



CANADA NICKEL
COMPANY

2025 ESG Report



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About Canada Nickel's 2025 ESG Report



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Canada Nickel Company's (CNC) 2025 ESG Report ("Report") is the fourth Report documenting our performance, progress, and objectives for material environmental, social, governance, health and safety, and economic topics for the period of January 1st to December 31st, 2025.

This Report details CNC's contributions to the United Nations Sustainable Development Goals (UN SDGs) and has been prepared in reference to the 2021 Global Reporting Initiative (GRI) Standards. The Report is also informed by the Sustainability Accounting Standards Board (SASB) Standards and aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (refer to Appendix C). As a proud signatory of the United Nations Global Compact (UNGC), this Report also serves as CNC's 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., Crawford, Macdiarmid, Midlothian, Reid). CNC has no active mining operations on which to report. Material topics included in this Report align to best practices and industry standards; and reflect Environment, Social, and Governance (ESG) topics that matter the most to our organization and our partners.

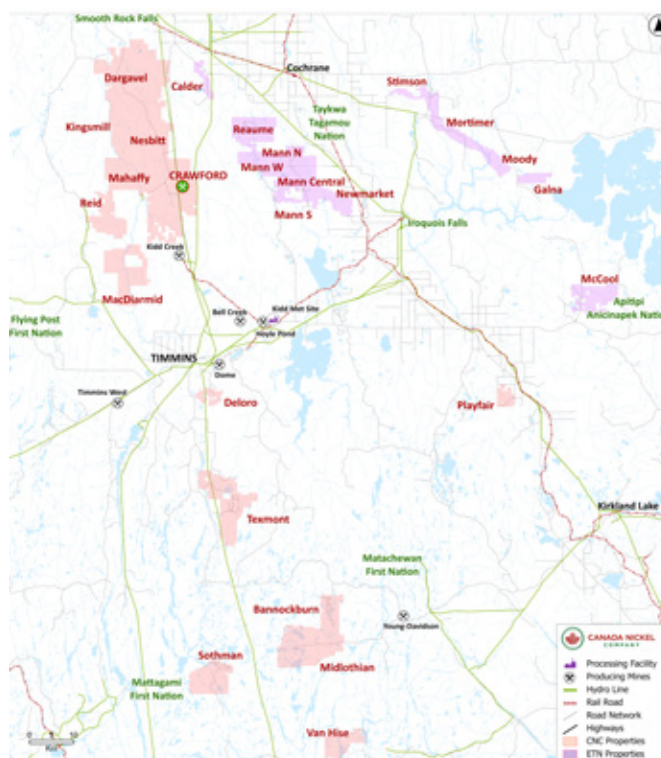
CNC is the only operator responsible for the management and operational performance

of all sites reported. Performance data and descriptions of activities are reflective of the 2025 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.

The content and performance data presented in this Report have not been subject to independent external assurance.

For additional information on our annual financial results, please consult our 2025 [Extractive Sector Transparency Measures Act \(ESTMA\)](#) and [Financial Statements](#).

CNC's Board of Directors, ESG Committee, CEO, and Senior Management have reviewed and approved this Report.



A Message from the CEO



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2025 was a defining year for Canada Nickel as we continued to advance the Crawford Nickel Project from development toward construction readiness, while reinforcing our commitment to responsible mining and long-term sustainability.

A key milestone was the growing recognition of Crawford as a nation-building critical minerals project. In 2025, the Project was referred to the federal Major Projects Office (MPO) and identified as a priority under Ontario's One Project, One Process (1P1P) framework in January of 2026. These designations reflect a coordinated approach across governments to support projects that are essential to strengthening secure, domestic supply chains, enhancing economic security, and enabling the clean energy transition. This level of alignment is increasingly important as Canada looks to translate policy ambition into major projects that can be built.

Throughout the year, we made meaningful progress toward a construction decision for Crawford¹. The completion of Front-End Engineering and Design (FEED) marked an

important step in advancing engineering readiness and strengthening confidence in the Project's execution plan. Our focus now is securing the full Project funding package, advancing permitting, and completing the detailed engineering required to deliver a project of this scale.

We also continued to build the foundation for a low to potentially net-zero carbon nickel value chain. Our work to integrate carbon mineralization technologies— including In-Process Tailings Carbonation (IPT) and our partnership with NetCarb— advanced this year, demonstrating how mining can contribute to large-scale carbon management alongside production. By leveraging the unique characteristics of ultramafic rock at Crawford, we are developing multiple pathways to permanently store carbon while producing the nickel required for national defence, advanced manufacturing, electric vehicles, and cleaner energy systems.

Equally important is our leadership in Indigenous partnerships. In 2025, we finalized a \$20 million equity investment from Taykwa Tagamou Nation, Canada's largest direct investment into a critical minerals project by a First Nation at the time of signing. This is a milestone that reflects the strength of our relationships and our shared commitment to long-term value creation. This partnership goes beyond consultation. It is grounded in participation, opportunity and mutual benefit, and continues to shape how we plan and advance the Project.

This approach is further reinforced through a high-value Contracting Agreement established with Wabun Tribal Council, representing Flying Post, Matachewan, and Mattagami First Nations. The Contracting Agreement creates a structured pathway for economic participation, including First Nation-led contracting opportunities for major Project

¹ Following the 2025 reporting period, the Crawford Nickel Project received a positive federal Decision Statement in July 2026 under the Impact Assessment Act. This milestone falls outside of the 2025 reporting window.

infrastructure and own-source revenue, and reflects a collaborative, transparent approach to partnership.

Taken together, these developments position Canada Nickel at an important inflection point. As global competition for critical minerals intensifies, and concerns for responsible development prevail, projects like Crawford will play an essential role in ensuring that Ontario, Canada, and its allies have access

to the materials required to support their commitments in a more sustainable way. Our focus remains on advancing the Crawford Nickel Project responsibly and delivering on these opportunities and more.



Mark Selby, CEO and Director



2025 Company Highlights

Project Advancement

→ Completed Front-End Engineering and Design for the Crawford Nickel Project, **advancing engineering readiness** and supporting progress toward a construction decision.

→ **Advanced Project readiness** activities through continued permitting, technical studies, and planning for detailed engineering and project financing.

→ **Progressed the Crawford Nickel** Project through the federal review process, including continued responses to technical comments and information requests supporting advancement into the Impact Assessment phase.

Government Recognition and Strategic Importance



Crawford was **recognized as a nation-building critical minerals project**, including referral to the federal Major Projects Office.



The Project was also **prioritized under Ontario's One Project, One Process** framework, supporting coordinated provincial permitting and streamlined project advancement.



Continued to **strengthen CNC's role** in secure domestic supply chains supporting defence, advanced manufacturing, electric vehicles, and cleaner energy systems.

Indigenous Partnerships and Shared Value

- Finalized Taykwa Tagamou Nation's **\$20 million investment**, Canada's largest direct investment into a critical minerals project by a First Nation at the time of signing, reinforcing a leading model for Indigenous partnership and shared value creation in Canadian mining.
- Signed a **large scale Contracting Agreement** with Wabun Tribal Council in January 2025, establishing a framework for First Nation-led contracting, economic participation, own-source revenue, and continued collaboration.
- Continued to **advance engagement and collaboration** with Indigenous Nations throughout project planning and assessment activities.

Low to Potentially Net-Zero Carbon Innovation



Advanced a low to potentially net-zero carbon nickel value chain

through progress on IPT Carbonation, partnership with NetCarb, and NetZero Metals initiatives.



Completed the in-situ carbon injection pilot project

at Crawford supported by the U.S. Department of Energy (DOE), demonstrating additional pathways using this approach for permanent CO₂ storage in ultramafic rock.

Growth and Long-Term Opportunity



Advanced district-scale growth across the Timmins Nickel District through exploration success, strong drilling results, updated resource estimates, and continued technical advancement at Mann West, Midlothian, and Reid, supporting CNC's long-term pipeline of development opportunities beyond Crawford.



Achieved the Company's targeted **eight-resource milestone**, strengthening CNC's pipeline of future development opportunities and long-term value creation.

2025 ESG Highlights



Governance and Ethical Conduct

- Strengthened Board of Directors diversity with increased female representation through the appointment of Jackie Przybylowski and the addition of Chief Bruce Archibald, Taykwa Tagamou Nation, as the Company's first Indigenous Board of Directors' member.
- Completed an impact materiality assessment to guide ESG priorities, reporting, and strategic decision-making.
- Enhanced governance systems through the creation of a management-level Policy Committee, implementation of a Policy Register, and continued development of internal controls and cybersecurity programs.
- Maintained strong Board of Directors engagement in 2025, with a 100% attendance rate across seven meetings.



Environmental Stewardship

- Recorded zero environmental non-compliances, fines, exceedances, or reportable spills in 2025.
- Continued multi-year baseline monitoring programs across hydrology, aquatic resources, surface water, groundwater, and environmental geochemistry.
- Greenhouse gas (GHG) emissions intensity decreased from 43 kg CO₂e in 2024 to 36 kg CO₂e per metre drilled in 2025, a 16.3% reduction.
- During 2025, CNC continued responding to information requests and technical review comments on the Crawford Impact Statement. This work supported the Project's advancement into the federal Impact Assessment phase in 2026, marking an important milestone toward permitting and development readiness.



Local Communities

- Combined the Environmental and Socioeconomic Community Committees into the new IMPACT Committee, (Integrated Monitoring, Partnerships and Community Advisory Table “IMPACT”), to strengthen collaborative community governance.
- Hosted four community open houses in 2025 with more than 1,000 attendees to share project updates, gather feedback, and support transparent dialogue with local communities and stakeholders.



Talent and Culture

- Women represented 41% of the workforce, 36% of senior management, and 43% of the Board of Directors.
- Maintained workforce stability with approximately 9% turnover and no new hiring required during the year.



Health, Safety and Wellbeing

- Achieved zero fatalities, zero lost-time injuries, zero recordable injuries, and zero work-related ill health cases for both employees and contractors.
- Maintained a structured safety management approach focused on hazard prevention, risk assessment, incident investigation, and continuous improvement.
- Delivered targeted learning initiatives in 2025, including organization-wide Mental Health Awareness training and Joint Health and Safety Committee (JHSC) certification training.

About CNC



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CNC is advancing the Crawford Nickel Sulphide Project (“Crawford,” “the Project,” “the Crawford Nickel Project”) located in the Timmins Nickel District in northeastern Ontario— one of the largest nickel reserves in the world with the potential to support long-term supply for North American and allied markets.

Crawford is expected to be a cornerstone asset within Northeastern Ontario. Over the past several years, CNC has significantly expanded its land position and resource base across the Timmins Nickel District, demonstrating the potential for multiple large-scale deposits. Collectively, these assets position the Company to become a long-term, reliable supplier of responsibly produced nickel at a time when access to critical minerals is increasingly recognized as a matter of economic and national security, alongside the clean energy transition.

In alignment with our social purpose, Crawford has been designed with a strong focus on environmental performance, Indigenous partnerships, and integration into regional economic development. The Project benefits from its location in an established mining region with existing infrastructure, a skilled workforce, and proximity to downstream processing and manufacturing hubs— advantages that support both Project execution and long-term sustainability.

Company and Portfolio Overview

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 low to potentially net-zero carbon nickel-cobalt

projects, preparing to supply the metals essential not only for electric vehicles (EVs) and stainless steel, but also for national defence, secure energy systems, and advanced technologies that underpin modern infrastructure and technology.

CNC operates through several subsidiaries that support its strategic goals, including:

- NetZero Metals Inc. – a wholly owned subsidiary focused on developing low to potentially net-zero carbon production methods for nickel, cobalt, and iron.
- East Timmins Nickel Ltd. – established to consolidate certain CNC and Noble Mineral Exploration Inc.’s (“Noble”) exploration assets in the Timmins region through a joint venture arrangement; CNC holds an 80% interest.

CNC’s common shares are widely held, trading on both the TSX Venture Exchange (TSXV) under the symbol “CNC” and the OTCQX Best Market under the symbol “CNIKF”.

Along with our flagship Crawford Nickel Project, CNC has acquired 29 exploration projects in the region, 27 of which are deemed active. In 2025, exploration activities took place on the following:

Crawford-Flagship Project (100%)² Completed an in-situ carbon sequestration pilot study in collaboration with The University of Texas. The pilot successfully sequestered 12 tonnes of CO₂, providing evidence supporting the potential for a permanent storage pathway distinct from the Company's In-Process Tailings (IPT) carbonation approach. Ongoing monitoring using an array of sensors continues to track fluid flow and geochemical reactions.	Midlothian (100%) Nickel Exploration Property. Infill drilling was completed to support development of the geological model, with an Initial Mineral Resource published in December 2025. Midlothian is the highest-grade nickel deposit in CNC's portfolio and has a volume comparable to the combined Crawford Main and East zones.	MacDiarmid (100%) Nickel Exploration Property. Exploratory drilling confirmed both the strike extent of the ultramafic body and the quality of mineralization. Additional drilling is required to support an initial mineral resource estimate.	Reid (100%) Nickel Exploration Property. Infill drilling refined the geological model and supported the publication of an updated Mineral Resource in January 2026. The resource confirms Reid as one of the world's largest nickel sulphide deposits, further highlighting the world-class potential of the Timmins Nickel District.
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How Our Purpose Shapes Our Values and Sustainability Approach

Our Purpose

At CNC, we are committed to advancing critical mineral development in a manner

that integrates sustainability, innovation, and responsible resource management. The Crawford Nickel Project, located in the Timmins Nickel District of northeastern Ontario, is being developed to support the growing demand for low to potentially net-zero-carbon materials while working to reduce and mitigate environmental impacts.

Through our proprietary IPT Carbonation process, we are progressing toward the capability to sequester an annual average

² Percentages indicate CNC's ownership interest in each property.

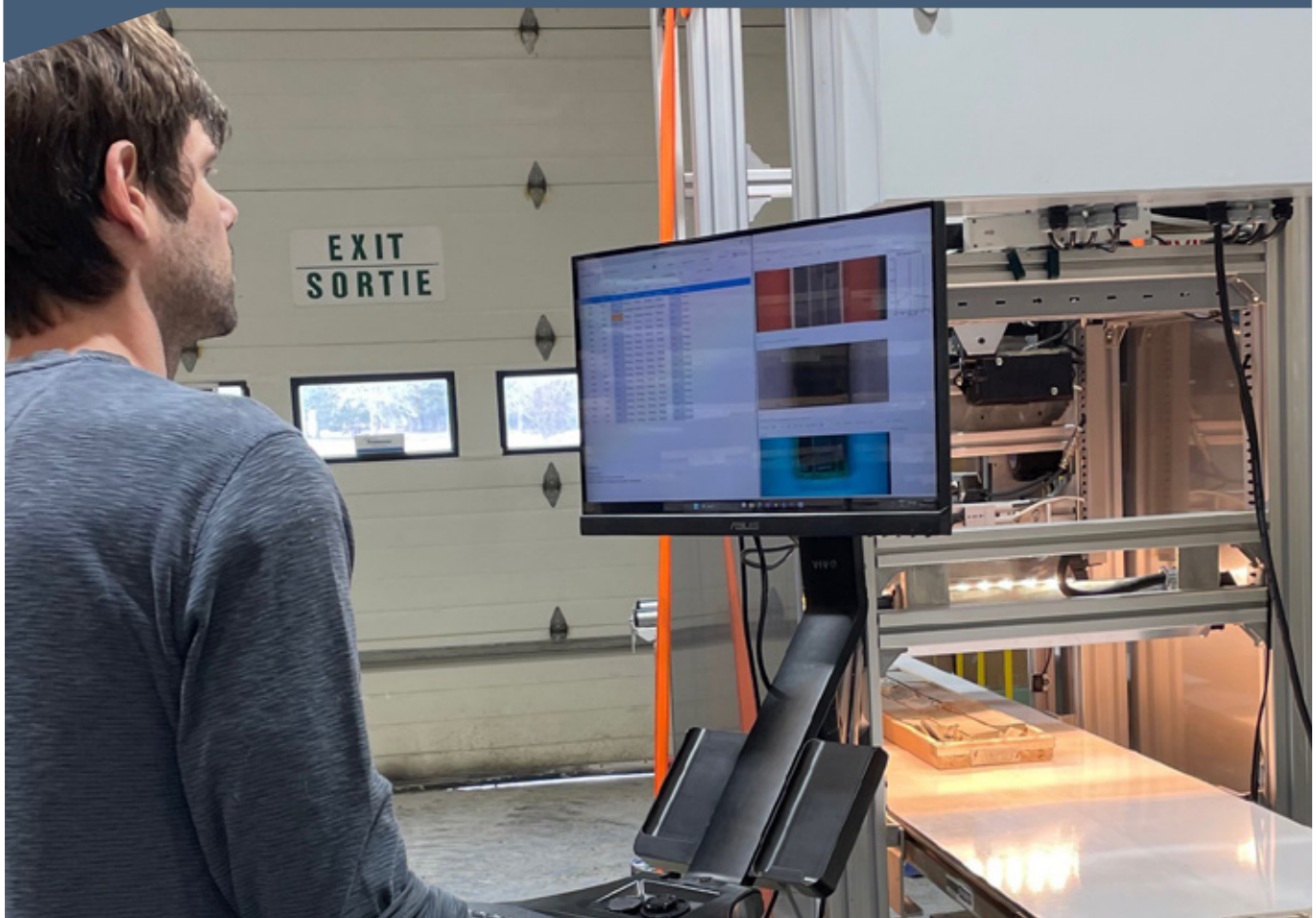
of over 1.3 million tonnes of CO₂, with up to 1.5 million tonnes annually during peak production years. This process represents a significant opportunity to reduce the Project's carbon footprint and contribute to the broader transition to a low to potentially net-zero carbon economy.

In 2025, CNC continued to advance innovation across its portfolio, including progress on carbon management technologies and resource development. These efforts reinforce the Company's commitment to aligning economic development with environmental stewardship and demonstrate the potential

for mining activities to contribute to climate mitigation objectives.

With insights from Indigenous partners, industry experts, employees, ESG leaders, executives, stakeholders, and driven by our Board of Directors, we have carefully evaluated our roles, responsibilities, and opportunities to create lasting value. This process led to the development of our Social Purpose—a statement that guides decision-making across the organization and reflects our commitment to responsible development, meaningful partnerships, and sustainable outcomes.

Our Social Purpose is: “We Originate Materials to Responsibly Power the Energy Transition.”



Through our actions, we are building a legacy of sustainable development and setting new industry benchmarks. As we move forward, our social purpose will continue to guide us: We originate materials to responsibly power the energy transition.



ORIGINATE

We are committed to the responsible production of metals that can be recycled for generations, while also supporting the immediate supply needed to meet rising global demand.



MATERIALS

Our deposits hold the potential to produce not just nickel but also chromium, cobalt, iron, and platinum group metals, which are key sources for a rapidly evolving technical market.



RESPONSIBLY

We leverage modern technologies such as CNC's unique IPT Carbonation process, low to potentially net-zero carbon grid power, and industry-leading environmental expertise to target net-zero carbon emissions while creating positive impacts for communities and society.



POWER

With demand reaching unprecedented levels, we contribute to the supply of critical minerals in Canada while staying innovative, resourceful, and open to new technologies.



ENERGY
TRANSITION

We strive to be a key player facilitating the shift toward low to potentially net-zero carbon technologies, ensuring that resource development supports a more sustainable future.

Our Values

CNC's Values establish the foundation for how the Company approaches responsible project development, engagement, governance, and long-term value creation. Together, they provide a consistent framework that supports organizational alignment, accountability, and decision-making across all levels of the Company.

In 2025, CNC advanced work to operationalize its guiding values across the organization through a structured integration initiative designed to embed these principles into day-to-day operations, systems, governance, and decision-making processes.



Sustainability and Leadership

We are committed to developing and operating our projects with high environmental standards and in accordance with applicable regulatory requirements and recognized industry practices, advancing low to potentially net-zero carbon solutions and responsible resource development. Through innovation and continuous improvement, we seek to reduce environmental impacts and advance opportunities to improve the carbon performance of mining activities.



Indigenous Reconciliation and Partnership

We are committed to meaningful reconciliation through respectful, long-term relationships with Indigenous Nations. We prioritize co-development, shared decision-making, and economic participation, ensuring our projects reflect Nation priorities and deliver lasting benefits.



Governance, Integrity, and Transparency

We uphold the highest standards of ethics, accountability, and corporate governance. Through transparent engagement with governments, partners, and the public, we ensure our decisions are principled, compliant, and trusted.



