat to exercise physical force against the worker, in a workplace, that could cause physical injury to the worker.

Discrimination and/or harassment against employees, officers, directors, suppliers or potential employees, officers, or directors based on race, ancestry, place of origin, colour, ethnic origin, citizenship, creed, age, record or offences, marital status, family status, or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers, directors or suppliers are located is not permitted.

Refer to the *Workplace Violence, Workplace Harassment and Discrimination Policy*, which describes the procedures for reporting incidents and how they are dealt with.

2. ENVIRONMENT, HEALTH AND SAFETY

2.1 ENVIRONMENT

It is the intent of the Company to conduct itself in a responsible manner with respect to the environment in partnership with local communities as it implements its business strategy. The Company is committed to sound environmental management, and it is the Company's policy, at a minimum, to comply in all material respects with applicable environmental laws and regulations. All employees, officers and directors are expected to comply with Canada Nickel's policies, programs, standards, and procedures in respect of environmental management.

2.2 HEALTH AND SAFETY

The Company is committed to providing a healthy and safe workplace in compliance with applicable laws, rules, and regulations. Employees must be aware of the safety issues and policies that affect their job, other employees, and the community in general. In this regard, the Company expects its employees to work in a safe manner with due regard for their personal safety as well as that of their co-workers and to report accidents, injuries, hazardous equipment and unsafe practices. All employees must follow work instructions or procedures on health and safety laws, not engage in illegal or dangerous behaviours, not possess or use weapons or firearms or any type of combustible materials on the Company's premises or at Company-sponsored functions unless authorized by Company or the law to do so, and report accidents, injuries and unsafe equipment, practices or conditions to a manager or supervisor.

Managers, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their managers of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers, or the community in general, so that timely corrective action can be taken. If an employee who so advises their manager is not satisfied that timely corrective action or intervention has been or will be taken by the manager, then the employee should advise Human Resources of such workplace injury or circumstance presenting a dangerous situation.

2.3 SUBSTANCE ABUSE

The Company is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers, and directors of the Company are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgement may be hindered or impaired, be free from the effects of drugs, including illegal drugs and legal drugs, and alcohol which affect the ability of the employees, officers, and directors to perform their work duties while on Company premises.

The consumption of alcoholic beverages at a Company event that is duly authorized by the most senior officer in attendance is permitted; however, you are expected to act in accordance with this Code in all regards and you will not take any action to compromise your own safety or the safety of any personnel or guests.

3. CONFLICTS OF INTEREST

A "conflict of interest" exists when a person's private interest interferes with or appears to interfere with the interests of the Company. A conflict may also arise when a person takes actions or has interests which make it difficult for them to perform their work objectively and effectively. Conflicts of interest may cause an employee, officer, or director to make decisions based on personal gain rather than in the best interests of the Company. Everyone's situation is different and in evaluating his or her own situation, an employee, officer or director will have to consider many factors.

All the Company's employees, officers and directors must act with honesty and integrity, avoiding conflicts of interest in relation to their duties and responsibilities with the Company that arise because of either personal or professional relationships.

Prior to appointing any director or officer of the Company, the Committee will assess whether there are any actual or potential conflicts of interest involving the individual and the Company and inform the Board of any such conflicts. Any potential director or officer will declare any actual or potential conflicts of interest that they are aware of prior to their appointment. Conflicts of interest are prohibited as a matter of Company policy. Each employee, officer and director are expected to avoid any outside activity, financial interest or relationship that may present a conflict of interest or the appearance of a conflict of interest. Each employee is required to promptly disclose any actual or potential conflict of interest to his or her manager, or if the manager is an officer of the Company and is involved in a conflict of interest, to the Chair of the Committee. Any employee, officer or director will, when requested, promptly supply the manager, or the Chair of the Committee with all relevant documentation in respect of any transaction in which the manager, or the Chair of the Committee perceives a conflict may have been present. Actual or potential conflicts of interest involving a director or officer should be disclosed in writing to the Committee and the Committee will assess whether there are any actual or potential conflicts of interest involving the individual and the Company. Each director agrees that if the Board determines that a potential conflict cannot be resolved to the satisfaction of the Board, the director will promptly resign from the Board.