Community and Employee Growth

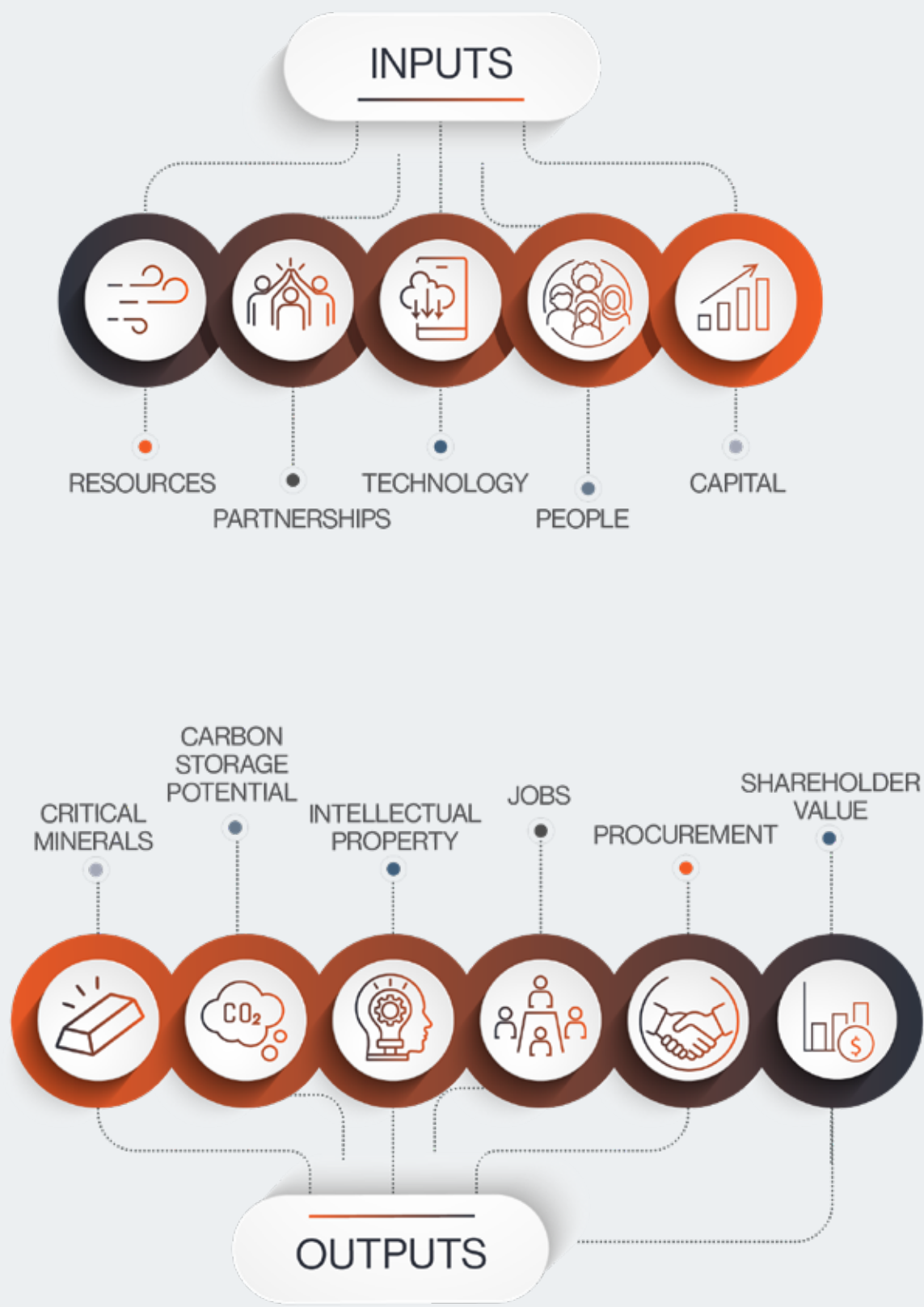
We support strong, resilient communities and a thriving workforce. We invest in local economic development while fostering a culture of safety, inclusion, and professional growth for our employees.



Long-Term Value and Responsible Legacy

We design our projects with a multi-generational perspective, delivering lasting environmental, socioeconomic, and cultural outcomes. Our focus is on responsibly produced, low to potentially net-zero carbon materials that create enduring value for communities, partners, and future generations.

How CNC Creates Value



Our Approach to Sustainability

CNC's approach recognizes that mining, by its nature, involves the extraction of finite resources and therefore requires responsible stewardship. As such, the Company's focus is advancing responsible development and integrating environmental and social considerations into project design and development from the outset. Rather than treating sustainability as a standalone function, it is embedded within core technical, operational, and strategic decisions. This includes early incorporation of low to potentially net-zero carbon technologies, minimizing physical disturbance through responsible exploration practices, and designing the Project with closure and long-term land use in mind.

A key component of this approach is ongoing collaboration with Indigenous Nations and stakeholders. CNC prioritizes early, transparent, and continuous engagement to ensure that project planning reflects local knowledge, land use, and community priorities. This collaborative model supports more informed decision-making, helps identify and mitigate potential impacts, and enables shared participation in monitoring and long-term stewardship.

CNC's approach is also grounded in continuous improvement and innovation, with a focus on reducing impacts and contributing to broader climate and resource efficiency objectives. Through initiatives such as IPT Carbonation and progressive reclamation planning, the Company is working to reduce environmental impacts while contributing to broader climate solutions. As the Project advances, CNC will continue to refine its approach by incorporating lessons learned, adaptive management, and partner feedback to enhance performance over the life of mine.

NetZero Metals and the Emerging Low to Potentially Net-Zero Carbon Industrial Cluster

A central component of CNC's long-term strategy is the development of a low to potentially net-zero-carbon industrial cluster in northeastern Ontario, anchored by the Crawford Nickel Project and advanced through the Company's NetZero Metals initiative. This vision reflects CNC's broader objective of integrating critical mineral development with innovation, decarbonization, and long-term regional economic growth.

NetZero Metals: Lower-Carbon Processing Innovation

NetZero Metals is focused on advancing an innovative nickel processing approach that uses biochar as a reductant in place of some traditional fossil-based inputs. This innovation is being evaluated for its potential to reduce the carbon intensity of nickel production and respond to growing demand for responsibly produced, low to potentially net-zero carbon materials from automotive, industrial, and clean technology markets.

Carbon Management and Circular Opportunities

Beyond processing, CNC is developing complementary carbon management pathways that leverage the unique geological characteristics of the Timmins Nickel District and could support the growth of a low to potentially net-zero-carbon industrial cluster. These pathways include proprietary technologies such as IPT Carbonation and our partnership with NetCarb, which are designed to capture and permanently store carbon within mine materials through mineralization processes associated with ultramafic rock. Together, these technologies



have the potential to support large-scale carbon sequestration while enabling responsible resource development.

Building a Regional Low to Potentially Net-Zero Carbon Industrial Ecosystem

The low to potentially net-zero-carbon industrial cluster concept also includes identifying and engaging potential industrial ecosystem partners to evaluate adjacent opportunities such as:

- Hydrogen production
- Magnesium products
- Ammonia and fertilizer inputs
- Biofuels and circular energy systems

By encouraging co-location of these activities, CNC aims to improve resource efficiency, reduce emissions, and generate

long-term economic value for local communities and partners.

Long-Term Vision

Collectively, these initiatives reflect CNC's goal to help position Canada as a leader in integrated, low to potentially net-zero carbon critical mineral supply chains — from resource extraction to downstream processing — while advancing environmental performance, innovation, and responsible development.

Defining Our ESG Priorities – Impact Materiality



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Materiality Results and Key Insights

Across combined responses, the highest-ranked topics from CNC's 2025 Impact Materiality Assessment were Economic Impacts, Occupational Health and Safety, Water and Effluents, Rights of Indigenous Peoples, and Local Communities³. These results indicate strong Rightsholder and stakeholder expectations that CNC create long-term economic value while advancing projects responsibly and maintaining trust with communities and Rightsholders.

Results also highlighted differences in emphasis between respondent groups. Internal respondents placed relatively greater importance on Economic Impacts, Occupational Health and Safety, and Local Communities, while external respondents placed comparatively greater emphasis on Water and Effluents, Rights of Indigenous Peoples, Biodiversity, and Closure and Rehabilitation. Responses from Indigenous participants further reinforced the importance of rights, water stewardship, and long-term environmental accountability.

These findings directly inform CNC's ESG strategy and priority actions, including areas of focus for engagement, mitigation, monitoring, governance, and long-term value creation. The results also helped shape the structure of this report, with disclosures organized around CNC's most material topics.



Material Topics Defined by Both Internal and External Feedback

1. Economic Impacts
2. Occupational Health and Safety
3. Water and Effluents
4. Rights of Indigenous Peoples
5. Local Communities
6. Biodiversity
7. Business Ethics and Transparency
8. Risk Management
9. Employment Practices
10. Closure and Rehabilitation
11. Climate Change
12. Public Policy
13. Cybersecurity and Data Protection

³ Corresponding ESG material topic definitions can be found in Appendix D.

Key Themes from Respondent Feedback



The Greatest Opportunities for Positive Impact

When asked where CNC can create the greatest positive impact for people, communities, and the environment, respondents identified six interconnected priorities:

Indigenous Nations Partnerships and Shared Benefits

Build respectful, long-term relationships with Indigenous Nations through early engagement, shared decision-making, employment, procurement, and capacity-building opportunities.

Climate Leadership and Innovation

Advance low to potentially net-zero carbon solutions, including carbon sequestration and innovative mining practices, that contribute to climate goals while differentiating CNC within the mining sector. Continue to invest in technologies that support low to potentially net-zero carbon nickel production and validate the Company's carbon sequestration potential. Integrate climate considerations into project planning and decision-making, while maintaining transparent measurement and reporting to demonstrate progress and build stakeholder confidence.

Responsible Environmental Stewardship

Protect land, water, and ecosystems through careful planning, strong environmental management, progressive reclamation, and responsible project execution.

Regional Economic Development

Create lasting economic value through jobs, local business opportunities, infrastructure investment, and broader prosperity in the Timmins region and Northeastern Ontario.

Community Wellbeing

Support healthier, stronger communities by contributing to local priorities such as training, education, housing, health services, youth initiatives, and food security through partnerships and targeted investments.

Trust, Transparency and Accountability

Maintain open communication, visible local presence, and consistent follow-through on commitments to build long-term trust with communities and stakeholders.

Respondents indicated that CNC's greatest positive impact will come not only from what the Company develops, but from how the Company develops: by creating shared value through responsible practices, collaboration, and long-term thinking and facilitating transition to low to potentially net-zero carbon economy.



Where CNC is Performing Well

When asked which ESG topics CNC is currently managing well, respondents identified areas of strength.

Indigenous Nations Engagement and Relationship Building

Respondents frequently identified

CNC's work with Indigenous Nations as a key strength, citing ongoing dialogue, partnership development, equity participation initiatives, and efforts to build respectful long-term relationships.

Community Relations and Local Presence

Many respondents noted strong communication with local communities through open houses, meetings, newsletters, sponsorships, and responsiveness to community questions and concerns.

Climate Strategy and Carbonation Innovation

CNC's carbon sequestration potential, mineral carbonation opportunities, and broader alignment with low to potentially net-zero carbon mining were repeatedly identified as areas where the company is performing well and differentiating itself.

Transparency and Disclosure

Respondents recognized the Company's willingness to share information, provide updates, engage publicly, and communicate project developments in an open and accessible way.

Environmental Management and Baseline Work

Several comments referenced positive performance in environmental planning, monitoring, and early-stage stewardship, including attention to water, land, and responsible development practices.

Regional Economic Contributions

Respondents highlighted CNC's positive local economic impact through employment, procurement opportunities, and support for regional growth.



Opportunities for Continued Improvement

Respondents also identified several areas where CNC could continue to strengthen its ESG performance as the Company grows:

Expand and Deepen Indigenous Nations Partnerships

While progress was acknowledged, respondents indicated there is continued opportunity to broaden participation, deepen collaboration, and ensure benefits are shared across potentially impacted Indigenous Nations as projects advance.

Increase Community Communication and Awareness

Feedback suggested CNC could further strengthen public understanding through more frequent updates, broader outreach, and clearer communication about Project timelines, benefits, and impacts.

Advance Technical Validation of Climate Opportunities

Respondents noted that continued engineering, technical studies, and evidence-based validation of carbon sequestration opportunities will be important to maintain credibility and support long-term execution.

Maintain Focus as the Company Grows

Several responses implied that current practices are strong at the exploration stage, but systems, governance, and resources will need to continue evolving as CNC moves toward development, construction, and operations.

Continue Strengthening Environmental Performance

Respondents encouraged ongoing leadership in areas such as water management, land stewardship, reclamation planning, and environmental protection as project activities expand.

Broaden Socioeconomic Benefits

Respondents encouraged that CNC further maximize local hiring, procurement, training, and community investments so that economic benefits are felt more broadly across the region.

Feedback suggests that respondents view CNC as performing strongly in relationship-building, transparency, community engagement, and climate innovation. At the same time, many emphasized the importance of scaling these efforts as the Company grows, particularly through deeper partnerships, continued technical rigor, and proactive communication.



Priority Areas for Future ESG Leadership

When asked which ESG topics CNC should aspire to demonstrate leadership in as the Company continues to grow, respondents most frequently identified the following priorities:

Indigenous Nations Partnerships, Reconciliation and Shared Prosperity

The most common theme was leadership in building respectful, long-term partnerships with Indigenous Nations through early engagement, shared decision-making, equity participation, procurement, employment, capacity

building, and lasting economic benefits.

Climate Action, Carbon Sequestration and Low to Potentially Net-Zero Carbon Mining

Many respondents identified climate leadership as a major opportunity for CNC, particularly through carbon sequestration, mineral carbonation, emissions reduction, and advancing low to potentially net-zero carbon approaches to mine development and low to potentially net-zero carbon products.

Responsible Environmental Stewardship

Respondents frequently emphasized leadership in protecting land, water, biodiversity, and ecosystems through strong environmental management, progressive reclamation, and responsible project execution.

Transparent Community Engagement and Trust Building

Leadership in open communication, accountability, responsiveness, and meaningful engagement with communities and stakeholders was identified as a key priority as projects advance.

Regional Economic Development and Local Benefits

Many respondents highlighted the importance of leading in job creation, local procurement, skills development, infrastructure investment, and ensuring economic benefits are shared locally and regionally.

Innovation and Sustainable Mine Development

Several comments pointed to leadership through innovation, including applying new technologies, improving efficiency, reducing environmental footprint, and demonstrating what modern sustainable mining can look like in Canada.

Health, Safety and Worker Wellbeing

Some respondents identified leadership in workplace safety, worker wellbeing, and creating a strong culture of care as an important area as the workforce expands.

Governance, Ethics and Accountability

Respondents also noted the importance of maintaining high standards of governance, ethical conduct, transparent decision-making, and strong oversight as the Company grows.

Feedback suggests respondents see CNC's greatest leadership opportunity in demonstrating that mine development can be done differently by combining strong Indigenous Nations partnerships, environmental responsibility, climate innovation, and meaningful local benefits with transparent and accountable business practices.

Why Materiality Matters

Materiality is central to how CNC identifies and prioritizes the ESG topics that matter most to our operations, our partners, and the regions in which we operate. Material topics are those where CNC's activities may result in significant positive or negative impacts on people and the environment, or where CNC could meaningfully influence outcomes through project design, development, and engagement.

The materiality assessment process helps integrate ESG considerations into corporate strategy, governance, and project development, and reporting by aligning the Company's priorities with the interests and expectations of Indigenous Nations, local communities, employees, contractors, and investors. By focusing on these material topics and maintaining

transparent communication and mechanisms for feedback, CNC is better positioned to enhance positive outcomes, mitigate adverse impacts, and support responsible project development throughout the life of Crawford.

2025 Impact Materiality Assessment Methodology

CNC's 2025 impact materiality assessment began with ESG topics identified from recognized frameworks and standards, including the Global Reporting Initiative (GRI) Mining Sector Standard, Sustainability Accounting Standards Board (SASB), Towards Sustainable Mining (TSM), and the Task Force on Climate-related Financial Disclosures (TCFD). These topics were then refined through engagement and consideration of the Company's business, strategy, and operating context to determine the issues most material to CNC.

The assessment generated 936 quantitative data points across 13 ESG topics, supported by qualitative feedback that provided additional context on priorities for Rightsholders and stakeholders. The resulting material ESG topics reflect the significance of the Company's impacts and the perspectives of those affected by its activities, informing CNC's corporate strategy, project planning, mitigation, monitoring, and ESG reporting. The assessment will continue to be reviewed and updated as the Project advances.

Economic Impacts and Performance



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- Critical Minerals Leadership..... 29
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Front End Engineering and Design (FEED) Study Results

In 2025, CNC completed FEED for the Crawford Nickel Project, further strengthening the technical and economic foundation of the Project as it advances toward a construction decision.

The FEED study confirmed robust Project economics, with an estimated after-tax net present value (NPV) of \$2.8 billion and an internal rate of return (IRR) of 17.6%. These results reflect the scale of the resource, the advantages of the Project's location, and the continued demand for secure sources of nickel.

Importantly, capital cost increases were contained to approximately 5% despite a period of sustained global inflation across labour, materials, and equipment. This outcome reflects the disciplined approach taken to engineering, procurement planning, and cost management, as well as the benefits of advancing detailed engineering work prior to construction.

Together, these results reinforce the economic viability of the Crawford Nickel Project and support ongoing discussions with governments, investors, and strategic partners as the Company advances toward a construction decision.

Critical Minerals Leadership

The Crawford Nickel Project continues to be recognized as a strategically important critical minerals development within both

Ontario and Canada's broader economic and industrial policy landscapes.

In 2025, Ontario identified Crawford as a Nation-Building Project and designated it under the One Process, One Project (1P1P) framework, reflecting its potential to contribute to domestic supply chain resilience, economic growth, and long-term industrial capacity. This recognition underscores the growing importance of securing reliable, responsibly produced sources of critical minerals within Canada and across allied markets.

At the federal level, the Crawford Nickel Project was referred to the Major Projects Office (MPO), a designation intended to support coordinated federal and provincial engagement on Projects of National Significance. This approach provides a more streamlined and integrated framework for permitting and regulatory review, helping to improve clarity, coordination, and efficiency as the Project advances.

“Going full-tilt to unlock one of the world’s largest nickel deposits to supercharge our economy and end China’s critical mineral dominance.”

**— Hon. Stephen Lecce
Ontario Minister of Energy and Mines**



In 2025, CNC received approximately CAD \$2,550,000⁴ in non-repayable funding from the federal and provincial governments, reflecting continued support for the advancement of strategically important critical minerals projects. This funding contributes to technical studies, innovation, and early-stage project development activities, and aligns with broader government priorities to strengthen domestic supply chains, support the clean energy transition, and advance low to potentially net-zero carbon resource development in Canada.

“Crawford will set the global standard for the future of responsible mining.”

**— Rt. Hon. Mark Carney,
Prime Minister of Canada**



Photographer: Ethan Cairns

Together, these provincial and federal actions reflect a broader alignment around the strategic importance of Crawford, particularly in the context of increasing global competition for critical minerals and the need to develop secure, domestic supply chains.

⁴ Rounded to the nearest ten thousand

Regional Economic Development

CNC is expected to deliver significant and sustained economic benefits at the regional, provincial, and national levels as the Crawford Nickel Project advances.

An independent economic impact study released in 2025 estimates that the Crawford Nickel Project could contribute approximately \$71 billion in total GDP to the Canadian economy, with \$67 billion in Ontario alone, over its life of mine, including direct, indirect, and induced impacts. This reflects the scale of both the initial construction phase and long-term operations, as well as the broader economic activity generated through the supply chain.

The study also indicates that the Project could support approximately 1,000 direct jobs during operations, with total employment impacts, including indirect and induced jobs, estimated at more than 3,000. During the construction phase, employment impacts are expected to be higher, supporting several thousand jobs during peak activity.

In addition to employment and GDP contributions, the Project is expected to generate approximately \$16 billion in total tax revenues over its life, including federal, provincial, and municipal revenues. These contributions are expected to support public services and infrastructure, particularly in northern Ontario.

Crawford's location in an established mining region further enhances its economic impact. Access to existing infrastructure, a skilled workforce, and a well-developed supply chain supports strong regional participation and efficient project development. CNC's focus on local procurement and

Indigenous partnerships is expected to further strengthen these outcomes by increasing opportunities for businesses and communities in the region.

The Project also has the potential to act as a catalyst for broader economic development. As an anchor asset within a prospective low to net-zero carbon industrial cluster, Crawford could enable additional downstream processing and related industrial activity, supporting a more diversified and resilient regional economy.

These findings reinforce the role of the Crawford Nickel Project not only as a source of critical minerals, but as a long-term driver of economic growth, employment, and industrial development in northeastern Ontario and across Canada .



Governance and Ethical Conduct



In this section:

- A Message from the Chair of the Board of Directors, David Smith 33
- Governance Framework and Composition 34
- ESG Oversight and Accountability 42
- Ethics and Integrity in the Workplace 41
- Risk Management and Internal Controls 41
- Continuous Improvement in Governance Practices 43



A Message from the Chair of the Board of Directors, David Smith

As CNC advances toward a construction decision for the Crawford Nickel Project, the Board's role is evolving to meet a new level of responsibility. We are moving from a development-stage company into one preparing to build and operate a large-scale, long-life asset. That transition requires discipline and the right governance structures to support it.

From the outset, we have been intentional in how we've built the Board and its committees—ensuring that the right mix of skills and experience are aligned to the Company's priorities. At this stage, that means maintaining focus on advancing Crawford responsibly, securing the capital required to build it, strengthening our talent pipeline and succession planning, and ensuring we are well-prepared to execute upon a construction decision.

Risk management is central to our work. As we move closer to construction, the complexity of the Project increases, and so does the

importance of strong oversight. We have structured our committees to provide detailed, expert-level review of key risks— from permitting and capital allocation to execution planning— while maintaining alignment at the full Board level.

At the same time, we are operating in a moment of significant change for the mining sector in Canada. There is growing recognition of the strategic importance of critical minerals— not only for economic growth, but for security and defence, industrial capacity, and supply chain resilience. We are encouraged by the level of engagement and support from governments, particularly as it relates to permitting coordination and broader policy alignment. The next step will be translating that alignment into tangible investment and timely approvals that enable projects like Crawford to move forward.

Our approach to Indigenous partnerships is another defining element of how we govern the Company. The equity investment from Taykwa Tagamou Nation is a strong example of what meaningful partnerships can look like. It reflects a model where all Rightsholders and stakeholders participate in the long-term success of the Project, and where economic benefits are shared. From a governance perspective, that approach is foundational to building and maintaining a durable social licence.

Ultimately, our responsibility as a Board is straightforward: to ensure the Company is positioned to deliver Crawford the right way— responsibly, efficiently, and with long-term sustainability in mind. We are proud of the progress made to date, and we remain focused on the work required to move the Project forward.

A handwritten signature in dark ink, appearing to read 'DSmith'.

David Smith,
Chair of the Board

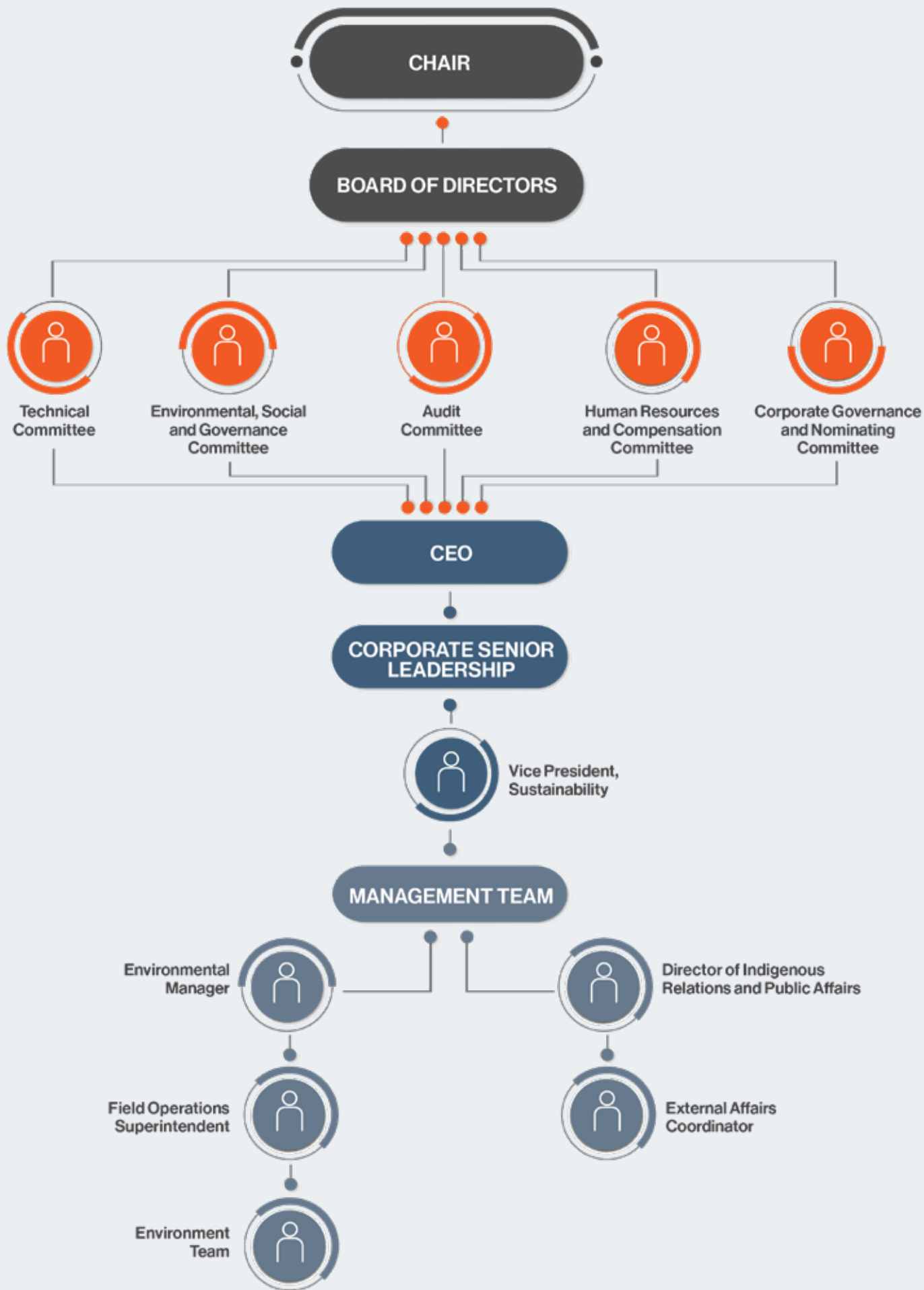


Governance Framework and Composition

CNC's governance framework is designed to support the Company as it transitions from development toward construction and, ultimately, operations. Over the past year, the Board has continued to evolve to ensure it reflects the skills, experience, and perspectives required at this stage of the Company's growth.

This includes strengthening technical expertise, deepening Indigenous representation, and aligning Board composition with the Company's long-term partnership and development objectives.

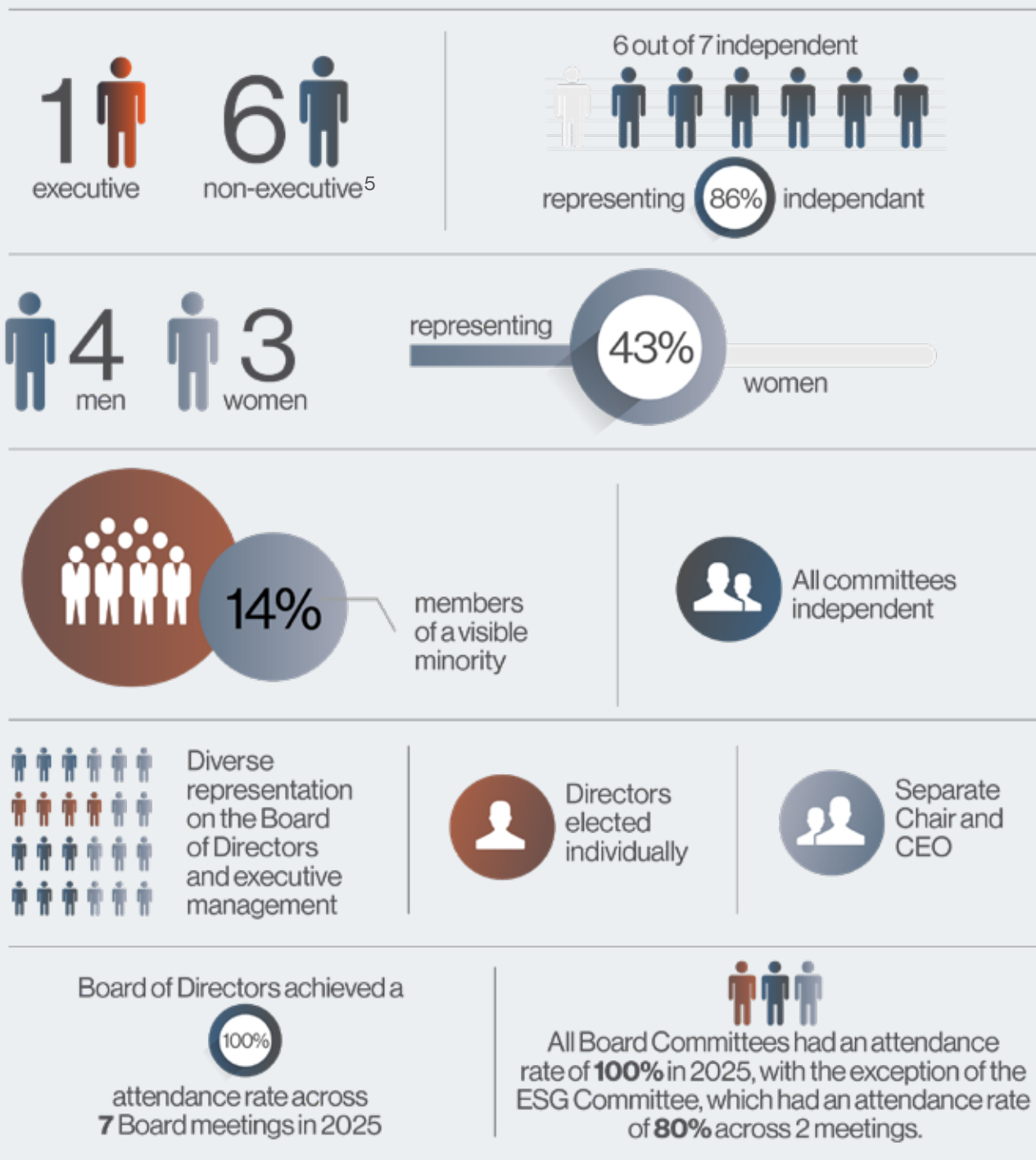




Board Composition

CNC's Board of Directors oversees the Company's strategic direction, governance, and long-term success, while acting in the best interests of the Company and its shareholders. Reflecting CNC's commitment to responsible growth and the global

clean energy transition, the Board brings diverse expertise across ESG, finance and capital markets, mining, and processing, supported by a strong commitment to integrity, ethics, and effective leadership. Additional information on Directors and their competencies can be found on CNC's website under [Team](#).



⁵ Chief Bruce Archibald (Taykwa Tagamou Nation) was appointed to the Board of Directors on January 20, 2026, following the reporting period.

COMMITTEE NAME	NO. MEETINGS IN 2025
Board of Directors	7
Audit	4
Corporate Governance and Nominating	1
ESG	2
Human Resources and Compensation	3
Technical	2
Technical	2

Meet CNC's New Board Member, Jackie Przybylowski

In 2025, the Board welcomed its newest board member, Jackie Przybylowski.

Jackie's background as a metallurgical engineer provides a strong understanding of the operational and technical realities of mining projects, including the risks associated with construction and long-term performance. Her experience in capital markets adds a complementary perspective, particularly in evaluating project economics, assessing risk, and understanding how projects are viewed by investors as they transition toward development.



This combination is especially valuable at this stage of the Crawford Nickel Project. As the Company moves closer to a construction decision, the ability to balance technical execution with financial discipline becomes increasingly important. Jackie's perspective supports the Board's focus on ensuring that project plans are realistic, risks are properly understood and capital is allocated effectively.

She also brings insight into the strategic importance of nickel as a critical mineral and the role that responsibly developed projects can play in supporting secure, allied supply chains. Her addition strengthens the Board's ability to guide the Company through the next phase of its development.

Strengthening Indigenous Representation at the Board Level



CNC has also strengthened Indigenous representation at the Board level with the addition of Chief Bruce Archibald of Taykwa Tagamou Nation.

This appointment reflects the Company's broader approach to Indigenous partnerships — one that is grounded in long-term collaboration, shared value creation, and meaningful participation in project development. The inclusion of Indigenous leadership at the Board level enhances governance by ensuring that these perspectives are integrated directly into strategic decision-making.

Chief Archibald's presence brings important local and Indigenous insight to the Board, strengthening its understanding of community priorities, environmental stewardship, and the long-term implications of project development. It also reinforces alignment between the Company's governance structure and its commitments to Indigenous partners. This builds on the broader partnership with Taykwa Tagamou Nation, including its historic equity investment in the Company, and reflects a model that goes beyond consultation to include participation and shared economic opportunity.

As CNC advances the Crawford Nickel Project, Indigenous representation will continue to play an important role in ensuring that development is carried out in a way that reflects the interests of all stakeholders and supports long-term, sustainable outcomes.

ESG Oversight and Accountability

CNC's ESG Committee plays a central role in the Company's governance framework by supporting Board oversight of the social purpose and sustainability-related matters. Comprised of members of the Board of Directors, the ESG Committee provides focused oversight of the Company's environmental, social, governance, and permitting matters, helping ensure these matters remain integrated into strategic decision-making as the business advances.

The ESG Committee reviews emerging ESG risks and opportunities, monitors progress against key initiatives, and oversees the development of policies, practices, and disclosures that support responsible growth. This includes consideration of areas such as climate strategy, environmental stewardship, Indigenous and community relationships, ethical conduct, and governance practices.

The Committee regularly receives updates from management and provides guidance to the Board on material ESG topics relevant to CNC's operations, projects, stakeholders, and Rightsholders. Through this structure, the ESG Committee strengthens accountability, promotes continuous improvement, and supports the Company's commitment to transparent and responsible development.

Roles and Responsibilities

Responsibility for ESG performance is shared across CNC's leadership and functional



teams. Senior leadership establishes strategic priorities, allocates resources, and reviews performance. Management-level leaders are accountable for delivering programs, controls, and initiatives within their respective areas, including environmental management, Indigenous relations, community engagement, health and safety, governance, ethics, and regulatory compliance.

Cross-functional collaboration is an important part of CNC's approach, as many ESG topics intersect across disciplines. For example, climate, biodiversity, permitting, workforce development, and community well-being require coordinated input from technical, environmental, social, and corporate functions throughout the Project lifecycle.

Monitoring of ESG Performance

CNC monitors ESG performance through internal reporting processes, management

systems, regulatory compliance programs, and periodic review by senior leadership and the Board. Monitoring activities may include health and safety performance, environmental data and field results, engagement activities, grievance mechanisms, governance practices, and progress on sustainability initiatives.

The Company continues to strengthen its approach over time by considering operational experience, stakeholder feedback, monitoring information, and evolving reporting expectations. This supports continuous improvement and helps ensure ESG considerations remain integrated into decision-making as the business advances.

A Message from the Chair of the ESG Committee, Francisca Quinn

As CNC advances the Crawford Nickel Project toward a construction decision, environmental, social and governance considerations continue to play a central role in how the Company plans, develops, and positions the Project.

Over the past year, the integration of ESG into the Company's governance and decision-making processes has continued to strengthen. ESG is not treated as a standalone function, but rather as a core component of how the Company evaluates risk, allocates capital, and advances strategic priorities. This approach is particularly important at the current stage of development, where early design choices have long-term implications for environmental performance, community outcomes, and the overall viability of the Project.

CNC's focus on ESG considerations and low to potentially net-zero carbon project development has also supported government engagement and advancement of permitting processes. As governments increasingly prioritize projects that align with climate objectives and responsible development practices, the ability to demonstrate a credible decarbonization pathway and strong engagement with Indigenous Nations has become a key differentiator. The Crawford Nickel Project reflects this alignment, incorporating environmental considerations directly into its design and benefiting from a proactive, relationship-driven approach to engagement and assessment.

ESG performance is equally important in attracting and maintaining strategic equity partners. Investors are placing increasing emphasis on transparency, governance, and long-term sustainability as indicators of project quality and execution risk. A clear and credible ESG strategy supports access to capital by demonstrating that the Project is being developed in a manner that is both responsible and resilient over the long term.

The ESG Committee's role is to ensure that the Company continues to build the systems, processes, and governance structures required to support these objectives. This includes strengthening data quality and disclosure practices, aligning with recognized international frameworks, and ensuring that ESG considerations are consistently integrated into enterprise risk management and strategic planning.



As the Crawford Nickel Project progresses, the ESG Committee remains focused on supporting a development approach that is transparent, disciplined, and aligned with the expectations of governments, investors, Indigenous Nations, and local communities.

Ethics and Integrity in the Workplace

A safe and respectful workplace is supported by strong ethical standards and clear governance processes. CNC maintained policies and oversight mechanisms related to conflicts of interest, workplace conduct, and issue resolution during 2025. No confirmed incidents of corruption occurred during the reporting period.

The Company also continued to strengthen its governance framework through ongoing policy development and regular review of enterprise risks through its Risk Register and Board oversight processes. CNC maintains a comprehensive Risk Register that captures a broad range of enterprise and project-level risks, including environmental, social, operational, financial, legal, political, and reputational considerations. The Risk Register is supported by designated risk owners across senior management and is updated regularly to reflect evolving project conditions and external factors. It is reviewed periodically, including at least annually by the Board of Directors, to support oversight and alignment with the Company's risk profile. These systems help reinforce accountability and responsible decision-making as the organization grows. Refer to the [Continuous Improvement in Governance Practices and Risk Management and Internal Controls](#) sections for additional details related to policy development and risk management.

Risk Management and Internal Controls



Risk Management

CNC applies a risk management approach designed to identify, assess, and manage factors that could affect the achievement of its strategic, operational, financial, environmental, and social objectives. Risk oversight is led by the Board of Directors, with support from its committees, including the ESG Committee for sustainability-related risks and opportunities. Management is responsible for day-to-day risk identification, mitigation planning, and reporting to the Board on material matters.

Key risk areas considered by CNC include permitting and regulatory processes, project execution, health and safety, environmental performance, climate-related considerations, Indigenous and community relationships, market conditions, cybersecurity, and legal compliance. Risk management activities are integrated into project planning, decision-making, and operational readiness, with mitigation measures updated as circumstances evolve.



Internal Controls

CNC maintains internal controls and governance processes intended to support reliable reporting, regulatory compliance, ethical conduct, and effective decision-making. These controls include documented policies and procedures, defined roles and responsibilities, established approval

processes, financial review procedures, and oversight by the Board and its committees.

Internal controls are reviewed and strengthened as CNC grows and operations advance. Management supports a culture of accountability through employee expectations, training, and mechanisms for raising concerns or reporting potential misconduct. Together, these processes help safeguard Company assets, support accurate disclosure, and promote responsible business conduct.



Cybersecurity

CNC recognizes that cybersecurity is an important component of enterprise risk management, data protection, and business resilience. The Company maintains measures intended to protect information systems, business data, and digital operations from evolving cyber threats. These measures include access controls, system monitoring, software updates, secure backup practices, and third-party technology support, as appropriate to the scale and stage of the business.

Cybersecurity risks are monitored as part of CNC's broader risk management processes, with management responsible for responding to emerging threats and strengthening controls over time.

In 2025, CNC continued to enhance its cybersecurity program through employee training, proactive monitoring, risk testing, and external support measures designed to reduce human-caused risk and strengthen preparedness.

2025 Employee Awareness and Training

Employees participated in an interactive training program covering cyber risks, secure behaviours, and protection of sensitive information. Twenty-six employees completed the cybersecurity awareness program.

Training topics included:

- **Phishing awareness** – identifying suspicious emails, links, and fraudulent requests
- **Protection of personally identifiable information (PII)** – handling sensitive personal and business information securely
- **Password and access security** – strengthening authentication practices and account protection
- **Safe online behaviour** – reducing risks associated with downloads, websites, and digital communications

Ongoing Security Monitoring and Risk Reduction

CNC's program extends beyond one-time training and includes continuous tools and assessments intended to improve the Company's security practices over time.