Failure to report actual or potential conflicts could have serious consequences for the employee, officer or director of the Company. After an actual or potential conflict is investigated, appropriate action will be taken. The Committee or CFO has the right to determine the appropriate disciplinary action for a violation up to and including termination of employment.

If a conflict of interest arises or exists, and there is no failure of good faith on the part of the director, officer or employee, a reasonable amount of time for such directors, officers and employees to correct the situation in order to prevent undue hardship or loss will generally be allowed; however, all decisions in this regard will be at the discretion of the Chair of the Committee, whose primary concern in exercising such discretion will be in the best interests of the Company.

The most common situations that create conflicts of interest include but are not limited to those identified below.

Family Members

Actions of family members may create a conflict of interest. "Family members" include any child, stepchild, grandchild, parent, stepparent, grandparent, spouse (including a common-law spouse), sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and adoptive relationships. For example, gifts to family members by a supplier of the Company are considered gifts to you and should be reported if they involve more than ordinary social amenity or are of more than nominal value from any organization doing or seeking to do business with the Company. Conducting Company business with organizations where your family members are employed or that are partially or fully owned by your family members or close friends may create a conflict of interest or the appearance of a conflict of interest.

Employment of more than one family member at an office of the Company or other premises is permissible but the direct supervision of one family member by another is not permitted unless otherwise authorized by Human Resources. If such employment is allowed, any personnel actions affecting that employee must also be reviewed and endorsed by Human Resources.

Gifts, Entertainment, Loans, or Other Favors

Employees, officers, and directors may not accept gifts from customers or suppliers or potential customers or potential suppliers other than those of nominal value, such as meals, event tickets, sporting outings, hospitality suites, calendars, flowers, fruit, candy, books, and advertising novelties. Employees, officers, and directors may not accept anything that may give the appearance that their judgement on behalf of the Company may be compromised. If an employee, officer, or director, or if a family member of an employee, officer or director receives an unsolicited gift that is prohibited by this Code, that employee, officer, or director must promptly report the gift to Human Resources and return the gift. Other than common business courtesies, directors and employees must not offer or provide anything to any person or organization for the purpose of influencing the person or organization in their business relationship with the Company.

Outside Business Activities

To ensure that officers and employees give their undivided loyalty to the Company, you are discouraged from engaging in paid employment outside of Canada Nickel, if such activity:

- reduces work efficiency;
- interferes with your ability to act conscientiously in the Company's best interest;
- requires you to utilize proprietary or confidential procedures, plans or techniques; or
- negatively impacts the reputation of the Company.

Officers and employees must obtain the written consent of the CEO for all professional activities (such as service in professional associations and on boards of directors) which detract from your duties or status at Canada Nickel, or which would require attention during the working day.

4. CORPORATE OPPORTUNITIES

All the Company's employees, officers and directors are prohibited from:

- taking for themselves personally opportunities that are discovered using corporate property, information or because of his or her position with the Company unless such opportunity has first been presented to, and rejected by, the Company;
- using corporate property, information, or position for personal gain; and
- competing with the Company. Directors, officers, and employees owe a duty to the Company to advance its legitimate interests when the opportunity arises to do so.

5. CONFIDENTIALITY

Certain employees, officers and directors will have access to certain information in the course of their duties that is considered confidential by the Company or may be involved in the design or development of new business opportunities for the Company. "Confidential Information" includes all non-public information about the Company and its affiliates that might be of use to competitors or harmful to the Company or its customers if disclosed. All such Confidential Information and procedures always remain the property of the Company and should be kept in strict confidence by employees, officers, and directors, except when disclosure is authorized or required by law or necessary during the Company's business. Any disclosure of such Confidential Information or procedures to persons outside the Company could be harmful to the Company's interests and will be taken very seriously by the Company.

When in possession of Confidential Information, Company employees, officers and directors are encouraged to use the safest means of communication and safekeeping of Confidential Information as is reasonably practicable under the circumstances. Employees should be mindful of the security risks associated with communicating via e-mail, facsimile, cellular phones, and other wireless devices, and of communicating in public places, and should choose other safer communication methods, where reasonably practicable. Additionally, employees should store and work with Confidential Information in a safe manner, being mindful of the security risks associated with leaving Confidential Information in easily accessible locations, such as on a desk or displayed on a computer screen, and with making and/or distributing copies of Confidential Information.