- **Employee Security Score** – a dynamic score used to measure and improve employee cyber readiness as threats evolve
- **Risk assessments** – reviews used to identify vulnerabilities and opportunities for stronger controls
- **Simulated phishing campaigns** – exercises to help employees recognize and respond to real phishing attempts



Continuous Improvement in Governance Practices

CNC continued to strengthen its governance framework in 2025 through enhancements to internal processes, policy management, and employee training. Consistent with leading industry practice, CNC regularly reviews its governance systems to ensure they remain fit for purpose as the Company grows and advances the Crawford Nickel Project. In 2025, a cross-sectoral Policy Committee was established with management representatives from key departments equipped with subject-matter expertise to coordinate policy development, prioritize updates, and support consistent governance practices across the organization.

To further improve oversight and accountability, CNC implemented a Policy Register to track entity-level and human resources policies, monitor review cycles, and manage required approvals and sign-offs. Entity-level policies and human resources policies each serve distinct but complementary purposes. Entity-level policies are approved by the Board of Directors and establish the governance standards, ethical expectations, and oversight requirements that apply across the organization. These policies typically address matters such as business conduct, delegated authority, anti-corruption, issue resolution, and other areas fundamental to corporate governance and accountability. Human resources policies are management-level policies that guide day-to-day workplace practices and employee matters. Together, these policy categories help ensure CNC maintains strong governance while

- **Dark web monitoring** – scans for potential exposure of employee emails or credentials in external data breaches
- **Policy resources** – access to information security policies and guidance materials

Incident Preparedness and External Protection

To support resilience and incident response, CNC also maintained additional protective measures in 2025, including:

- Cybersecurity insurance with proactive scanning services
- Monitoring of core systems supporting email, web, and cloud environments
- Early threat alerts for identified vulnerabilities or suspicious activity

As the Company grows and digital systems become increasingly important to project development and corporate operations, CNC will continue to enhance its cybersecurity practices, employee awareness, and incident preparedness.

supporting consistent and effective people management practices.

This structured approach supports clear ownership of governance documents and helps ensure policies remain current, accessible, and aligned with evolving business needs, regulatory expectations, and leading practices. Similar continuous review and policy governance processes are commonly emphasized by leading mining companies as part of effective governance systems.

Company Policies

CNC maintains policies and procedures designed to guide decision-making, promote ethical business conduct, and support compliance with applicable legal and regulatory requirements. These policies communicate expectations for directors, officers, employees, and contractors, and are periodically reviewed to ensure they remain aligned with the Company's stage of growth, evolving risks, and leading practices.

During 2025, CNC reviewed and updated its Emergency Response Plan, began incorporating its supplementary Crisis Communication Plan, and completed its Company Vehicle Policy as the first policy finalized through the new Policy Committee process. Several additional human resources policies entered active development, including Leave of Absence, Travel and Expense, and Recruitment policies. Annual reviews of core entity-level policies were also scheduled, including the Code of Conduct, Designation of Authority Policy, Workplace Violence and Harassment Policy, and Issue Resolution Policy.

CNC also progressed its Anti-Corruption and Anti-Bribery Policy, which is targeted for completion in 2026. Through ongoing policy development, communication, and training, CNC seeks to ensure employees and contractors understand the standards expected of them, including commitments related to ethics, respectful workplaces, human rights, and responsible business practices.

Responsible Resource Development



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- Responsible Supply Chain and Procurement46
- Federal Impact Assessment and Permitting for the Crawford Project.....47



Project Development Milestones and Construction Readiness

CNC continued to advance the Crawford Nickel Project toward construction readiness in 2025, with a focus on disciplined project development, early execution planning, and the integration of environmental, social and governance considerations into all aspects of Project design and delivery.⁶

A key milestone during the year was the completion of Front-End Engineering and Design (FEED). This work represents a critical step in advancing the technical definition of the Project, strengthening cost and execution certainty, and supporting ongoing discussions with governments, investors, and strategic partners. The completion of FEED also enables more detailed planning across engineering, procurement, and construction activities, positioning the Project to move efficiently through the next phase of development.

In parallel, CNC continued to advance a number of workstreams that are essential to achieving construction readiness. These include securing the necessary permits and approvals, advancing detailed engineering, and progressing procurement strategies to support timely Project execution. Together, these efforts reflect a structured approach to development, with a focus on reducing risk and ensuring the Project is positioned for successful delivery.

Responsible Supply Chain and Procurement

CNC's approach to procurement is grounded in the integration of ESG considerations into supply chain management and contractor selection processes. As the Crawford Nickel Project advances, the Company is working to ensure that contractors and suppliers align with its expectations for environmental performance, safety, and responsible business practices.

Procurement planning has also progressed to support long-lead items and early construction activities. By identifying and advancing key procurement requirements at an early stage, the Company is strengthening execution readiness and reducing potential schedule and cost risks associated with large-scale project development.

In addition, surface rights acquisition activities continued throughout 2025, supporting project development and site access planning. This work is being undertaken in alignment with the Company's broader engagement approach, with a focus on transparency, collaboration, and respect for local stakeholders and land users.

⁶ Following the 2025 reporting period, the Crawford Nickel Project received a positive federal Decision Statement in July 2026 under the Impact Assessment Act. This milestone falls outside of the 2025 reporting window.



Federal Impact Assessment and Permitting for the Crawford Project

CNC continued to advance the Crawford Nickel Project through Canada's federal Impact Assessment Process in 2025 and early 2026. The federal process includes five phases: Planning, Impact Statement, Impact Assessment, Decision, and Post-Decision follow-up activities. Following completion of the Planning phase in March 2023, CNC continued in the Impact Statement phase during 2025. This phase focuses on the proponent's preparation of detailed technical studies, baseline information, effects assessments, proposed mitigation measures, and engagement activities in accordance with the Tailored Impact Statement Guidelines. Following the submission of the Impact Statement, CNC responded to comments and information requests received from the Impact Assessment Agency of Canada (IAAC), federal and provincial authorities,

Indigenous Nations, communities, and other interested parties to support completion of the Project record.

In March 2026, after the review and consideration of all supplemental information provided by CNC, the Impact Statement phase concluded and the Project advanced into the Impact Assessment phase. This phase is led by IAAC and includes the preparation of the Impact Assessment Report with input from Indigenous Nations, the public, government experts, and other jurisdictions. This report also includes the conditions that would be attached to the approval of the Project. The subsequent Decision phase will determine whether the Project may proceed and under what legally binding conditions. If approved, the Project would then enter the Post-Decision phase, which includes compliance verification, follow-up monitoring, and reporting on whether predicted effects and mitigation measures are performing as intended once construction commences. CNC has also turned its focus to other regulatory approvals that are needed from federal and provincial regulators for the Project to proceed.

Continued Indigenous Involvement in the Federal Impact Assessment Process

For Canada Nickel, Indigenous participation and co-development of mitigation measures to potential impacts remain central components of our approach to the federal Impact Assessment process for the Crawford Nickel Project. Throughout 2025, CNC continued to engage and co-develop mitigation measures with potentially impacted Indigenous Nations through meetings, technical discussions, information sharing, and responses to Nation-specific comments submitted through both the IAAC process and direct engagement channels. Discussions addressed topics such as potential Project

effects, mitigation measures, monitoring approaches, Traditional Knowledge, community priorities, and opportunities for ongoing collaboration.

In 2025, CNC continued regular engagement with Indigenous Nations through Impact Assessment Coordinator meetings, Lands and Resources discussions, monthly environmental and socioeconomic monitoring meetings, quarterly environmental updates, and other engagement forums related to project development and regulatory activities.

Originally established as biweekly Impact Assessment Coordinator meetings, these engagements evolved into broader monthly discussions involving Impact Assessment Coordinators, Directors of Lands and Resources, Mineral Development Advisors, and other Nation representatives, alongside CNC's VP of Sustainability, Director of Indigenous Relations and Public Affairs, Environmental Manager, and additional technical staff as required. By the end of 2025, CNC had held over 40 formal meetings with Indigenous Nations, in addition to informal and ad-hoc.

Engagement activities included discussions related to environmental monitoring, permitting activities, social considerations, archeological surveys, the Advanced Exploration Closure Plan, Environmental Compliance Approvals, housing, and other community and Project-related topics. Each quarter, CNC presented an Environmental Dashboard summarizing environmental monitoring activities, environmental incidents, drill site inspections, wildlife sightings, and water takings from the previous quarter. Meetings also supported ongoing coordination regarding Indigenous participation in environmental monitoring and other Project-related activities.



Feedback received through engagement activities continues to inform Project planning, technical studies, and proposed mitigation and follow-up measures submitted as part of the federal review process. CNC also continues to support capacity funding, relationship-building, and transparent communication intended to enable meaningful participation throughout the assessment process.

As the Project advances through the remaining federal review stages, CNC remains committed to ongoing dialogue with Indigenous Nations and community members, recognizing that engagement and co-development are an important part of responsible development, regulatory decision-making, and long-term partnership building.

Meet CNC's Environmental Manager, Mathieu Boucher

Environmental management is a central component of CNC's approach to developing the Crawford Nickel Project. As Environmental Manager, Mathieu Boucher plays a key role in advancing the environmental planning, assessment, and regulatory work required to support project development.



Mathieu brings more than 15 years of experience in water management, environmental consulting, and industrial site remediation. He began his career with Golder Associates, contributing to environmental site assessments, remediation projects, and water treatment initiatives for industrial and mining clients, including work in sensitive natural environments such as wetlands. He has also held environmental and sustainability roles with Glencore's North American Copper Assets, where he supported environmental compliance, water management, and legacy site improvement initiatives. His work has consistently focused on integrating technical environmental requirements with regulatory frameworks and broader project design considerations. At CNC, he has led the development of environmental baseline programs and the preparation of the Crawford Nickel Project's Impact Statement under the federal Impact Assessment Process. He has also helped strengthen CNC's environmental practices through initiatives including the systematic measurement of water takings from drilling activities to support water stewardship efforts, and the implementation of property-specific environmental risk assessments prior to exploration campaigns on new properties.

The Impact Statement represents a significant milestone in the advancement of the Project. It reflects a comprehensive assessment of existing environmental conditions and a detailed evaluation of potential project effects across multiple disciplines. This work has been supported by multi-year baseline data collection, technical studies, and the development of mitigation measures designed to avoid or minimize environmental impacts.

A defining feature of this process has been the integration of Traditional Indigenous Knowledge and participation. Indigenous Nations have contributed directly to environmental studies, including Traditional Land Use and Knowledge assessments, ensuring that Indigenous perspectives are incorporated into Project design and planning.

Looking ahead, the environmental team's focus is on supporting the ongoing review of the Impact Statement, advancing detailed permitting requirements, and implementing the monitoring systems and management plans that will guide the Project through construction and into operations. This includes the development of comprehensive environmental monitoring programs designed to track performance, identify potential impacts, and enable adaptive management over the life of the Project.

Through this work, CNC is seeking to ensure that the Crawford Project is developed in a manner that reflects strong environmental stewardship, regulatory compliance, and long-term sustainability.

Creating Shared Value with Indigenous Partners



In this section:

- Advancing Economic Partnerships in the Crawford Nickel Project:
Moving from Engagement to Implementation 51
- 2026 and Future Partnership Priorities 52
- Indigenous Equity Partnership and Governance Participation 53



Advancing Economic Partnerships in the Crawford Nickel Project: Moving from Engagement to Implementation

As the Crawford Nickel Project advances, CNC is focused on ensuring that Indigenous partnerships are reflected not only in engagement and dialogue, but in the way Project opportunities are structured, planned, and delivered. In 2025, this work advanced through a Contracting Agreement with Mattagami, Matachewan, and Flying Post First Nations, members of Wabun Tribal Council. Signed on March 3, 2025, the Agreement establishes a framework for early business and employment opportunities while the parties continue to work toward a comprehensive Impact Benefit Agreement.

The Agreement is significant because it focuses on opportunities that arise before

operations begin. Large-scale project development requires enabling infrastructure, construction planning, workforce readiness, and coordinated procurement. By identifying early contracting opportunities connected to Crawford's development pathway, CNC and these First Nations are working to ensure that First Nation owned-businesses and their membership are positioned to participate in the Project's economic activity from the outset, rather than only after the mine is operating.

A core feature of the Agreement is a commitment to open-book negotiations on key infrastructure-related contracting opportunities. These include the construction of a 25.2-kilometre railway line, the relocation of Highway 655, and the construction of a temporary overpass on Highway 655. These scopes are directly connected to the broader development of Crawford and provide practical areas where First Nation-owned businesses, joint ventures, and local partners can build capacity, generate revenue, and participate in work that supports regional infrastructure needs.

The initiatives contemplated under the Agreement are intended to prioritize First Nations businesses, promote own-source revenue, foster partnerships, and support

regional growth. This phased approach is important because it allows business participation, training, and workforce development to be planned alongside Project execution, rather than being treated as separate or reactive activities.

A Practical Framework for Indigenous Business Participation

The Contracting Agreement creates a more defined pathway for First Nation businesses to understand upcoming opportunities and prepare for participation. It also establishes mechanisms for transparency and collaboration, including regular engagement sessions and the appointment of a First Nations Business Representative to coordinate opportunities within the projects. Key initiatives under the Agreement include prioritized access for First Nation-owned businesses to participate in contracts and specialized training programs to enhance local skills development.

This approach recognizes that meaningful economic participation depends on more than access to bid packages. It also requires early visibility into Project needs, coordination between the Company and First Nation business networks, and a shared understanding of the skills, equipment, partnerships, and certifications that may be required. By pairing contracting opportunities with training and coordination mechanisms, the Agreement supports both immediate participation and longer-term capacity building.

For CNC, this represents an evolution in how First Nation economic participation is embedded into project development. The Agreement helps connect Project planning with First Nation business readiness and creates a structure for continued dialogue as major scopes move from planning into execution. For participating First Nations, it

provides a pathway to pursue employment, procurement, business development, and own-source revenue opportunities connected to the Crawford Nickel Project.

2026 and Future Partnership Priorities



Early Economic Participation

Creating opportunities for First Nation-owned businesses and members during the project development period, while Impact Benefit Agreement discussions continue.



Infrastructure-Linked Contracting

Advancing open-book negotiations related to the 25.2-kilometre railway line, Highway 655 relocation, and temporary Highway 655 overpass.



Business Coordination

Using regular engagement sessions and a First Nation Representative to help coordinate Project opportunities.



Training and Skills Development

Supporting specialized training programs that can help prepare local and Indigenous workers and businesses for Project-related work.



Own-Source Revenue and Regional Growth

Prioritizing Indigenous business participation in ways that support community economic development and broader regional benefits.

Together, these measures help move CNC's partnership approach from commitment-setting to implementation. As Crawford advances, CNC will continue working with Indigenous partners to support practical opportunities that reflect community priorities, strengthen local capacity, and contribute to long-term shared value.

Indigenous Equity Partnership and Shared Governance



Expanding Partnership through Ownership and Governance Participation

In 2025, CNC also advanced a broader model of First Nation partnership through Taykwa Tagamou Nation's investment in the Company. On May 27, 2025, CNC closed the previously announced \$20 million secured Convertible Note with Taykwa Tagamou Nation. Canada Nickel announced that the investment marks the largest known direct equity investment by a First Nation in a Canadian critical minerals company to-date and reflects a shared commitment to long-term partnership, economic self-determination, and responsible resource development.

This investment builds on an existing relationship. Taykwa Tagamou Nation was already a development partner in the Crawford

Nickel Project and associated infrastructure, including the power transmission line and electric haul fleet. Through the Convertible Note, the partnership now also includes Board-level participation and a pathway to equity ownership, linking project development, infrastructure participation, and corporate governance more directly.

From an ESG perspective, this structure is meaningful because it extends First Nation participation beyond Project-specific benefits. Employment, procurement, and community investment remain important, but equity participation can create a different kind of alignment. It provides a mechanism for an Indigenous Nation to participate in the broader value of the Company while maintaining a role in the development of a Project located within its Traditional Territory.

A Model Tied to Long-Term Alignment

The Convertible Note has a five-year term from closing. Its coupon was adjusted from a fixed 4.75% to 6.15% per annum, paid quarterly prior to conversion, to reflect Taykwa Tagamou Nation's financing cost. The Note gives Taykwa Tagamou Nation the right to convert into 16.67 million common shares at a conversion price of \$1.20 per share. Based on Canada Nickel's issued and outstanding share capital of 232,909,100 common shares, this represents a 6.68% equity interest in the Company as of December 31, 2025.

The structure also includes a governance component. Taykwa Tagamou Nation has the right to one seat on CNC's Board of Directors for as long as it holds the Convertible Note or, following conversion, holds at least 6.68% of the Company's shares. This governance right is an important feature of the partnership because it creates a pathway for Indigenous participation at the corporate oversight level, not only at the Project engagement level.

This matters because Crawford is part of a broader development vision in the Timmins Nickel District. Decisions related to infrastructure, permitting, financing, development planning, environmental performance, and community relationships will continue to shape how value is created and shared over time. A partnership model that includes investment and Board participation helps align long-term interests and supports a more durable relationship between CNC and Taykwa Tagamou Nation.

Key Partnership Features



Capital Investment

Taykwa Tagamou Nation closed a \$20 million secured Convertible Note with CNC.



Long-term Structure

The Note has a five-year term from closing and includes a 6.15% per annum coupon paid quarterly prior to conversion.



Equity Conversion Pathway

Taykwa Tagamou Nation has the right to convert the Note into 16.67 million common shares at \$1.20 per share.



Potential Ownership Position

Upon conversion, the Note represents a 6.68% equity interest in CNC, based on the Company's current issued and outstanding share capital as of December 31, 2025.



Governance Participation

Taykwa Tagamou Nation has the right to one CNC Board seat while it holds the Note or, after conversion, while it holds at least 6.68% of the Company's shares as of December 31, 2025.

Shared Value Beyond the Project Footprint

The Taykwa Tagamou Nation investment reflects a partnership model that brings together economic participation, project development, infrastructure collaboration, and corporate governance. It supports the principle that Indigenous Nations can be partners in value creation, not only participants in consultation processes or recipients of project benefits.

For CNC, this partnership strengthens the connection between responsible resource development and long-term relationship-building. For Taykwa Tagamou Nation, it provides a direct role in the Company's growth and a potential ownership interest tied to the future of Crawford, the broader Timmins Nickel District, and the Company's activities writ-large. Together, these elements support a shared-value model grounded in long-term alignment, transparency, and Indigenous economic self-determination.

Environment and Climate Leadership



In this section:

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Pilot Project64

CNC's approach to environmental and climate leadership is grounded in responsible project development, science-based decision-making, and innovation. As the Company advances the Crawford Nickel Project and its regional portfolio, environmental considerations are integrated into planning, engineering, exploration, permitting, and engagement activities.

CNC's environmental strategy includes protection of water resources, biodiversity management, progressive reclamation planning, emissions reduction, and development of proprietary carbon management technologies. Through initiatives such as IPT Carbonation, NetZero Metals, and in-situ carbon mineralization research, CNC continues to pursue opportunities to align mineral development with low to potentially net-zero carbon outcomes.

Environmental Stewardship and Management



CNC's environmental stewardship framework is supported by policies, management systems, regulatory compliance processes, and ongoing environmental monitoring. The Company applies a precautionary and adaptive approach to environmental management, using baseline data, technical

studies, and monitoring results to inform decisions and improve performance over time.

For exploration activities, CNC operates under its Code of Practice for Responsible Exploration Operations ("the Code"), originally adopted in 2021 and most recently reviewed and approved in June 2025. This framework guides responsible exploration practices across the Company's properties and supports environmental protection, safe operations, and regulatory compliance.

The Code covers a broad range of activities, including:



- Geophysical surveys
- Prospecting and geological mapping
- Geochemical surveys
- Sonic and diamond drilling
- Trenching and pitting
- Access development
- Reclamation activities

A core component of the framework is the completion of site-specific environmental risk assessments before new work begins. These reviews help ensure environmental and social considerations are integrated into planning and execution.

Assessments may consider:



- Permitting and regulatory requirements
- Indigenous and community notifications
- Nearby land uses, camps, cottages, and recreational activities

- Watercourses, wetlands, and sensitive habitat features
- Wildlife and species at risk considerations
- Waste management and spill response readiness
- Logistics, access routes, and emergency preparedness

The Code also outlines operational controls and best management practices intended to reduce environmental impacts during exploration. These measures are adapted to site conditions and the nature of the activity being conducted.

Examples include:



- Responsible water withdrawal practices
- Fuel storage and secondary containment requirements
- Spill prevention and response procedures
- Erosion and sediment control measures
- Stream crossing protection measures
- Drilling fluid and cuttings management
- Vegetation buffers near watercourses
- Progressive cleanup and reclamation of disturbed areas

In addition to environmental controls, the framework incorporates commitments related to respectful land use and community benefits. Work must stop immediately if

archaeological or cultural materials are identified, with appropriate professionals and Indigenous representatives engaged before activities resume.

The Code also supports local and regional economic participation by encouraging procurement from nearby suppliers and Indigenous businesses where best served. Together, these requirements help integrate environmental stewardship, cultural awareness, and shared economic value into CNC's exploration activities.

In 2025, CNC reported no environmental non-compliances, fines or reportable spills. Environmental responsibilities are supported by internal personnel and technical specialists, with oversight integrated into broader governance and risk management processes.



Baseline Environmental Monitoring Programs

CNC has completed and continues to advance a range of baseline environmental monitoring programs to support project planning, regulatory applications, and effects assessment. During 2025, baseline monitoring at Crawford continued in

CRAWFORD BASELINE PROGRAMS

Program	2021	2022	2023	2024	2025
Air Quality Monitoring	X	X	X	-	-
Hydrology Monitoring	X	X	X	X	X
Aquatics Resources	X	X	X	X	X
Terrestrial Ecology Study	X	X	X	X	-
Archaeological and Cultural Heritage Assessment	-	X (desktop)	X (desktop)	X (desktop)	
Noise and Vibration Study	-	-	X	-	-
Surface Water	X	X	X	X	X
Groundwater	X	X	X	X	X
Light Level Monitoring	-	X	X	-	-
Soil and Sediment Sampling	-	-	X	-	-
Country Foods Sampling	-	-	X	-	-
Environmental Geochemistry	X	X	X	X	X

key areas including hydrology, aquatic resources, surface water, groundwater, and environmental geochemistry. At Texmont, ongoing surface water and groundwater monitoring continued to support the understanding and management of environmental conditions associated with the historically active mine site, including remaining legacy mine features and partially reclaimed areas. These programs help establish environmental conditions, identify trends, and inform mitigation, follow-up, and future management plans.

Water and Effluents



Water stewardship is a core component of CNC's environmental management approach. The Company seeks to manage water responsibly through monitoring, efficient use, protection of receiving environments, and incorporation of treatment and control measures into Project design.

⁷ All drills were equipped with flow meters reading in cubic meters in 2025. Daily water readings were taken in the field by the drill crews and data was compiled, analyzed, and distributed by CNC environmental staff. These calculations do not account for domestic water consumption by staff at the corporate or site offices.

⁸ Water stress refers to the ratio of water use to available renewable freshwater resources in a given area. Regions facing high water stress typically experience limited water availability relative to demand, often due to factors such as overuse, drought, or poor infrastructure. Ontario is not considered a water-stressed region, as it maintains a positive water balance—with abundant surface and groundwater resources exceeding current use levels.

⁹ 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, including the use of erosion and sedimentation control measures such as silt fencing and hay bales, as well as natural lowlands or manmade sumps to manage and filter water prior to release.

Baseline surface water, groundwater, and hydrology programs continued in 2025 to support understanding of water quantity and quality conditions at Crawford and other properties. Water management planning for the Crawford Nickel Project includes measures related to contact water collection, seepage interception, treatment systems, discharge management, and ongoing monitoring.



- Total water withdrawal (surface water + groundwater): **8.3 megalitres (ML)⁷**
- Water withdrawn from areas with water stress: **0 ML⁸**
- Total water discharge (surface water + groundwater): **8.3 megalitres (ML)⁹**
- Water consumption intensity: **0.40 ML per metre drilled**

Climate Change Mitigation: GHG Emissions and Carbon Management

CNC's climate strategy combines emissions management with development of carbon sequestration technologies that could transform the environmental profile of nickel production. The Company is advancing multiple pathways intended to reduce greenhouse gas (GHG) emissions, support low to potentially net-zero carbon processing, and create long-term carbon storage opportunities associated with ultramafic mineral deposits.

This approach includes use of Ontario's electricity grid, project design optimization, trolley-assist mining concepts, energy efficiency opportunities, and proprietary carbon capture initiatives including IPT Carbonation, NetZero Metals, and in-situ carbon mineralization research.

CNC has estimated its Scope 1 and Scope 2 GHG emissions and energy consumption in relation to current operations, marking the fourth consecutive year these metrics have been compiled and reported. As in prior years, drilling remained the primary contributor to overall emissions and energy use in 2025, with an emissions intensity of 36 kg CO₂e per metre drilled and an energy intensity of 538 MJ per metre drilled.

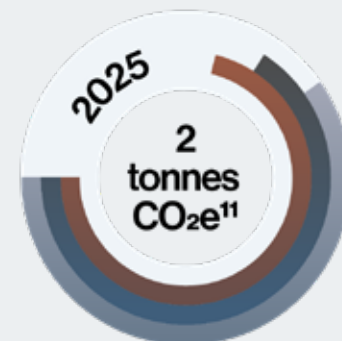
As a junior mining company, CNC's activities remain limited in scale and primarily focused on exploration and early-stage project development. Accordingly, Scope 3 emissions sources, such as business travel and office-related activities, are not currently included in the Company's inventory, which is consistent with common practice at this stage of development.

Scope 1 (direct) emissions:



86.1% decrease from 2024 (5,399 tonnes CO₂e)
9.3% increase from 2023 (685 tonnes CO₂e)
74.0% decrease from 2022 (2,879 tonnes CO₂e)

Scope 2 (indirect) emissions:



No change from 2022, 2023, or 2024
(2 tonnes of CO₂e)

¹⁰ Includes CO₂, CH₄, N₂O, across all CNC's exploration properties active in 2025.

¹¹ Value is rounded to nearest tonne

Energy Consumption



DIESEL
6,100,000 MJ¹²

86.7% decrease from 2024 (46,000,000 MJ)
16.4% decrease from 2023 (7,300,000 MJ)
80.3% decrease from 2022 (30,900,000 MJ)



GASOLINE
1,000,000 MJ¹³

52.4% decrease from 2024 (2,100,000 MJ)
44.4% decrease from 2023 (1,800,000 MJ)
81.5% decrease from 2022 (5,400,000 MJ)



JET FUEL
1,152,000 MJ¹⁴

90.1% decrease from 2024 (11,591,000)
821.6% increase from 2023 (125,000 MJ)
71.9% decrease from 2022 (4,100,000 MJ)



PROPANE
1,579,000 MJ¹⁵

70.6% decrease from 2024 (5,367,000 MJ)
241% increase from 2023 (463,000 MJ)
Propane emissions were not recorded in 2022



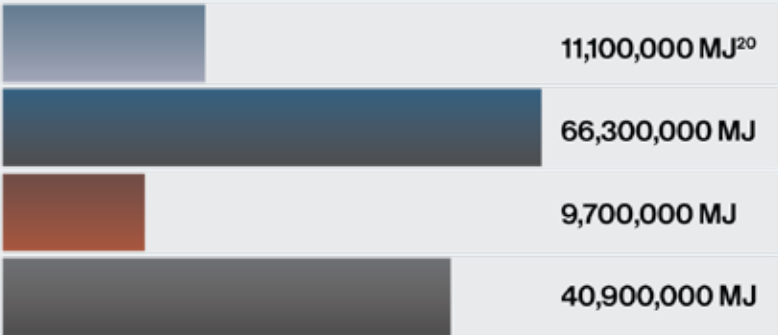
NATURAL GAS
667,000 MJ¹⁶

0.5% increase from 2024 (664,000 MJ)¹⁷
Natural gas emissions were not recorded in 2022 or 2023



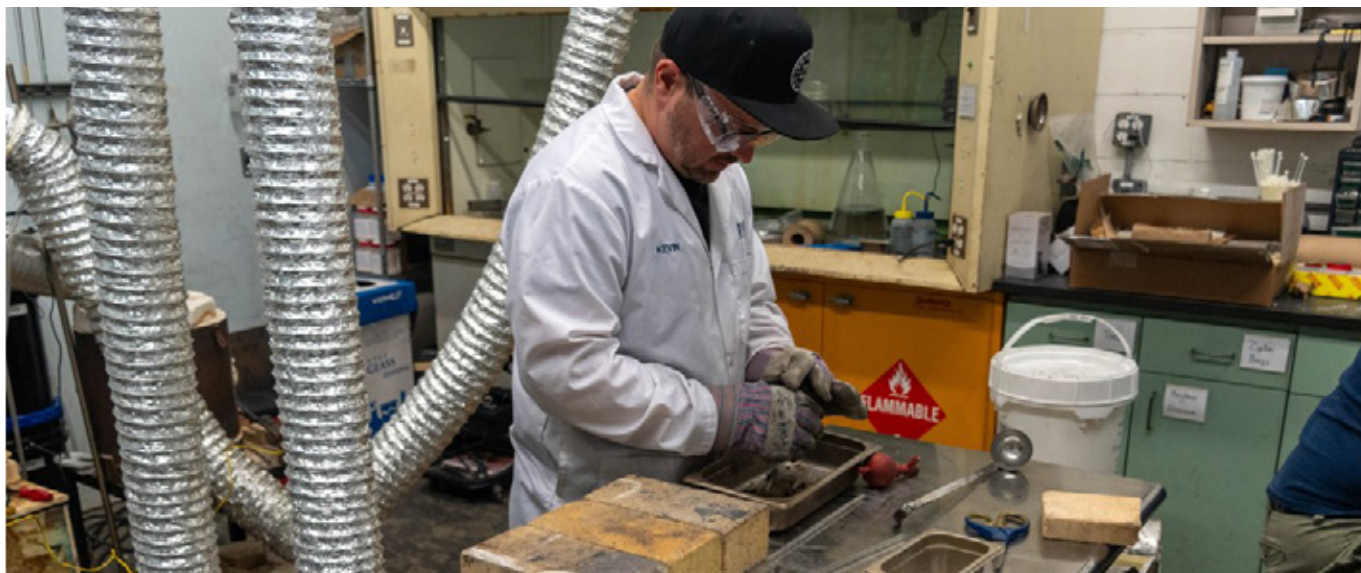
ELECTRICITY + HEATING
167,120 kWh¹⁸

(600,000 MJ)¹⁹
No change from 2024 (600,000 MJ)
20.0% increase from 2022 and 2023 (500,000 MJ)



12 Rounded to nearest hundred thousand
13 Rounded to nearest hundred thousand
14 Rounded to nearest thousand
15 Rounded to nearest thousand
16 Rounded to nearest thousand

17 Rounded to nearest thousand
18 Rounded to the nearest ten
19 Rounded to nearest hundred thousand
20 Rounded to nearest hundred thousand.



NetZero Metals – Low to Potentially Net-Zero Carbon Processing

CNC continues to focus on developing processes capable of producing low to potentially net-zero carbon nickel, cobalt, and iron products. In 2025, this work advanced through CNC's wholly owned subsidiary, NetZero Metals Inc., which is leading plans for proposed nickel, stainless steel and alloy processing facilities near the Crawford Nickel Project, close to Timmins. The facilities are intended to process Crawford concentrates and third-party feed sources into nickel, stainless-steel and alloy products for domestic battery and industrial supply chains. By locating downstream processing in Northern Ontario, the initiative has the potential to strengthen Canada's critical minerals value chain while supporting regional economic development and job creation.

A key differentiator of the proposed facility is the planned use of biochar, a locally sourced renewable reductant, in place of conventional coal-based materials such as coke and anthracite. This approach is intended to

significantly reduce the carbon intensity of pyrometallurgical nickel processing while leveraging proven metallurgical technologies.

CNC continued process design, laboratory testing, and pilot-scale metallurgical work in collaboration with technical partners, including Kingston Process Metallurgy, to validate the flowsheet and assess performance using representative feed materials and Ontario-produced biochar.

The initiative also received external support in 2025 through a \$500,000 award from Ontario's Critical Minerals Innovation Fund, recognizing the potential to advance clean technology, strengthen Ontario's battery metals supply chain, and foster innovation in critical minerals processing.

Over time, NetZero Metals is expected to be developed in phases, with planned production capacity of more than 80,000 tonnes of nickel annually, which would position it as the largest nickel processing facility in North America. Through this initiative, CNC aims to help establish the Timmins Nickel District as a future hub for low to potentially net-zero carbon critical minerals production and demonstrate how mining and downstream processing can contribute to a more resilient, made-in-Canada supply chain.

Advancement of IPT Carbonation

CNC's proprietary IPT Carbonation technology remains a key component of the Company's carbon management strategy. The process is designed to capture and permanently store carbon dioxide within tailings generated during mineral processing through natural mineral carbonation reactions. Hosted within ultramafic rock formations rich in reactive minerals such as brucite, the Crawford Nickel Project presents a unique opportunity to integrate large-scale carbon sequestration directly into mine operations.

Based on prior engineering studies and pilot-scale test work, the Crawford Nickel Project is being advanced toward the capability to sequester an annual average of approximately 1.3 million tonnes of CO₂, with up to 1.5 million tonnes during peak production years. If achieved at full scale, this level of sequestration could position Crawford among Canada's larger permanent carbon storage facilities, subject to future project development and operating outcomes.

IPT Carbonation is integrated into the milling circuit at the final stage of processing, after tailings thickening and before deposition to the Tailings Management Facility. Concentrated CO₂ is introduced to fresh tailings, where it reacts with magnesium-rich minerals to form stable carbonate minerals that permanently lock away carbon. By treating tailings in-process, CNC is able to accelerate a natural reaction that would otherwise occur slowly over decades or centuries under passive conditions.

Technical advancement continued through ongoing optimization and scale-up activities. Pilot work has progressed from bench-scale testing to larger continuous pilot programs, including testing at scales of approximately 1,800 litres. Results to date indicate that tailings have stored up to 35 kg of CO₂ per

tonne, while process improvements have reduced required residence time from approximately 6.5 hours to 3 hours. Single-pass capture currently removes approximately 65–70% of injected CO₂, with process recirculation designed to further increase sequestration efficiency toward full uptake.

In 2025, CNC also continued advancing the commercialization pathway for IPT Carbonation through engineering refinement, cost reduction initiatives, regulatory engagement, and development of monitoring, reporting, and verification frameworks to support future carbon credit certification.

NetCarb Collaboration

CNC continues to advance its collaboration with NetCarb, a carbon mineralization company, as part of its broader strategy to integrate carbon capture and storage into the development of the Crawford Nickel Project and the surrounding region. This collaboration is focused on expanding the potential for large-scale carbon sequestration by leveraging the natural reactivity of ultramafic rocks. Through the application of carbon mineralization technologies, CNC is evaluating pathways to significantly increase the amount of carbon that can be permanently stored as part of mining and processing activities.

Current assessments indicate that these approaches have the potential to increase carbon sequestration capacity by a factor of 10 to 15 compared to baseline scenarios. At the Crawford Nickel Project alone, this could translate into up to 500 million tonnes of carbon dioxide sequestered over the life of the operation.

CNC and NetCarb are also planning to pilot several carbon mineralization technologies in 2026 to further evaluate process performance, operational parameters, and

economic feasibility associated with carbon credits and potential byproduct sales. The results of this work are expected to help inform additional piloting and optimization activities in 2027, supporting the potential for future large-scale deployment.

The NetCarb collaboration is a key component of CNC's broader vision to develop a low to potentially net-zero carbon industrial cluster in Northeastern Ontario. By integrating carbon capture, mineralization, and downstream processing opportunities, CNC is working to demonstrate how large-scale resource development can contribute to both emissions reduction and long-term industrial competitiveness.

As these technologies continue to be evaluated and refined, CNC's focus remains on ensuring that carbon sequestration approaches are technically robust, economically viable, and aligned with evolving regulatory and market expectations.

Department of Energy (USA)-Supported In-Situ Carbon Injection Pilot Project

In 2025, CNC, the University of Texas at Austin, Columbia University, and the U.S. Department of Energy's Advanced Research Projects Agency-Energy (ARPA-E) collaboratively launched an in-situ carbon sequestration pilot study at the Crawford Nickel Project. The pilot was designed to evaluate the feasibility of permanently storing carbon dioxide within Crawford's ultramafic host rock through the injection of CO₂-saturated water into a deep test well. This initiative represents a separate and complementary carbon management pathway to CNC's IPT Carbonation and NetCarb programs.

The research builds on earlier laboratory studies demonstrating that magnesium-rich minerals within Crawford's ultramafic rocks can react with CO₂ to form stable carbonate minerals. By promoting carbon mineralization prior to mining, the approach has the potential to create permanent carbon storage while also reducing future mining-related energy requirements associated with blasting, crushing, and grinding. This is because the mineralization process can alter the rock structure, potentially weakening it and improving fragmentation, which may reduce the energy required for extraction and processing.

Following planning, laboratory testing, and installation of an extensive monitoring network, field injection activities were completed between November and December 2025. The pilot involved injection of CO₂-saturated water into a well drilled to approximately 396 metres depth, supported by water monitoring wells, seismic monitoring stations, and monitoring boreholes. A range of monitoring systems were used throughout the program, including groundwater sampling, seismic sensors, gas detection, and satellite-based surface tracking.

Results and Next Steps

In February 2026, CNC announced the successful completion of the pilot study. Approximately 12 tonnes of injected CO₂ remained dissolved at depth, with no surface leakage detected and no significant seismic events identified during the test program. Preliminary results were consistent with modelled expectations and provided a strong indication that injected CO₂ remained contained within the target zone.

Monitoring of seismicity, groundwater chemistry, fluid movement, and reaction processes is ongoing. Results from the study are expected to inform future post-mining carbon sequestration strategies and support CNC's long-term vision of developing a low to potentially net-zero-carbon industrial cluster in Northeastern Ontario.

Resource Growth and Exploration



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Timmins Nickel District 68



CNC continued to advance one of the largest emerging nickel sulphide land packages globally through an active exploration and resource growth program in 2025. Exploration activities focused on expanding and upgrading mineral resources across the Timmins Nickel District, where multiple regional targets continued to demonstrate significant scale, continuity, and development potential.

The Company's exploration strategy is centred on systematically advancing a portfolio of large ultramafic nickel sulphide discoveries located near existing infrastructure. This district-scale approach is intended to support long-term production optionality, phased development opportunities, and shared infrastructure efficiencies over time.

In 2025, CNC completed its eight-resource milestone, consolidating the broader potential of the Timmins Nickel District with



10.1 million tonnes
of contained
nickel metal in the
Measured and
Indicated categories



12.5 million tonnes
of contained
nickel metal
in the Inferred
category

This growing resource base reflects the scale of the district and supports CNC's long-term growth strategy beyond Crawford.

2025 Exploration Highlights

Key exploration and resource advancement milestones achieved during 2025 included:



Completion of the Company's eight-resource milestone across the Timmins Nickel District



Initial mineral resource estimates published for Mann West, Mann Central, Midlothian, Nesbitt, Bannockburn, and Texmont



Updated mineral resource estimate completed for Reid, increasing Measured and Indicated resources by **46%**



Continued drilling success at Reid, Midlothian and other regional properties



Highest-grade regional drilling results reported to date at Midlothian



Advancement of multiple targets located near roads, power infrastructure, and the Crawford Nickel Project



Ongoing demonstration of district-scale nickel sulphide potential in Northeastern Ontario.



CANADA NICKEL
COMPANY

Unlocking Long-term Nickel Sulphide Potential Within the Timmins Nickel District

CNC continued to advance its regional exploration portfolio in 2025, with strong drilling results reported from Midlothian and Reid, as well as an initial resource for Mann West. These large-scale targets, located within the Timmins Nickel District, continued to demonstrate the broader district potential surrounding the Crawford Nickel Project and support CNC's strategy of building a pipeline of nickel sulphide development opportunities in Northeastern Ontario.

Midlothian continued to return consistently higher-grade mineralization across long core lengths, including 441.5 metres grading 0.29% nickel, with localized higher-grade intervals. At Reid, infill and extension drilling continued in support of future resource advancement, including targeted higher-grade intersections and confirmation of mineralized continuity across the property.

These results highlight the scale of CNC's regional land package and the opportunity to support long-term resource growth beyond Crawford. Continued exploration success across multiple properties strengthens optionality for future mine development, infrastructure synergies, and regional economic benefits associated with responsible critical mineral development.



Local Communities



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CNC's approach to social performance is centred on meaningful engagement, collaboration, and creating shared long-term value for local communities. In 2025, the Company continued to strengthen relationships with Indigenous Nations, local municipalities, community organizations, and regional stakeholders through ongoing dialogue, public engagement initiatives, and structured community forums. These efforts

were designed to ensure local perspectives help inform Project planning while supporting regional priorities such as economic development, community well-being, and future opportunities linked to responsible critical minerals development. Together, they reflect CNC's commitment to building trust, supporting resilient northern communities, and delivering lasting social and economic benefits as the Project advances.