Employees, officers and directors should be aware that their obligation to maintain the confidentiality of the Confidential Information and procedures for dealing with such Confidential Information will survive after they leave the Company and should conduct themselves accordingly.

6. FAIR DEALING

All purchases of goods and services by the Company will be made exclusively based on price, quality, service and suitability to our needs. Employees, officers, or directors are prohibited from accepting gifts of money or receiving any type of personal kickbacks, rebates, or other "under-the-table" payments. Employees, officers and directors may accept unsolicited non-monetary gifts provided they are appropriate and customary client development gifts for the industry and cannot be graciously declined.

Making any form of payment, direct or indirect, to a public official may violate the Canadian Criminal Code or the Canadian Foreign Corrupt Practices Act or the equivalent laws of a foreign jurisdiction. The law in this area is evolving and all employees, officers and directors are expected to be familiar with the current state of this legislation and to ensure they comply with it. If there is any doubt whatsoever as to whether a particular payment to be made, or benefit to be provided, to a public official is inappropriate or unlawful, the employee, officer or director is expected not to make that payment or provide that benefit.

7. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees, officers and directors of the Company are expected to protect the Company's assets and ensure their efficient use because loss, theft and misuse of the Company's assets have a direct impact on the Company's business and its profitability. All the Company's assets should only be used for legitimate business purposes. Theft of Company property will be investigated, reported to police as appropriate, and is grounds for disciplinary action up to and including dismissal.

The Company's information technology systems, including computers, e-mail, intranet and internet access, are the property of the Company and are to be used primarily for business purposes. The Company's information technology systems may be used for minor or incidental reasonable personal messages provided that such use is kept at a minimum, follows the Company's policies generally, and the employee understands that the Company has no obligation to keep such personal messages confidential. The Company may monitor the use of its information technology systems.

8. SECURITIES AND INSIDER TRADING

The Company is committed to complying with all federal and provincial securities laws and regulations. These laws, along with the rules of the TSX Venture Exchange, impose certain obligations on publicly held corporations and the persons associated with them. Employees, officers or directors who are aware of material information regarding the Company or another public company which has not been disclosed to the public (i.e., information which may affect the market price for the Company's or that other company's securities and investors' decisions to trade therein) must hold that information in strictest confidence and refrain from buying or selling or influencing the decisions of others (i.e. "leaking" or "tipping") to buy or sell the securities of any such company until such information has been publicly disclosed and enough time has elapsed to allow investors to react to the information. Black out periods may be implemented from time to time which will apply to all employees and directors.

9. DISCLOSURE, PUBLIC COMMUNICATIONS AND SOCIAL MEDIA

The Company discloses information to the public on a regular basis. Employees responsible for making the Company's periodic reports and other documents filed with the Ontario Securities Commission and/or other securities regulatory authorities (the "Securities Commissions"), including all financial statements and other financial information, are responsible for preparing these disclosures in compliance with applicable securities laws and rules. The Company's filings with the Securities Commissions and other public communications should contain full, fair, accurate, timely and understandable disclosures and otherwise comply with applicable securities laws.

Each employee who is involved in the Company's disclosure process must:

- be familiar with and comply with the Company's accounting and disclosure rules and controls and procedures, and generally accepted accounting principles, and cooperate fully with the Company's external auditors; and
- take all necessary steps such that all filings with the OSC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

Only the CEO, CFO, the Investor Relations Department, and individuals specifically authorized by them may discuss Company matters with investors, shareholders, and analysts. Other employees, officers and directors must direct inquiries to the CEO and must not attempt to handle these inquiries without prior authorization of the CEO, CFO or the Investor Relations Department. If you inadvertently disclose confidential information to certain members of the investment community, the Company must take steps to provide broad distribution of the information as soon as possible. If you inadvertently disclose confidential information, please immediately contact the CEO or CFO.

Only the CEO, VP of Sustainability, and individuals specifically authorized by them may discuss the Company with the media, Indigenous group representatives, Government Officials, and other stakeholders.

Employees, directors, and officers agree not to disparage Canada Nickel, or its affiliates or subsidiaries, or any of their respective employees, officers or directors. Specifically, you agree not to make any comments, whether true or not, either orally or in writing, including social media or anywhere else on the internet, of a negative or disparaging nature about Canada Nickel, or your relationship with Canada Nickel, or which adversely affects the business, reputation or goodwill of Canada Nickel or its representatives.

10. ACCURACY OF COMPANY RECORDS AND REPORTING

Honest and accurate recording and reporting of information is critical to the Company's ability to make responsible business decisions. The Company's accounting records are relied upon to produce reports for the Company's management, shareholders, creditors, governmental agencies, and others. Canada Nickel's financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and the Company's system of internal controls.

Employees, officers, and directors who are responsible for updating or maintaining accounting records have a responsibility to ensure that the Company's accounting records do not contain any false or intentionally misleading entries. The Company does not permit intentional misclassification of transactions as to accounts, departments, or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

11. COMMUNITY RELATIONS

The Company is committed to conducting its business responsibly with the communities in the areas in which it operates. The community relations program is based on open and frequent communication with the members of communities where the Company operates and a cooperative approach to undertaking appropriate community support activities that promote long-term economic and social benefits. By continually reaching out to the communities surrounding our projects, Canada Nickel can meet its operational goals while being a good corporate neighbour. We expect you to reflect this commitment in your work on behalf of Canada Nickel and to respect the different cultures and the dignity and rights of individuals in all countries where we carry out our activities.

The Company believes in contributing to the well-being of local and regional communities. Participation in community activities outside of business hours is respected and the Company encourages participation in programs to facilitate community volunteer work by employees and directors. However, when participating in community activities that are not specifically sponsored by the Company, employees are participating in their individual capacity and not as representatives of the Company and should not give the impression that they are acting for the Company.

12. WAIVER AND AMENDMENTS

No waiver of any provisions of the Code for the benefit of a director or an officer (which includes without limitation, for purposes of this Code, the Company's principal executive, financial and accounting officers) shall be effective unless (i) approved by the Board or, if permitted, a committee thereof, and (ii) if applicable, such waiver is promptly disclosed to the Company's shareholders in accordance with applicable securities laws and/or the rules and regulations of the stock exchange or system on which the Company's shares are traded or quoted, as the case may be.

Any waivers of the Code for other employees may be made by the Chair of the Committee, the Board or, if permitted, a committee thereof.

All amendments to the Code must be approved by the Board or a committee thereof and, if applicable, must be promptly disclosed to the public markets in accordance with applicable securities laws and/or the rules and regulations of the stock exchange(s) on which the Company's shares are traded.

13. REPORTING OBLIGATIONS

Directors, officers, and employees have a duty to report illegal or unethical behaviour of other directors, officers or employees and any violations of the Company's policies including this Code. Reprisals or intimidation of Employees, officers, and directors who draw attention to problems or violations will not be tolerated. Directors, officers, and employees can report their concerns to their supervisor, if any, or to the Chair of the Committee.

14. GENERAL

Nothing in this Code should be construed or interpreted as limiting, reducing, or eliminating the obligation of any director, officer or employee of the Company to comply with all applicable laws. Conversely, nothing in this Code should be construed or interpreted as expanding applicable standards of liability under provincial or federal law for directors or officers of the Company.

15. REPORTING CODE VIOLATIONS

Every employee and director shall cooperate in assuring that any violation of this Code is brought to the attention of the appropriate person. Any employee who has questions about this Code or how it applies to circumstances is encouraged to seek guidance from his or her supervisor, CFO, Manager of Human Resources, or any member of the Committee. Directors should direct any questions to the Chairman of the Committee, CEO, or CFO.

If any employee believes or suspects any possible misconduct, including unethical business practices, violations of this Code or violations of a law or regulation, or an employee believes that he or she is being asked to engage in any such misconduct in the performance of duties for the Company, the matter must be promptly reported to the employee's supervisor or by one of the alternative methods set forth below.

If for any reason the employee is uncomfortable reporting such matter to his or her supervisor, then the employee may report such matter on a confidential, anonymous basis without fear of dismissal or other retaliation by contacting the Issue Resolution Hotline at **(866) 921-6714** or you can file a report online at www.integritycounts.ca

16 COMMUNICATION OF THE POLICY

To ensure that all Canada Nickel Representatives are aware of the Policy, a copy will be made available on the Company's shared drive, and all Canada Nickel Representatives will be informed whenever significant changes are made. New Canada Nickel Representatives will be provided with a copy of this Policy upon joining or being retained by the Company and will be educated about its importance.