A Message from the Mayor of Cochrane, Peter Politis

Cochrane is a small Northeastern Ontario community with a long history and a strong sense of identity. It's a place where people take pride in where they live and in what they are building for the future. As we look ahead, we see a real opportunity to grow—not just in population, but in socioeconomic strength, infrastructure, and long-term sustainability.



Projects like the Crawford Nickel Project are central to that opportunity. They bring the potential for meaningful socioeconomic growth and help position communities like Cochrane, Ontario as a part of Canada's broader critical minerals and industrial future. For us, this is a generational moment. As a municipality with more than 115 years of history, we understand the importance of making the right decisions today to support the next phase of our development.

Growth in northern communities requires a different approach. We are competing for people, investment, and infrastructure, and we need to be proactive in how we position ourselves. In Cochrane, that has meant focusing on housing development, advocating for infrastructure funding, and working with provincial programs such as the Build More Homes Ontario initiative to ensure we are ready to support new residents and workers.

At the same time, we are focused on keeping talent in the region and creating opportunities for people to return home. There is a strong desire among many to build their lives in small-town Canada, and we see that as a real strength. Our role is to make that choice viable by ensuring there are good jobs, the right infrastructure, alongside a strong sense of community.

CNC has played an important role in supporting that vision. What stands out is their approach at the grassroots level. They have built real relationships within the community and across the region, and they understand the importance of working collaboratively with municipalities. That approach has helped bring communities together around shared socioeconomic goals, rather than creating division.

Their community investment and benefits approach is also notable. We have not seen many companies take a similar approach, and it has helped support our efforts to advocate for infrastructure and regional development. That kind of alignment between a project and the community it operates in is critical to long-term success.

Looking ahead, collaboration across northern municipalities will continue to be essential. Communities along this corridor are increasingly connected, and there is an opportunity to align economic development efforts across the region — east to west — in a way that strengthens the broader economy of northern Ontario.

We also recognize the importance of telling our story. Northern Ontario offers a unique quality of life, and we need to continue to promote that — not just to workers, but to their families, as well. Growth depends not only on attracting investment, but on building communities where people want to live long term.

For Cochrane, this is about positioning the community for the future while staying grounded in what makes it strong. With the right partnerships, thoughtful planning, and continued investment, we believe this moment can represent a lasting and positive transformation for our entire region.



Community Committees and Collaborative Governance

The Integrated Monitoring, Partnerships and Community Advisory Table (IMPACT)

In Q4 2025, CNC enhanced its community engagement framework by combining its former separate Environmental and Socioeconomic Community Committees into a single forum: the Integrated Monitoring, Partnerships and Community Advisory Table (IMPACT). The first IMPACT meeting was held on March 25, 2026. The new structure was created to provide a more coordinated and efficient approach to community dialogue as the Crawford Nickel Project advances through permitting, planning, and future development stages.

By bringing environmental and socioeconomic interests together at one table, IMPACT supports more integrated discussions on topics that are often interconnected, such as environmental monitoring, housing, infrastructure, employment, procurement, regional growth, and Project planning. The combined format also helps streamline communications, reduce duplication across committees, improve follow-up on action items, and provide participants with a broader understanding of project developments and their potential implications.

To support effective and balanced discussions, CNC retained an independent local third-party Chair and facilitator to guide meetings, manage agendas, and encourage inclusive participation from

members. Independent facilitation helps create a neutral forum for dialogue, supports transparency and accountability, and enables committee members to raise questions, share perspectives, and identify priorities in a respectful and constructive setting. CNC expects IMPACT to remain an important mechanism for ongoing engagement, relationship-building, and information sharing with municipal, community, and regional stakeholders.

The inaugural IMPACT Committee currently includes representatives from the following organizations:

- Aboriginal Peoples' Alliance of Northern Ontario
- City of Timmins
- Cochrane Board of Trade
- Cochrane Local Citizen Committee
- Cochrane District Services Board
- DIY Community Health
- Friends of Porcupine River Watershed
- Northeastern Public Health
- Ontario River Alliance
- Public Health Unit
- Timmins Chamber of Commerce
- Town of Cochrane
- Town of Iroquois Falls
- Town of Smooth Rock Falls
- Independent Facilitator

The Environmental Committee

Prior to the creation of the IMPACT Committee in 2026, CNC maintained its dedicated Environmental Committee to support ongoing dialogue with municipal, community, and regional stakeholders on environmental matters related to the Crawford Nickel Project. In 2025, the Committee met twice, on January 7, 2025 and September 16, 2025.

The January meeting focused on Project status updates and environmental planning priorities for 2025. Topics discussed included progress on the federal Impact Assessment process, ongoing environmental baseline studies, water management planning, wildlife observations and monitoring programs, and environmental priorities associated with continued exploration and Project advancement. The September meeting focused on environmental performance, regulatory feedback, and follow-up matters. Agenda topics included a review of environmental dashboards and comments received on the Crawford Nickel Impact Statement, as well as an overview of 2024 ESG Report highlights.

Socioeconomic Committee

CNC maintained its dedicated Socioeconomic Committee throughout 2025 to support ongoing dialogue with municipal, community, and regional stakeholders on social and economic matters related to the Crawford Nickel Project. The Socioeconomic Committee met once on September 4, 2025.

Topics discussed at the September meeting included a proposal to combine the Environmental and Socioeconomic Committees into one formal committee structure, updates on ongoing engagement with Indigenous Nations and local communities, including an overview of upcoming open houses and a summary of 2025 engagement activities that had been completed to date, as well as a review of social and economic highlights from the 2024 ESG Report. The Socioeconomic Committee also received a summary of successful applications approved through CNC's Short-Term Contributions Program, including recipient organizations, funding amounts, and alignment with program criteria.

CNC's Contributions Program



Despite being a pre-revenue company, CNC has demonstrated its commitment to supporting the region by developing and implementing a Contributions Program in collaboration with local stakeholders, which comprises two components: the Short-Term Contributions Program and the Legacy Contributions Program. These initiatives aim to address and propose to mitigate existing or potential challenges within the region that may be triggered or amplified by our operations. These programs 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 or causes, 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 2025, there were 14 successful applications received through the Short-term Contributions Program. Successful applicants were from Mattagami First Nation, Cochrane, Iroquois Falls, and Timmins.

Congratulations to the successful Short-term Contribution Program applicants of 2025!

- Mattagami First Nation (x2)
- Alzheimer Society Cochrane-Temiskaming Shores
- Anti-Hunger Coalition Timmins
- Canadian Institute of Mining, Metallurgy, and Petroleum
- Cochrane Classic Vintage Riders Club and Museum
- Cochrane District Crime Stoppers
- École Secondaire Catholique et Publique l'Alliance
- Keepers of the Circle
- Northern College
- Timmins and District Hospital Foundation
- Timmins Chamber of Commerce
- Timmins Fitness Alternatives
- Women in Mining (Timmins)



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 Nickel 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.

There were two successful applications to CNC's Legacy Contributions Program in 2025—Camp Bickell Inc. and the Smooth Rock Falls Food Bank.

2025 Legacy Contributions Program Case Study: Camp Bickell Eco Interpretive Centre

Camp Bickell has served children and youth in Northeastern Ontario since 1939, providing inclusive outdoor education, leadership development, and nature-based learning



opportunities. Through its 2025–2027 strategic plan, the organization continues to expand access to high-quality programming while strengthening environmental stewardship and community connection.

CNC's contribution supports the development of a new Eco Interpretive Centre and approximately 4 kilometres of eco-trails at Camp Bickell's Chapman Lake property. The project is designed to create hands-on learning experiences for youth through outdoor programming focused on ecology, biodiversity, navigation, environmental science, and northern ecosystems.

The initiative will expand access to experiential education for students, including youth from local school boards and underserved communities, while strengthening environmental awareness, confidence, and leadership skills through outdoor learning.

This contribution supports long-term regional wellbeing by investing in youth development,

education, and community infrastructure. It also helps build local capacity and inclusive opportunities aligned with responsible regional growth in Northeastern Ontario.

2025 Legacy Contributions Program Case Study: Smooth Rock Falls Food Bank / SOS

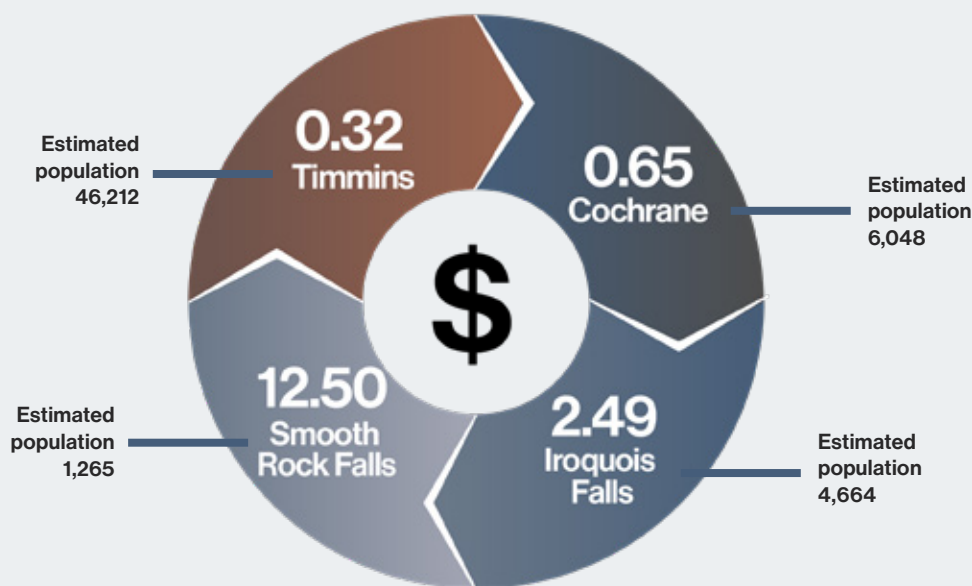
The Smooth Rock Falls Food Bank provides essential monthly food assistance to individuals and families experiencing financial hardship in the community. As cost-of-living pressures continue to affect vulnerable households, local food security programs play an important role in maintaining community wellbeing and resilience.

CNC's contribution helps support the continuation of monthly food bank services, improving access to basic necessities for residents who may be disproportionately affected by economic pressures and changing regional conditions. This contribution reflects CNC's commitment to supporting practical, community-led solutions that address local social needs.

Funding Awarded by Contributions Program Type



Funding Awarded Through Short-term and Legacy Contributions Program Per Capita²²



Funding Awarded Through Short-term²³ and Legacy Contribution Programs by Category



²¹ Includes \$1,900 in Indigenous donations

²² Includes \$1,900 in Indigenous donations. Funding awarded through CNC's Contributions Program per capita was calculated using the following populations from the 2021 census: City of Timmins (41,145), Town of Cochrane (5,395), Town of Iroquois Falls (4,420), Town of Smooth Rock Falls (1,200).

²³ Includes \$1,900 in Indigenous donations

2025 Open Houses



As part of ongoing public engagement efforts, CNC hosted four in-person community open houses in 2025 to provide updates on the Crawford Nickel Project which hosted more than 1000 community members to share information on the Company's growing regional exploration activities, and gather public feedback. These sessions were intended to promote open dialogue, answer questions, and ensure stakeholders, Rightsholders, and community members had opportunities to learn more about the Project and provide input.

The in-person open houses were held in:

- Smooth Rock Falls – September 8, 2025
- Timmins – September 9, 2025
- Iroquois Falls – September 10, 2025
- Cochrane – September 11, 2025

Each open house featured informational boards and interactive displays covering key aspects of CNC's regional activities, including:



Crawford Nickel Project Overview and Project Phases: Key facts on the Project, anticipated schedule, infrastructure components, and long-term economic opportunities.



Impact Assessment and Environmental Assessment Processes: An overview of the federal Impact Assessment process, provincial approvals, and current regulatory milestones.



Anticipated Project Impacts and Mitigation Measures: A summary of key findings from the Crawford Nickel Impact Statement related to fish and fish habitat, surface water, groundwater, wildlife, and social conditions, along with proposed mitigation and monitoring measures.



Environmental Stewardship and Climate Innovation: An overview of CNC's IPT Carbonation technology and research initiatives related to carbon sequestration and low to potentially net-zero carbon mining.



Indigenous Partnerships and Community Engagement: Updates on partnerships with First Nations impacted by the Crawford Nickel Project, engagement processes, community committees, and opportunities for participation.



Exploration and Responsible Practices: Updates on regional exploration programs and responsible development practices across the Timmins Nickel District.



Human Resources, Health and Safety, and Next Steps: Anticipated employment opportunities, CNC's health and safety commitments, and future milestones for Project advancement.

Feedback and questions received during the open house sessions continue to inform CNC's engagement approach and public communications, supporting the Company's commitment to transparency, collaboration, and responsible development. Looking ahead, CNC remains committed to ongoing engagement and will continue to host community events, open houses, and other opportunities for dialogue as the Crawford Nickel Project advances.

Leadership in Regional Economic Development

CNC is committed to contributing to the long-term success of the communities and regions in which we operate. This includes supporting leadership, collaboration, and economic readiness beyond project development activities.

In 2025, Sydney Oakes, Director of Indigenous Relations and Public Affairs, was elected to the Timmins Chamber of Commerce Board of Directors. Her appointment reflects recognition of her leadership experience in public policy, Indigenous relations, stakeholder engagement, and regional economic development.

Sydney brings a strong background in governance and public affairs, including previous roles with Six Nations Elected Council, the Ontario Legislative Internship

Programme, Chiefs of Ontario, consulting roles with Nishnawbe Aski Nation and the Assembly of First Nations, and advisory roles to First Nations governments. Her experience spans policy development, advocacy, relationship-building, and strategic advisory services across public, Indigenous, and private sector organizations.

Her election to the Timmins Chamber of Commerce supports CNC's broader regional development objectives by helping to:

- Strengthen relationships between industry, local businesses, and community organizations
- Support dialogue on workforce development, procurement, and regional economic opportunities
- Contribute expertise in Indigenous relations and public policy to local leadership discussions
- Enhance collaboration on priorities that support sustainable growth in Northeastern Ontario

This appointment demonstrates how CNC's people contribute leadership capacity beyond the workplace while supporting inclusive and resilient regional economic development.



Employment Practices



In this section:

- Workforce Overview 81
- Training, Learning and Development..... 82
- Inclusive Workplace Culture 83

CNC recognizes that its people are fundamental to responsible growth, strong performance, and long-term success.

Throughout 2025, CNC remained focused on fostering an inclusive workplace, supporting employee wellbeing, and building the systems and capabilities needed for future growth.

Workforce Overview



CNC maintained a stable and capable workforce in 2025 while continuing to strengthen local employment, leadership diversity, and retention. At year-end, CNC employed 32 people, including 29 permanent employees, 2 temporary employees, and 1 part-time employee, reflecting a predominantly full-time workforce aligned with the Company's continued advancement toward project development. Employees were split between the Cochrane District (19) and Corporate (13) locations, demonstrating a

strong operational presence in Northeastern Ontario while maintaining strategic corporate capacity.

CNC's workforce remained gender-diverse, with women representing 41% of total employees. Representation was particularly strong in corporate functions, where women accounted for more than half of employees, and women also held positions across professional, management, and executive levels. This builds on CNC's prior commitment to advancing inclusion and reflects continued progress in broadening participation across the organization.

CNC also continued to prioritize local employment. In 2025, 29% of senior management (defined as managers and above) were hired locally from the Timmins region—a 4% increase from 2024. This demonstrates ongoing efforts to develop leadership capacity with local knowledge and regional experience as the Project advances.

Retention remained a positive workforce outcome in 2025. No new hiring was required during 2025 and employee turnover was 9%. Lower turnover in a competitive labour market reflects CNC's ability to retain talent and maintain organizational continuity during an important stage of growth.

CNC also continued to offer a competitive total rewards package to eligible full-time employees across both Timmins and Corporate locations, including health care, life insurance, disability coverage, stock ownership opportunities, severance provisions, and transition planning assistance. The Company's average entry-level salary was 1.6 times the local minimum wage, supporting its commitment to fair and competitive compensation (Government of Ontario, 2023).

Training, Learning and Development



CNC continued to invest in employee development in 2025 through onboarding, targeted training, and workforce readiness initiatives that support both current operations and future growth.

Working to standardize onboarding continues to be an ongoing initiative for the Company. The current design for onboarding programs will invest approximately 7 hours of onboarding training per employee and 5 hours per executive. There is a combined focus on health and safety requirements, company policies, and mandatory compliance training. In addition to onboarding training, other programs are being designed to focus on role-specific technical training, mentoring, external learning, or continuous development activities.

CNC expanded learning opportunities through focused internal training initiatives in 2025. A key highlight was the Company's month-long Mental Health Awareness and Well-Being Initiative, delivered throughout May 2025 to promote mental health awareness, reduce stigma, and provide employees with resources to support overall well-being. The initiative included organization-wide communications from leadership to demonstrate corporate support and engagement, weekly educational themes, mental health awareness articles, presentations, and interactive activities designed to encourage participation and

discussion. Weekly topics included achieving health and wellness, managing stress and anxiety, healthy eating, and cultivating wellness and resilience. Activities included virtual and in-person presentations, healthy breakfasts and lunches, distribution of healthy snacks, bulletin board awareness materials at the Core Shack, and an employee scavenger hunt focused on engagement and well-being. Management teams were also encouraged to actively participate, support implementation, and role model the program within their respective teams. In addition, individuals appointed to the Joint Health and Safety Committee (JHSC) completed required certification training, strengthening internal safety leadership and worker participation in health and safety governance. In addition, individuals appointed to the JHSC completed required certification training, strengthening internal safety leadership and worker participation in health and safety governance.

In 2025, **100% of CNC's workforce (32 employees)** received a regular performance and career development review.



By employee category, reviews were conducted across all levels of the organization, including:



Preparing for Growth

During 2025, Human Resources (HR) planning identified several priorities for 2026 and 2027 to support organizational growth and project readiness. Key initiatives include the implementation of a formal site orientation program, enhanced onboarding processes for new hires, development of internal frameworks and workforce systems to support project execution, expansion of internal HR resources as needed, and continued labour market and compensation benchmarking. Together, these initiatives are intended to help scale the organization effectively as the Crawford Nickel Project advances.

Developing Local Talent

CNC also continued to support long-term employment pathways connected to the Crawford Nickel Project. Through its workforce readiness materials, the Company highlighted anticipated future opportunities across mining, processing, environmental, technical services, maintenance, administration, and leadership roles, alongside locally available education and training programs available in the region. This information was shared at community open house events, community events, and various Indigenous events that were attended by CNC staff. This proactive approach helps prepare local workers for future employment opportunities in Northeastern Ontario.

Inclusive Workplace Culture

CNC is committed to fostering a respectful, inclusive, and opportunity-focused workplace where employees are valued for their skills, perspectives, and contributions. As the Company grows, it continues to promote equitable access to opportunities through

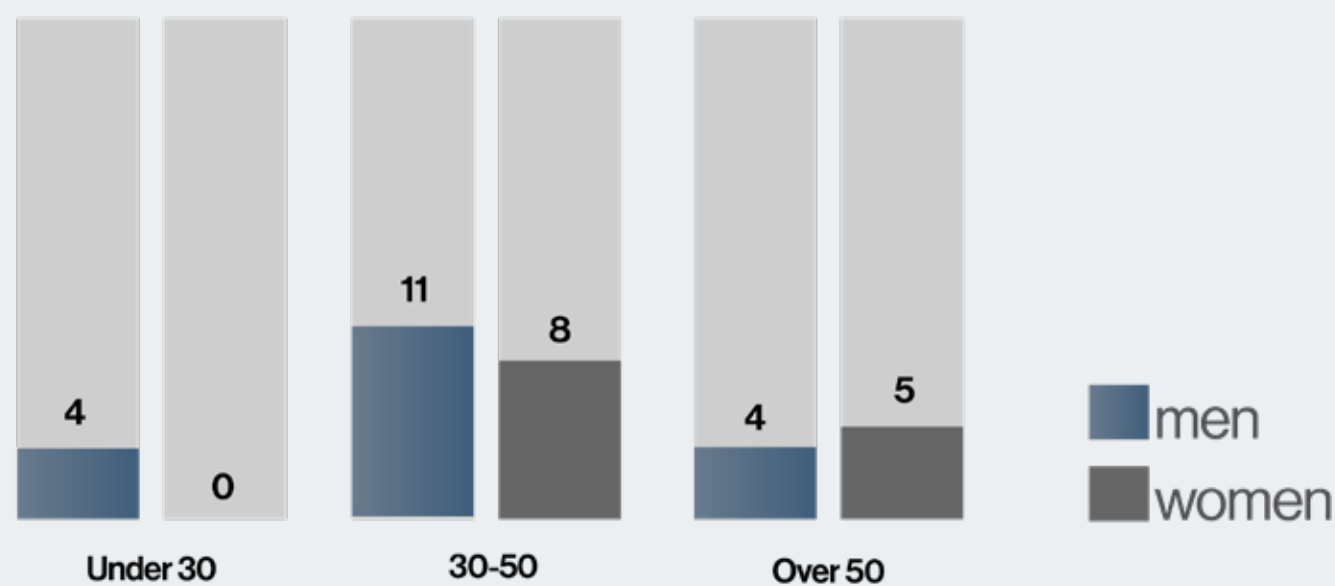
workforce planning, leadership development, and workplace culture.