Review and Approval

OWNER

ADOPTED

Board of Directors

September 1, 2024

POLICY TYPE

LAST REVIEWED AND APPROVED

Entity Level

September 1, 2024

POLICY NO.

REVIEW SCHEDULE

EL-003

Annual

Date of policy approval: September, 2024

APPENDIX E – WORKPLACE VIOLENCE, WORKPLACE HARASSMENT, AND DISCRIMINATION



Workplace Violence Workplace Harassment, and Discrimination Policy

Purpose

The purpose of the Workplace Violence, Workplace Harassment and Discrimination Prevention Policy (the “Policy”) of Canada Nickel Company Ltd. (“Canada Nickel” or the “Company”) is to foster a safe and healthy work environment that is free from workplace violence, workplace harassment and discrimination and one where the dignity and self-esteem of everyone is respected. All directors, officers, employees, consultants, contractors and partners (“Canada Nickel Representatives”) and visitors to the Company, including vendors, suppliers and members of the general public, have the right to conduct their business at the Company in a safe and secure environment. This policy provides guidance to Canada Nickel Representatives in preventing and handling workplace violence, workplace harassment and discrimination.

Guidelines

This Policy applies to all Canada Nickel Representatives when they are on Company premises, at Company-sponsored events, or when conducting business on behalf of the Company, and all persons who are dealing with Canada Nickel Representatives or otherwise engaged in our business.

Respectful Workplace

Ensuring that people are treated with respect and dignity is fundamental to Canada Nickel, and conduct that creates an intimidating, hostile or offensive workplace is not tolerated. Every effort will be made by the Company to identify acts of workplace violence, workplace harassment, and discrimination, regardless of whether such conduct is perpetrated by a Canada Nickel Representative or a member of the public. However, the Company cannot act alone. All Canada Nickel Representatives, particularly managers and supervisors, must assist the Company in creating and maintaining a work environment free from workplace violence, workplace harassment, and discrimination.

Any employee found to have engaged in any act of workplace violence, workplace harassment or discrimination will be subject to discipline, up to and including termination for cause.

The Company will provide training on the application of this policy to ensure that all Canada Nickel Representatives are aware of the content of this policy and the conduct that it addresses.

Workplace Violence

Workplace violence includes the use, attempted use or threatened use of physical force by a person against an employee in a workplace that causes or could cause physical injury to the employee. Workplace violence includes, but is not limited to, acts of physical violence (i.e. hitting, punching, kicking, and intimidation) and threats of violence. Examples of workplace violence include but are not limited to:

- Verbally threatening to attack an individual;
- Leaving threatening notes at, or sending threatening emails to, an individual;
- Wielding a weapon in the workplace;
- Hitting or trying to hit an individual;
- Throwing an object at an individual;
- Sexual violence against an individual.

Workplace Violence Workplace Harassment, and Discrimination Policy

Workplace Violence Workplace Harassment, and Discrimination Policy

Domestic Violence

If the Company becomes aware that a Canada Nickel Representative may be exposed to domestic violence that could result in physical injury to the Canada Nickel Representative or others in the workplace, the Company is obligated to take protective measures. Protective measures may include:

- restricting access to the workplace
- providing an escort
- removing the employee's name and contact information from the external sources
- changing the physical location of the employee's workspace to an area that is not accessible to the public

Workplace Harassment

Under applicable human rights legislation, **harassment** means engaging in a course of vexatious comment or conduct that is known or ought to be known to be unwelcome based on one of more protected grounds, which include age, ancestry, place of origin, race, ethnic origin, colour, sex, sexual orientation, gender identity, gender expression, marital status, family status, creed, disability, record of offences (for which a pardon has been granted) and any other protected grounds under applicable human rights legislation (collectively, the **Prohibited Grounds**”).

Under applicable health and safety legislation, harassment is defined more broadly and includes any conduct, comment, or gesture against a worker in a workplace that is known or ought reasonably to be known to be unwelcome and includes workplace sexual harassment.

Psychological harassment means any vexatious behaviour in the form of repeated and hostile or unwanted conduct, verbal comments, actions or gestures, which affects an employee's dignity or psychological or physical integrity and that results in a harmful work environment for the employee. For greater certainty, psychological harassment includes such behaviour in the form of such verbal comments, actions or gestures of a sexual nature. A single serious incidence of such behaviour that has a lasting harmful effect on an employee may also constitute psychological harassment.