Female Representation and Leadership

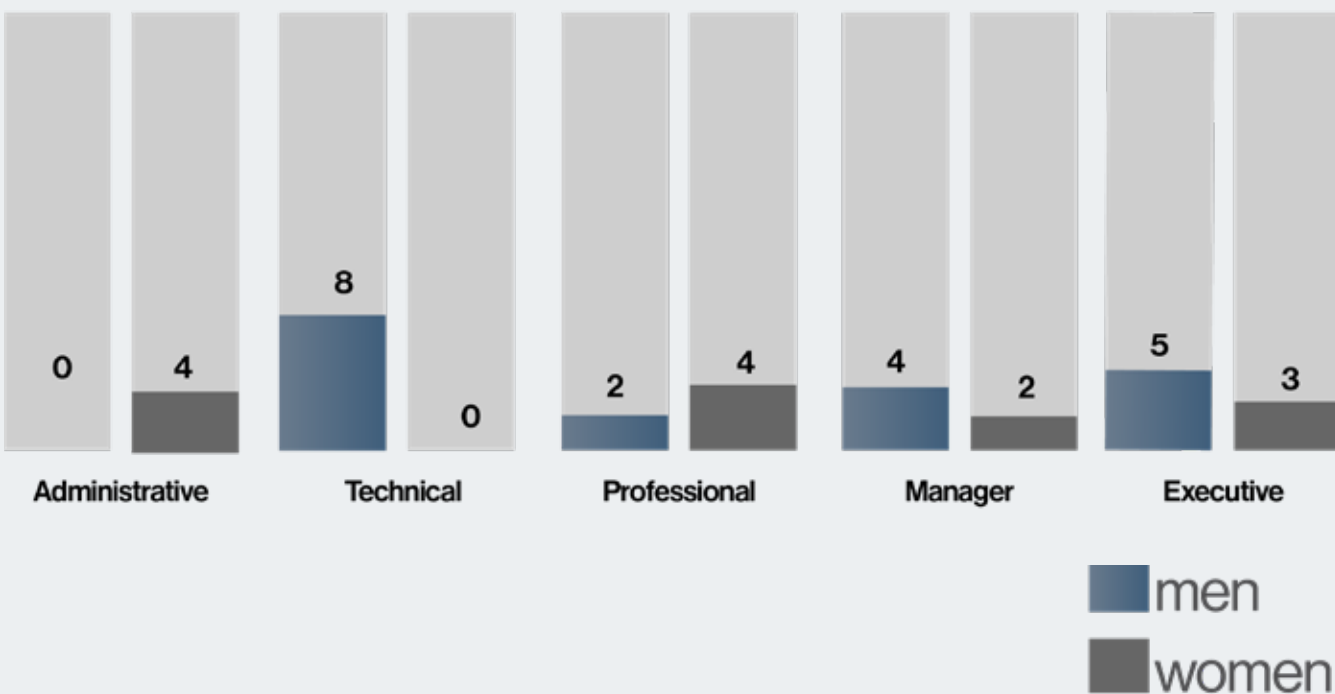
CNC continued to strengthen female representation in 2025. Women represented 41% of the workforce (up from 34%), 36% of senior management (up from 34%), and 43% of the Board of Directors (up from 33%) compared with 2024. Women were employed across administrative, professional, management, and executive roles, demonstrating participation at multiple levels of the organization and continued progress in leadership diversity. These outcomes support CNC's commitment to the Government of Canada's Equal by 30 initiative, which aims to advance gender equality and diversity across the energy and natural resources sectors by 2030.



Breakdown of Employees by Age and Gender



Breakdown of Employees by Position and Gender



Occupational Health and Safety



In this section:

- Safety Management Systems 86
- Safety Performance 86



CNC is committed to protecting the health, safety, and wellbeing of employees, contractors, and visitors across all activities. As the Company advances toward development, CNC continues to strengthen the systems, training, and culture needed to support safe and responsible operations.

Safety Management Systems

CNC maintained a structured health and safety management approach in 2025 focused on hazard prevention, risk management, worker participation, and continuous improvement. All employees and contractors were covered by the Company's occupational health and safety system during the reporting period. Core elements of the system included site-specific procedures, hazard identification processes, incident reporting and investigation protocols, emergency preparedness measures, and regular communication of health and safety expectations.

CNC also continued to apply preventive controls through contractor expectations, field procedures, and proactive risk management practices designed to reduce incidents before they occur. This includes communicating clear safety standards to business partners working on Company sites.

Worker engagement remained an important component of CNC's safety culture throughout 2025. The JHSC supported consultation, communication, and worker participation in health and safety matters, with committee members completing required certification training during the year. Worker participation was also supported through hazard identification and incident reporting processes, including the reporting of seven near misses in 2025, which contributed to hazard awareness, learning, and continuous improvement.

Safety Performance

CNC recorded strong safety performance in 2025 with zero fatalities, zero lost-time injuries, zero recordable work-related injuries, and zero recordable work-related ill health cases for both employees and contractors. Lost-time injury frequency and recordable injury frequency both remained at zero.

Employees worked a total of 54,249 hours during the reporting period. In addition, seven near misses were reported by employees. Reporting of near misses is an important leading indicator employees are comfortable and trained to report issues that support hazard awareness, learning, and continuous improvement.

Looking Ahead



In this section:

- Strategic Priorities for 2026..... 88



CNC continued to advance key sustainability, permitting, engagement, and organizational initiatives in 2026 to implement our Corporate Purpose, support responsible project development and ensure long-term business success. As the Crawford Nickel Project progresses through the federal impact assessment and permitting process, the Company remains focused on strengthening governance, advancing the sustainability topics that matter most to our stakeholders, such as environmental stewardship, supporting Indigenous and community partnerships, maintaining a strong safety culture, and enhancing internal systems and workforce development.

Strategic Priorities for 2026

In 2026, CNC will continue advancing initiatives that support construction readiness, regulatory progress, organizational

growth, and long-term sustainability performance. Key priorities include advancing permitting and environmental management programs, strengthening engagement and partnership initiatives with Indigenous Nations and regional communities, enhancing internal governance and compliance systems, supporting employee development and safety performance, and implementing scalable processes to support increasing stakeholder activity and Project visibility.

CNC sets sustainability objectives and goals that are integrated with our corporate strategy and long-term project development approach. Through the achievement of these objectives, we aim to responsibly advance our projects, contribute to the social, environmental, and economic well-being of our employees, local communities, and Rightsholders, thus setting the conditions for long-term shareholder value creation.

Governance and Ethical Conduct



Finalize long-term agreements to support pre-construction readiness.

Implement and communicate the Company's guiding values and social purpose framework across internal and external channels.

Local Communities



Support Indigenous and community-led capacity-building initiatives by identifying priorities through ongoing engagement, committee discussions, and agreement negotiations to strengthen long-term readiness for Project-related opportunities.

Develop scalable engagement, communications, and issue-management processes by implementing standardized coordination, tracking, reporting, and response protocols across departments to support increasing stakeholder activity and Project visibility.

Environmental Stewardship



Maintain schedule to achieve receipt of federal Impact Assessment approval by mid-2026

Monitor use of bat houses installed in 2025 and increase the number installed

Continue reclamation and revegetation surveys to validate positive trends observed in 2025

Advance large-scale CO₂ storage through NetCarb collaboration

Advance Department of Energy (USA)-Supported In-Situ Carbon Injection Pilot Project

Occupational Health and Safety



Maintain a strong safety culture through proactive hazard identification, training, incident prevention, and continuous improvement initiatives, with the goal of achieving zero fatalities and lost-time injuries.

Talent, Culture and Workforce Development



Strengthen corporate compliance and governance through ongoing policy development and implementation led by the Policy Committee.

Deliver employee development and engagement initiatives through annual corporate training and internal lunch-and-learn sessions.

Strengthen recruitment and employee integration processes by enhancing onboarding materials and hiring protocols.

Continue measuring organizational performance and refining executive scorecards to support accountability and continuous improvement.

Reinforce corporate culture by integrating Company Values into performance management, policy development, and recruitment processes.

	2022	2023	2024	2025	Improved Performance from 2024
Exploration					
Metres Drilled	76,998	22,155	119,974	20,621	-
Health and Safety					
Recordable Work-Related Injuries	3	1	0	0	No change
Total Recordable Work-Related Injury Frequency (IFR)	0.29	0.02	0	0	No change
Number of Lost-time Injuries	1	0	0	0	No change
Number of Near Misses	5	6	13	7	✓
Recordable Lost-time Injury Frequency	0.02	0	0	0	No change
Number of Fatalities	0	0	0	0	No change

	2022	2023	2024	2025	Improved Performance from 2024
Environment					
GHG Emissions Scope 1 (tCO ₂ e)	2,879	685	5,399	749	✓
GHG Emissions Scope 2 (tCO ₂ e)	2	2	2	2	No change
GHG Emissions Intensity (kg of CO ₂ /drilled metre)	37	31	43	36	✓
Water Consumption Per Drilled Metre (m ³ water/metre)	0.28	0.48	0.38	0.40	✗
Average Water Taking Per Drill Per Day (m ³ water/drill)	20.26	33.65	32.25	40.37	✗
Energy Intensity (Megajoules/metre drilled)	532	462	531	538	✗
Community Relations					
Donations and Sponsorships (\$)	9,600	151,700	87,700	44,600	✗
Local and Community Investments (% of Total Spend)	38	27	37	26	✗

	2022	2023	2024	2025	Improved Performance from 2024
Talent and Culture					
Number of Employees	31	31	38	32	-
Employee Turnover (%)	6	26	3	9	✓
Women/Gender Diversity in Workforce (%)	32	32	34	41	x
Number of New Hires	10	6	4	0	-
Senior Management Hired Locally (%)	10	25	25	29	✓
Governance					
Independent Board Members (%)	86	83	83	86	✓
Female Board Members (%)	29	33	33	43	✓
Visible Minority Representation on the Board of Directors (%)	14	17	17	14	x
Number of Board of Directors Committee Meetings	5	12	20	7	x

2025 Objectives and Outcomes



Governance and Ethical Conduct

2025 Objectives	2025 Status	2025 Progress
Improve diversity within governance structures	✓ Achieved	Increased female board representation from 33% (2024) to 43% (2025) and added first Indigenous board member, Chief Bruce Archibald.
Strengthen ESG governance and reporting foundations	✓ Achieved	Completed a comprehensive materiality assessment to guide ESG strategy and disclosures.
Establish clear ethical principles to guide conduct	✓ Achieved	Developed and formalized company value statements, which were subject to board approval and company-wide engagement.

Local Communities

2025 Objectives	2025 Status	2025 Progress
Maintain proactive engagement with affected communities and Rightsholders by hosting four community open houses in Cochrane, Iroquois Falls, Smooth Rock Falls, and Timmins.	✓ Achieved	Ongoing engagement activities were conducted beyond regulatory requirements, including community open houses, community newsletters, community committees, and participation in community events.
Maintain transparent and fair contribution assessment processes by restructuring the contribution program assessment tools	Ongoing	This objective was deferred as the Contributions Program was previously overseen by the Socioeconomic Committee. Following the combination of the Socioeconomic and Environmental Committees into a single IMPACT Committee, the future structure, governance, and assessment approach for the Contributions Program will be reviewed through this new committee framework before final changes are implemented.
Strengthen transparency and accessibility in procurement processes by implementing a self-registry procurement platform	Ongoing	During 2025, CNC advanced its review of potential procurement platform solutions intended to provide suppliers and businesses with direct access to submit and monitor their information. Through this process, the Company identified that many available systems are primarily health and safety focused or designed as add-on modules to larger enterprise platforms such as SAP or Oracle. CNC is therefore continuing to evaluate fit-for-purpose options, including opportunities to adapt tools used by its lead engineering firm. Based on this assessment, the final solution may involve a hybrid model combining self-registration functionality with dedicated procurement support resources.

Environmental Stewardship

2025 Objectives	2025 Status	2025 Progress
Minimize ecological disturbance during exploration activities by installing bat boxes at select project sites to support biodiversity and species monitoring.	✓ Achieved	In the spring of 2025, our dedicated coreshack team fabricated over 40 bat houses — crafted entirely from recycled materials, repurposing old core boxes from our yard. To date a total of 6 boxes have been installed at Crawford, 4 at Reid and another 5 at Texmont.
Support responsible land stewardship at disturbed sites by evaluating natural revegetation processes to inform future reclamation strategies.	✓ Achieved	In 2025, reclamation and revegetation surveys were successfully completed at 60 drill sites across six regional properties: Sothman, Bannockburn, Midlothian, Mann, Texmont, and Deloro. Sites were strategically selected across a range of topographies and represented drill locations more than two years post-completion, allowing for a meaningful assessment of natural regeneration. Survey results demonstrated strong natural revegetation and effective site stabilization across all assessed locations. Drill caps remained clearly labelled and intact, and no residual waste or materials were observed. These findings reflect the success of the Company's reclamation practices and its ongoing commitment to responsible land stewardship.
Advance low-carbon technologies supporting net-zero objectives by progressing toward commercialization, regulatory approvals, and long-term CO ₂ sequestration monitoring.	✓ Achieved	Advanced multiple low-carbon technology initiatives in 2025, including continued commercialization and deployment planning for IPT Carbonation and NetCarb, and progression of the U.S. Department of Energy-supported in-situ CO ₂ injection pilot project at Crawford.

Occupational Health and Safety

2025 Objectives	2025 Status	2025 Progress
Maintain a strong health and safety program and promote safe work practices across operations by tracking key lagging indicators and conducting routine safety activities.	✓ Achieved	Maintained strong safety performance in 2025 with zero fatalities, zero lost-time injuries, zero recordable work-related injuries, and zero work-related ill health cases for employees and contractors. Routine safety activities, worker engagement processes, and ongoing monitoring of leading and lagging indicators supported continued safe work practices across

Talent, Culture and Workforce Development

2025 Objectives	2025 Status	2025 Progress
Support employee learning and engagement by implementing quarterly lunch-and-learn sessions featuring internal and external speakers.	✓ Achieved	Lunch-and-learn sessions were delivered throughout 2025, including a series held during Mental Health Awareness Month in May. Additional sessions focused on internal policy awareness, including the Code of Conduct and Issue Resolution Policy, supporting employee understanding and engagement.
Maintain clear internal policies and procedures by establishing a cross-functional Policy Committee to support consistent, relevant policy development.	✓ Achieved	A cross-functional Policy Committee was established in 2025, alongside the implementation of a Policy Register to track policy development, approvals, and review cycles, supporting improved governance and consistency across the organization.
Provide clear onboarding and role clarity by enhancing employee onboarding packages to improve early engagement and alignment.	✓ Achieved	While there were no new hires in 2025, enhancements were made to onboarding materials, including streamlining content through summarized and standardized documents. Efforts were also initiated to improve document organization and explore options for centralizing onboarding resources to support consistency and accessibility.
Align leadership performance with strategic objectives by further refining executive scorecards to strengthen alignment with ESG leadership and company values.	Ongoing	Progress was made in refining executive scorecards through benchmarking exercises and collaboration with the Human Resources and Compensation Committee (HRCC). A draft scorecard framework was developed, with ongoing discussions focused on aligning strategy, values, and performance objectives to support effective measurement and accountability.

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 reports; 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; corporate and technical objectives; corporate governance and ESG initiatives, targets and 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 Company’s properties, 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 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 – 2025 Data



Building Stronger Communities

Funding Awarded by Contributions Program Type

Program Type	Amount Awarded (CAD)
Short-term Contributions Program	\$19,600 (Includes \$1,900 in Indigenous donations)
Legacy Contributions Program	\$25,000
Total	\$44,600

Funding Awarded Through Short-term²⁴ and Legacy Contribution Programs by Category

Program Type	Amount Awarded (CAD)
Health/Wellbeing	\$6,700
Education	\$13,500
Social	\$5,900
Environmental	\$0
Economic	\$18,500

²⁴ Includes \$1,900 in Indigenous donations

Funding Awarded Through Short-term²⁵ and Legacy Contribution Programs by Community

Community	Amount Awarded (CAD)
Timmins	\$13,200
Cochrane	\$3,500
Iroquois Falls	\$11,000
Smooth Rock Falls	\$15,000
Other	\$1,900 ^{25,26}

Funding Awarded Through Short-term and Legacy Contributions Program Per Capita^{26, 27}

Community	Amount Awarded Per Capita (CAD)
Timmins	\$0.32
Cochrane	\$0.65
Iroquois Falls	\$2.49
Smooth Rock Falls	\$12.50

²⁵ Three donations were made to Indigenous Nations

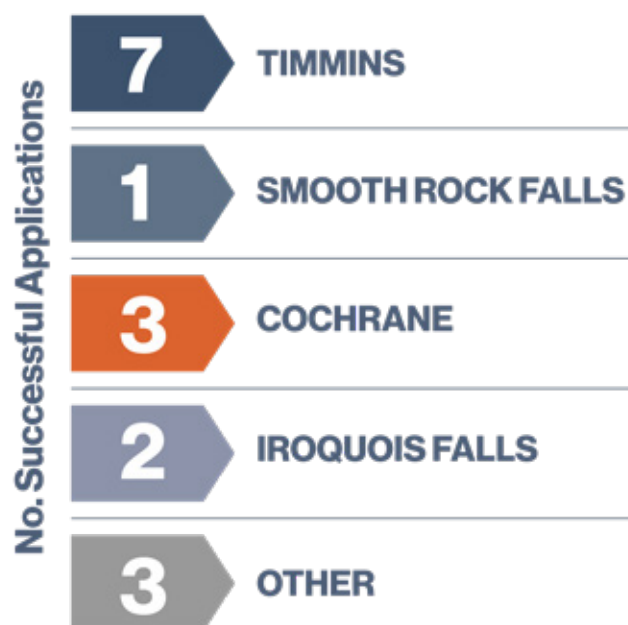
²⁶ Includes three Indigenous donations

²⁷ Census data from Statistics Canada was used to calculate Funding Awarded per Capita (Statistics Canada, 2023)

Number of Successful Contribution Program Applications by Category



Number of Successful Short-term Contributions²⁹ Program Applications



²⁸ Includes applications for Indigenous donations (3), Short-term Contributions Program (11), and Legacy Contributions Program (2).

²⁹ Includes 3 donations to Indigenous groups.

GRI

Environmental Stewardship

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 ³⁰	Tonnes of CO ₂ e	750 ³¹
Scope 2 Emissions	Tonnes of CO ₂ e	2.0 ³²
Scope 3 Emissions	Tonnes of CO ₂ e	Not calculated
Emissions Intensity	kg of CO ₂ e / metre drilled	0.36

³⁰ Emission factors adapted from the 2025 Canadian National Inventory Report (Environment and Climate Change Canada, 2025). 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.

³¹ Rounded to nearest ten.

³² Value rounded to nearest tonne.

Energy Consumption

Performance Metric	Unit	Value
Non-Renewable Fuel Consumption	Megajoules	9,800,000 ³³
Diesel	% of total non-renewable energy consumption ³⁴	62
Gasoline	% of total non-renewable energy consumption ³⁴	10 ³⁵
Aviation Fuel	% of total non-renewable energy consumption ³⁴	12
Propane	% of total non-renewable energy consumption ³⁴	16
Renewable Fuel Consumption	Megajoules	667,250 ³⁵
Electricity and Heating Consumption	Megajoules	601,620 ^{35,36}
Cooling and steam consumption	Megajoules	0
Electricity, Heating, Cooling, and Steam Sold	Megajoules	0
Total Energy Consumption	Megajoules	11,100,000 ^{33,36}
Energy Intensity ³⁷	Megajoules / metre drilled	538

³³ Value is rounded to nearest hundred thousand.