Sexual harassment includes any conduct, comment, gesture, or contact of a sexual nature that: (i) is likely to cause offence or humiliation to any employee or create a negative psychological or emotional work environment; or (ii) might, on reasonable grounds, be perceived by an employee as placing a condition of a sexual nature on any aspect of the employment relationship, including any opportunity for training or promotion.

Workplace harassment includes harassment, psychological harassment and sexual harassment.

Examples of workplace harassment include but are not limited to:

- Remarks, jokes or innuendos that demean, ridicule, intimidate or offend;
- Displaying or circulating offensive pictures or materials in print or electronic form;
- Bullying or stalking.

Reasonable action taken by the employer or supervisor relating to the management and direction of workers or the workplace is not workplace harassment.

Discrimination

Unequal treatment based on the Prohibited Grounds is discrimination. The unequal treatment may be intentional or unintentional, may impose extra burdens or deny benefits, and includes rules, practices or procedures that appear neutral but have the effect of disadvantaging any person or group of people.

Protection of Privacy

The Company recognizes that it may be difficult to come forward with Workplace Violence, Domestic Violence, Workplace Harassment and Discrimination and we will make every reasonable effort to ensure that the privacy of the persons involved in a complaint is protected. To the extent practical and appropriate under the circumstances, confidentiality will be maintained subject to the overriding responsibility of the Company to investigate and deal with complaints and act in accordance with applicable legislation.

Complaint Procedure

If you have experienced any form of workplace violence (including domestic violence), workplace harassment, or discrimination or you witness or have reason to believe that another Canada Nickel Representative, business partner, or member of the public has been subject to acts of workplace violence (including domestic violence), workplace harassment, or discrimination by a Canada Nickel Representative, you should immediately take the following steps:

1. **Corrective Action.** If you are comfortable doing so, clearly communicate to the individual that his or her behaviour or conduct is unwelcome. In some cases, this may be sufficient to put an end to the conduct.
2. **Report the Incident.** If you are a witness or victim of an act that could amount to workplace violence (including domestic violence), workplace harassment, or discrimination, the following is reporting process that you can follow until you are satisfied that your complaint has been understood and resolved:
 - STEP ONE: Contact your supervisor and explain the situation
 - STEP TWO: Contact Human Resources if you are not satisfied with the supervisor's response

The Issue Resolution Hotline is available. If you have followed the above process and are not yet satisfied with the response, OR if anonymity is necessary or preferred, reports can be made at www.integritycounts.ca or by calling **1.866.921.6714**.

3. **Document the Incident.** Take detailed written notes or otherwise record each incident, including, the date, time, place and details of what was said and done, names of possible witnesses and the surrounding circumstances.
4. **Cooperate with the Investigation.** With your assistance, the Company will be able to conduct a timely investigation into the allegations and take corrective action, if necessary.

Investigation Procedures

Workplace Violence Workplace Harassment, and Discrimination Policy

The Company considers allegations of workplace violence, workplace harassment and discrimination to be serious matters; however, in the event that the allegations do not comply with the policy, the Company may not conduct a full investigation.

A manager or supervisor who receives a complaint must immediately advise Human Resources, which will be responsible for handling the complaint. Upon receipt of the complaint, depending on the seriousness of the allegations, Human Resources will investigate the matter. The investigation procedure will include discussions with the individual filing the complaint, as well as the other individual(s) involved.

During the investigation, the Company may adopt temporary measures as deemed appropriate, including but not limited to a relocation or reassignment of the complainant and/or alleged harasser. During the investigation, the alleged harasser may not participate in any performance evaluation or employment decision affecting the complainant. While the investigation is ongoing, the complainant, the alleged harasser and any witnesses will be instructed not to discuss the complaint, incident or investigation with anyone else unless necessary to obtain advice about their rights.

At the conclusion of the investigation, Human Resources will make one of the following decisions: (i) the complaint was substantiated; (ii) the individual(s) involved voluntarily resolved the matter to your and management's satisfaction; or (iii) the complaint was not substantiated as per the policy.

If a complaint is substantiated, Human Resources will provide the Company with proactive steps to avoid a similar incident in the future.

Where management concludes that it is necessary to impose corrective action against an employee, the range of action could include such measures as a formal apology, referral to appropriate counseling, reassignment, temporary suspension without pay, demotion or termination, depending upon the seriousness of the offence.

Retaliation

Retaliation against any individual for reporting (or false reporting) alleged acts of workplace violence, workplace harassment or discrimination will not be tolerated. Equally, because false accusations can have serious effects on innocent persons, the willful misuse of this policy or making false accusations will not be tolerated and may be grounds for discipline or even possible termination of employment.

Accommodation

Accommodation is an individualized process that considers the specific needs of the person (or a group of people). The Company will consider and provide reasonable accommodation to employees who require accommodation. The Company will take suitable measures to adjust a policy, practice or physical feature of the work site if it impacts certain people in the wrong way.

Accommodation will be provided up to the point of undue hardship. Undue hardship is determined on a case-by-case basis. Factors that may constitute or contribute to undue hardship include: cost, substantial disruptions of operations, and health and safety considerations. If any of these factors creates a burden that cannot be borne by the organization without undue hardship, the Company will not be obligated to accommodate.

Once implemented, accommodations may be re-evaluated as necessary, from time to time, at either the initiative of the Company or that of the employee, to ensure that the accommodation is still required and/or

Workplace Violence Workplace Harassment, and Discrimination Policy

effective in meeting both the Company's and the individual's needs. Essentially, it will be determined whether modifications to the accommodation might be appropriate. In such circumstances, the Company and the employee will engage further in the collaborative process.

Should an accommodation request be denied or an alternative offered, the employee (or job applicant) will be informed of the reasons for the decision.

Workplace Violence Prevention Plan

The Company recognizes that the reporting and investigation procedure set out above may not be suitable in all cases of workplace violence. Therefore, the Company has developed the Workplace Violence Prevention Plan. The Plan, which is designed to identify and minimize the risk of violence, has three primary components: (1) Risk Management; and (2) Emergency Response & (3) Employee Support

1. Risk Management

The Company may conduct a violence risk assessment in the workplace. If conducted, the assessment will focus on identifying the areas and positions within the Company where there is a risk of violence and the degree of risk present. The Company will consider past incidents of workplace violence as well as workplace violence in similar organizations. Based on the results of the assessment, the Company will develop protective mechanisms specifically designed to safeguard employees who occupy the high-risk positions and workspaces.

The Company will make every effort to identify possible sources of workplace violence and will take steps to manage or eliminate the associated risk. However, the Company will only provide personal information to the extent that is reasonably necessary to protect employees from physical injury.

2. Emergency Response

In emergency situations in which a significant threat of violence or actual violence occurs, employees involved in or witnessing the incident should immediately **CALL "911"**.

You have the right to reasonably refuse work if you have a reason to believe you are in danger from workplace violence. In the event of a work refusal, you must immediately contact your supervisor or Human Resources so that an investigation can be conducted.

3. Employee Support

It is a key priority for the Company to provide easily accessible and affordable support as it relates to employees dealing with issues relating to workplace violence, workplace harassment or discrimination.

As a result, we have launched the Employee Assistance Program (EAP) to each of the Canada Nickel employees (at no charge). This service offers a wide range of support options for everyone and it is completely confidential.

4. Human Resources and management have further information on this program. (Note: the EAP should not replace the Complaint Procedure on page 3 of this policy).



Workplace Violence Workplace Harassment, and Discrimination Policy

Review of Policy

This Policy will be reviewed by the Company annually to ensure ongoing workplace safety.

Communication of Policy

To ensure that all Canada Nickel Representatives are aware of the Policy, a copy will be made available to all employees, and all Canada Nickel Representatives will be informed whenever significant changes are made. New Canada Nickel Representatives will be provided with a copy of this Policy upon joining or being retained by the Company and will be educated about its importance.

Review and Approval

OWNER	ADOPTED
Board of Directors	September 1, 2024
POLICY TYPE	LAST REVIEWED AND APPROVED
Entity Level	September 1, 2024
POLICY NO.	REVIEW SCHEDULE
EL-003	Annual



APPENDIX F – ISSUE RESOLUTION POLICY



Purpose

Our success is based on teamwork. It is important that we openly communicate with each other, both with positive dialogue and respectful, constructive feedback. By communicating openly with each other, we can ensure that we all maintain a healthy working environment, with professional communication channels.

We encourage you to take what may be a difficult step and discuss the issue openly. We call this leadership, whether it is formal or informal leadership, and it plays a vital role in creating a healthy company culture. We believe that we should address concerns with each other throughout the year, in addition to the annual performance review process.

This Issue Resolution Policy is intended to encourage and enable employees/representatives to expose misconduct, illegal or dishonest activity or suspected violations of organizational policies, laws or regulations that govern Canada Nickel's operations – **internally** - so that Canada Nickel can address and correct inappropriate conduct.

Guidelines

This policy is applicable to all directors, officers, employees, consultants, and contractors of the Company. We have an "open door" practice and the above-mentioned are encouraged to talk directly with each other and the management team to resolve problems. This is a fundamental principle at Canada Nickel.

Sensitive issues or frustrations arising in the workplace should be discussed respectfully with the person who can help to resolve the challenge (for example, your co-worker or Supervisor/Manager) so that resolution may be obtained at an early stage. If an issue cannot be resolved within a team or between the individuals, the issue can then be discussed directly with the management team.

Canada Nickel requires all representatives (board of directors, officers, employees, independent contractors, volunteers) of the organization to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

Employees/Representatives of Canada Nickel are expected to practice honesty and integrity in fulfilling their responsibilities and comply with all applicable organizational policies, laws, and regulations to uphold the reputation of the organization.

What is Unethical/Illegal Conduct or Suspected Violations?

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved Canada Nickel's policy;
- Knowingly breaching federal or provincial laws or regulations;
- Unprofessional conduct or conduct that is below recognized, established standards or practice;
- Questionable accounting or auditing practices;
- Dangerous practice likely to cause physical harm or damage to any person or property;

- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to Canada Nickel;
- Abuse of power or authority for any unauthorized or ulterior purpose; or
- Discrimination during employment or provision of services.

Reporting Procedure

1. Canada Nickel has an open-door policy and encourages employees to share their questions, concerns, suggestions, or complaints about any suspected unethical conduct with their direct manager either verbally or in writing.
2. If an employee is not comfortable speaking with their manager or is not satisfied with their manager's response, the employee is encouraged to speak with the Human Resource representative. If the employee is not comfortable with that reporting option, they can submit a complaint to the online website www.integritycounts.ca or call **1 866-921-6714**.

Canada Nickel is committed to investigating and remedying all concerns identified and reported in a timely manner, ensuring prevention in the future.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

How the Company will Respond

The CFO, Human Resource Manager, or the Chairman of the Governance Committee, are responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved.

1. Canada Nickel will determine the nature of the investigation required upon receipt of a concern. Concerns will be investigated either internally by the HR Manager, Chairman of the Governance Committee or the CFO. In some circumstances, an investigation could be outsourced to an external party.
2. Canada Nickel will inform the complainant involved of the outcomes of any investigation, subject to legal constraints.

3. Appropriate corrective action will be taken if warranted involving those that participated in the violation(s).
4. The President & CEO or the Chief Financial Officer, will advise the Board of Directors of all complaints and their resolution.

No Retaliation

The Issue Resolution Policy allows for any employee/representative to report suspected violations, without fear of victimization, subsequent discrimination, or disadvantage. An employee who retaliates against someone who has reported a violation in good faith is subject to disciplinary action up to and including termination of employment.

Review of the Policy

This Policy will be reviewed by the Company as often as is necessary to ensure ongoing workplace safety

Communication of the Policy

All Canada Nickel Company employees have signed off that they have read and understand the policy, a copy will be made available on the Company's shared drive and all Canada Nickel Representatives will be informed whenever significant changes are made. New Canada Nickel employees will be provided with a copy of this Policy upon joining or being retained by the Company and will be educated about its importance.

Review and Approval

OWNER	ADOPTED
Board of Directors	Adopted on September 1, 2024
POLICY TYPE	LAST REVIEWED AND APPROVED
Entity Level	September 1, 2024
POLICY NO.	REVIEW SCHEDULE
EL-002	Annual



CANADA NICKEL
COMPANY

2023 ESG REPORT



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Published: October 2024