³⁴ Data provided by contractors and service providers (estimated or measured).

³⁵ Value is rounded to nearest ten.

³⁶ Conversion to energy based on public sources (volume to energy), validated with Government of Canada data.

³⁷ 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).

GHG Emissions

Performance Metric	Source ³⁸	Value
Water Withdrawal (megalitres) ³⁹	Surface and Groundwater	8.30
Water Withdrawal from Areas with Water Stress (megalitres)	Surface and Groundwater	0
Water Discharge (megalitres) ⁴⁰	Surface and Groundwater	8.30
Water Consumption (megalitres) ⁴¹		N/A
Water Consumption Per Metre Drilled (m3 water/metre) ³⁹	Surface and Groundwater	0.40

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

39 All drills were equipped with flow meters reading in cubic meters in 2025. Daily water readings were taken in the field by the drill crews and data was compiled, analyzed, and distributed by CNC Environmental staff. These calculations do not account for domestic water consumption by staff at the corporate or site offices.

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

41 As the water withdrawn is discharged back into the environment

Economic Performance

Economic Value Distributed (CAD\$ million)

Performance Metric	Value
Revenue	0
Operating Costs	26.1
Employee Wages and Salaries ⁴²	10.6
Payments to Providers of Capital	8.9
Payments to Canadian Government	0.37
Community Investments ⁴³	1.7 ⁴⁴
Proportion of Spending on Local Suppliers (%)	26.2
Economic Value Retained	-52.37

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

43 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 2025 community investment spend is based on the fiscal year and includes the \$690,104.60 in payments to Indigenous Nations.

44 Note that the 2024 ESG Report disclosed Community Investment expenditures of CAD \$12.45 million; however, this figure included expenses such as environmental consulting, laboratory processing, and local procurement costs that should not have been classified as community investments. As a result, the 2024 reported value is not directly comparable to the 2025 community investment spend. The corrected Community Investment expenditure for 2024 was CAD \$0.42 million.

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	13	11	2	0
	Female	6	6	0	0
	Total	19	17	2	0
Corporate	Male	6	6	0	0
	Female	7	6	0	1
	Total	13	12	0	1
Total		32 ⁴⁵	29	2	1

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	3	0	1	4
Technical	4	0	4	0	0	0	8
Professional	0	0	2	3	0	1	6
Manager	0	0	3	1	1	1	6
Executive	0	0	2	1	3	2	8
Total	4	0	11	8	4	5	32

⁴⁵ The end of the reporting period was used for workforce count. Absenteeism rate has not been tracked to date.

Total Salary Ratios



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

Category	Timmins	Corporate
Technical	N/A	N/A
Professional	0.76	N/A
Manager	0.89	0.66
Executive	N/A	0.73

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

	Timmins	Corporate
Life Insurance	Yes	Yes
Health Care	Yes	Yes
Disability and Invalidity Coverage	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)

There were no new hires between January 1 – December 31, 2025.

Inclusive Workplace Culture

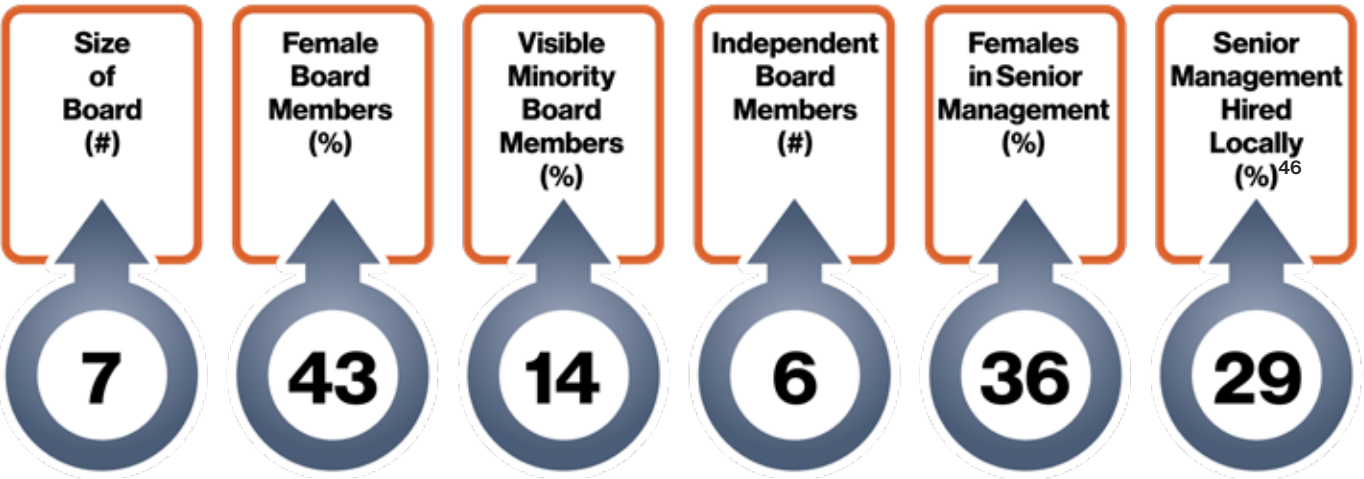
(# of employees)

	Timmins	Corporate	Total	Part-Time Employees
Indigenous	1	0	1	0
Racialized Groups	0	0	0	0

Employee Turnover (Voluntary and Involuntary) by Age and Gender

	Timmins	Corporate	Total
Under 30	0	1	1
30-50 years old	0	1	1
Over 50	0	1	1
Male	0	3	3
Female	0	0	0

Board and Senior Management



⁴⁶ Local consisting of Timmins region, with senior management considered managers and above.

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	54,249.35	Not Tracked
Number of Fatalities	0	0
Lost-Time Injuries	0	0
Lost-time Injury Frequency (LTIF)	0	0
Recordable Work-Related Injuries	0	0
Recordable Work-Related Injury Frequency (IFR)	0	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
Near-misses	7	0

Appendix B – GRI Standards Content Index



Canada Nickel Company has reported information relating to the January 1, 2025 to December 31, 2025 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, which were determined through a materiality assessment conducted for the 2025 ESG Report. 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 2025 ESG Report headings. Some disclosure information may be presented directly in the Index, where appropriate.

ESG Report: Referring to Canada Nickel's 2025 ESG Report

ESTMA: Referring to Canada Nickel's 2025 Extractive Sector Transparency Measures Act – Annual Report

Available [here](#)

ACFS: Referring to Canada Nickel's Audited Consolidated Financial Statements for Years Ended October 31, 2025 and 2024

Available [here](#)

MDA: Referring to Canada Nickel's Management's Discussion & Analysis For the Year Ended October 31, 2025

Available [here](#)

GRI 2: General Disclosures 2021	
GRI Indicator	Reference
2-1 Organizational details	2025 ESG Report – About CNC
2-2 Entities included in the organization's sustainability reporting	2025 ESG Report – About Canada Nickel's 2025 ESG Report
2-3 Reporting period, frequency and contact point	2025 ESG Report – About Canada Nickel's 2025 ESG Report
2-4 Restatements of information	Not applicable – There were no restatements of information from the 2024 ESG Report. Year-over-year metrics are presented in the 2025 ESG Report – ESG Performance Summary.
2-5 External assurance	External assurances were not completed for the 2025 ESG Report.

GRI 2: General Disclosures 2021

2-6 Activities, value chain and other business relationships	2025 ESG Report – About CNC, Responsible Supply Chain and Procurement, Local Communities
2-7 Employees	2025 ESG Report – Workforce Overview, 2025 Data Tables (Appendix A)
2-8 Workers who are not employees	2025 ESG Report – Workforce Overview, 2025 Data Tables (Appendix A)
2-9 Governance structure and composition	2025 ESG Report – Governance Framework and Composition
2-10 Nomination and selection of the highest governance body	<u>2024 ESG Report</u> – Governance, Board Composition <i>Information was not duplicated in 2025 ESG Report</i>
2-11 Chair of the highest governance body	2025 ESG Report – A Message from the Chair of the Board of Directors, Board Composition
2-12 Role of the highest governance body in overseeing the management of impacts	2025 ESG Report – ESG Oversight and Accountability, A Message from the Chair of the Board of Directors, A Message from the Chair of the ESG Committee, MDA
2-13 Delegation of responsibility for managing impacts	2025 ESG Report – Governance Framework and Composition, Risk Management and Internal Controls, MDA
2-14 Role of the highest governance body in sustainability reporting	2025 ESG Report – A Message from the CEO, A Message from the Chair of the ESG Committee, ESG Oversight and Accountability
2-15 Conflicts of interest	2025 ESG Report – Ethics and Integrity in the Workplace
2-16 Communication of critical concerns	2025 ESG Report – Internal Controls, Why Materiality Matters, Monitoring of ESG Performance, Community Committees and Collaborative Governance, 2025 Open Houses
2-17 Collective knowledge of the highest governance body	2025 ESG Report – Governance Framework and Composition, Board Composition, https://canadanickel.com/team/
2-18 Evaluation of the performance of the highest governance body	<u>2024 ESG Report</u> – Board of Directors Committees <i>Information was not duplicated in 2025 ESG Report</i>
2-19 Remuneration policies	2025 ESG Report – Company Policies, MDA, ACFS
2-20 Process to determine remuneration	2025 ESG Report – Company Policies, MDA, ACFS

GRI 2: General Disclosures 2021

2-21 Annual total compensation ratio	2025 ESG Report – 2025 Data Tables (Appendix A)
2-22 Statement on sustainable development strategy	2025 ESG Report – A Message From the CEO, Our Approach to Sustainability, A Message from the Chair of the ESG Committee,
2-23 Policy commitments	2025 ESG Report – Company Policies, Ethics and Integrity in the Workplace, Continuous Improvement in Governance Practices
2-24 Embedding policy commitments	2025 ESG Report – Company Policies, Ethics and Integrity in the Workplace, Continuous Improvement in Governance Practices
2-25 Processes to remediate negative impacts	2025 ESG Report – Internal Controls, Company Policies, Environmental Stewardship and Management, Occupational Health and Safety, Continued Indigenous Involvement in the Federal Impact Assessment Process
2-26 Mechanisms for seeking advice and raising concerns	2025 ESG Report – Internal Controls, Company Policies, Local Communities
2-27 Compliance with laws and regulations	2025 ESG Report – Environmental Stewardship and Management, Risk Management and Internal Controls, Federal Impact Assessment and Permitting for the Crawford Project. There were no instances of non-compliance during the reporting period.
2-28 Membership associations	2025 ESG Report – About Canada Nickel's 2025 ESG Report, Community Committees and Collaborative Governance, CNC's Contributions Program
2-29 Approach to stakeholder engagement	2025 ESG Report – Our Approach to Sustainability, Defining Our ESG Priorities – Impact Materiality, Local Communities, Community Committees and Collaborative Governance, CNC's Contributions Program, Creating Shared Value with Indigenous Partners, Continued Indigenous Involvement in the Federal Impact Assessment Process
2-30 Collective bargaining agreements	Not applicable – CNC's workforce was not covered by collective bargaining agreements during the reporting period

GRI 3: Material Topics 2021

GRI Indicator	Reference
3-1 Process to determine material topics	2025 ESG Report – 2025 Impact Materiality Assessment Methodology
3-2 List of material topics	2025 ESG Report – Materiality Results and Key Insights
3-3 Management of Material Topics	2025 ESG Report – Why Materiality Matters

GRI 101: Biodiversity 2024

GRI Indicator	Reference
101-1 Policies to halt and reverse biodiversity loss	2025 ESG Report – Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Climate Change Mitigation: GHG Emissions and Carbon Management, Sustainability Objectives and Goals
101-2 Management of biodiversity impacts	2025 ESG Report – Federal Impact Assessment and Permitting for the Crawford Project, Risk Management and Internal Controls, Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Climate Change Mitigation: GHG Emissions and Carbon Management, Sustainability Objectives and Goals
101-3 Access and benefit-sharing	2025 ESG Report – Creating Shared Value with Indigenous Partners, Continued Indigenous Involvement in the Federal Impact Assessment Process, Local Communities, Community Committees and Collaborative Governance, CNC's Contributions Program, Economic Impacts and Performance
101-4 Identification of biodiversity impacts	2025 ESG Report – Defining Our ESG Priorities – Impact Materiality, Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Federal Impact Assessment and Permitting for the Crawford Project, Continued Indigenous Involvement in the Federal Impact Assessment Process
101-5 Locations with biodiversity impacts	2025 ESG Report – About CNC, Operations at a Glance, Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Federal Impact Assessment and Permitting for the Crawford Project Specific sites with significant impacts were not identified in 2025 – not applicable at current size of operations

GRI 101: Biodiversity 2024

101-6 Direct drivers of biodiversity loss	2025 ESG Report – Environmental Stewardship and Management, Responsible Resource Development, Project Development Milestones and Construction Readiness, Water and Effluents, Resource Growth and Exploration
101-7 Changes to the state of biodiversity	Not applicable at current size of operations.
101-8 Ecosystem services	2025 ESG Report – Environmental Stewardship and Management, Water and Effluents, Baseline Environmental Monitoring Programs, Creating Shared Value with Indigenous Partners, Local Communities, Our Approach to Sustainability

GRI 201: Economic Performance 2016

GRI Indicator	Reference
201-1 Direct economic value generated and distributed	2025 ESG Report – Economic Impacts and Performance, Regional Economic Development, ESG Performance Summary, About Canada Nickel's 2025 ESG Report (financial statements / ESTMA), 2025 Data Tables (Appendix A)
201-2 Financial implications and other risks and opportunities due to climate change	2025 ESG Report – Climate Change Mitigation: GHG Emissions and Carbon Management, NetZero Metals – Low-Carbon Processing, Advancement of IPT Carbonation, NetCarb Collaboration, Risk Management and Internal Controls, Strategic Priorities for 2026, TCFD Disclosures (Appendix C)
201-3 Defined benefit plan obligations and other retirement plans	Not applicable – Canada Nickel does not have benefit plan obligations or other retirement plans.
201-4 Financial assistance received from government	2025 ESG Report – Government Recognition and Strategic Importance, Critical Minerals Leadership, Economic Impacts and Performance, Low-Carbon Innovation, DOE-Supported In-Situ Carbon Injection Pilot Project

GRI 202: Market Presence 2016

GRI Indicator	Reference
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	2025 ESG Report – 2025 Data Tables (Appendix A), Employment Practices, Workforce Overview, ESG Performance Summary.
202-2 Proportion of senior management hired from the local community	2025 ESG Report – 2025 Data Tables (Appendix A), Employment Practices, Developing Local Talent, Preparing for Growth, ESG Performance Summary.

GRI 203: Indirect Economic Impacts 2016

GRI Indicator	Reference
203-1 Infrastructure investments and services supported	2025 ESG Report – Local Communities, CNC's Contributions Program, Leadership in Regional Economic Development, Economic Impacts and Performance, Government Recognition and Strategic Importance.
203-2 Significant indirect economic impacts	2025 ESG Report – Regional Economic Development, Leadership in Regional Economic Development, Creating Shared Value with Indigenous Partners, Responsible Supply Chain and Procurement, Growth and Long-Term Opportunity, Government Recognition and Strategic Importance.

GRI 204: Procurement Practices 2016

GRI Indicator	Reference
204-1 Proportion of spending on local suppliers	2025 ESG Report – Local Communities, CNC's Contributions Program, Leadership in Regional Economic Development, Economic Impacts and Performance, Government Recognition and Strategic Importance.

GRI 205: Anti-corruption 2016

GRI Indicator	Reference
205-1 Operations assessed for risks related to corruption	2025 ESG Report - Risk Management and Internal Controls, Governance and Ethical Conduct, Company Policies, Continuous Improvement in Governance Practices.
205-2 Communication and training about anti-corruption policies and procedures	2025 ESG Report – Company Policies, Continuous Improvement in Governance Practices, Governance and Ethical Conduct, Risk Management and Internal Controls.
205-3 Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption occurred during the reporting period. 2025 ESG Report – Local Communities, CNC's Contributions Program, Leadership in Regional Economic Development, Economic Impacts and Performance, Government Recognition and Strategic Importance.

GRI 302: Energy 2016

GRI Indicator	Reference
302-1 Energy consumption within the organization	2025 ESG Report – 2025 Data Tables (Appendix A), Greenhouse Gas Emissions, Climate Change Mitigation: GHG Emissions and Carbon Management, ESG Performance Summary.
302-2 Energy consumption outside of the organization	Not applicable.
302-3 Energy intensity	2025 ESG Report – 2025 Data Tables (Appendix A), Greenhouse Gas Emissions, ESG Performance Summary.
302-4 Reduction of energy consumption	2025 ESG Report – 2025 ESG Report Highlights (83.3% reduction in total energy consumption from 2024), Greenhouse Gas Emissions, Climate Change Mitigation: GHG Emissions and Carbon Management, ESG Performance Summary.
302-5 Reductions in energy requirements of products and services	2025 ESG Report – NetZero Metals – Low-Carbon Processing, NetCarb Collaboration, Advancement of IPT Carbonation, Building a Regional Low-Carbon Ecosystem.

GRI 303: Water and Effluents 2018

GRI Indicator	Reference
303-1 Interactions with water as a shared resource	2025 ESG Report – Water and Effluents, Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Our Approach to Sustainability.
303-2 Management of water discharge-related impacts	2025 ESG Report – Water and Effluents, Environmental Stewardship and Management, Baseline Environmental Monitoring Programs, Federal Impact Assessment and Permitting for the Crawford Project.
303-3 Water withdrawal	2025 ESG Report – 2025 Data Tables (Appendix A), Water and Effluents, ESG Performance Summary.
303-4 Water discharge	2025 ESG Report – 2025 Data Tables (Appendix A), Water and Effluents, ESG Performance Summary.
303-5 Water consumption	2025 ESG Report – 2025 Data Tables (Appendix A), Water and Effluents, ESG Performance Summary.

GRI 305: Emissions 2016

GRI Indicator	Reference
305-1 Direct (Scope 1) GHG emissions	2025 ESG Report – 2025 Data Tables (Appendix A), Greenhouse Gas Emissions, Climate Change Mitigation: GHG Emissions and Carbon Management, ESG Performance Summary.
305-2 Energy indirect (Scope 2) GHG emissions	2025 ESG Report – 2025 Data Tables (Appendix A), Greenhouse Gas Emissions, ESG Performance Summary.
305-3 Other indirect (Scope 3) GHG emissions	Not calculated during this reporting period.
305-4 GHG emissions intensity	2025 ESG Report – 2025 Data Tables (Appendix A), Greenhouse Gas Emissions, 2025 ESG Report Highlights, ESG Performance Summary.
305-5 Reduction of GHG emissions	2025 ESG Report – 2025 ESG Report Highlights, Climate Change Mitigation: GHG Emissions and Carbon Management, NetZero Metals – Low-Carbon Processing, Advancement of IPT Carbonation, DOE-Supported In-Situ Carbon Injection Pilot Project, ESG Performance Summary.

GRI 305: Emissions 2016

GRI Indicator	Reference
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	2025 ESG Report – 2025 Data Tables (Appendix A), Workforce Overview, Employment Practices, Talent and Culture, ESG Performance Summary.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	2025 ESG Report – 2025 Data Tables (Appendix A)
401-3 Parental leave	All CNC 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	2025 ESG Report – Occupational Health and Safety, Safety Management Systems, Training and Prevention, ESG Performance Summary.
403-2 Hazard identification, risk assessment, and incident investigation	2025 ESG Report – Occupational Health and Safety, Safety Management Systems, Training and Prevention, Health, Safety, and Wellbeing, ESG Performance Summary.
403-3 Occupational health services	2025 ESG Report – Occupational Health and Safety, Health, Safety, and Wellbeing, Training and Prevention.

GRI 403: Occupational Health and Safety 2018

403-4 Worker participation, consultation, and communication on occupational health and safety	2025 ESG Report – Occupational Health and Safety, Training and Prevention, Health, Safety, and Wellbeing.
403-5 Worker training on occupational health and safety	2025 ESG Report – Occupational Health and Safety, Training and Prevention, Health, Safety, and Wellbeing, ESG Performance Summary.
403-6 Promotion of worker health	2025 ESG Report – Health, Safety, and Wellbeing, Talent and Culture, Training, Learning and Development, organization-wide Mental Health Awareness training.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2025 ESG Report – Occupational Health and Safety, Safety Management Systems, Responsible Supply Chain and Procurement, Risk Management and Internal Controls.
403-8 Workers covered by an occupational health and safety management system	2025 ESG Report – 2025 Data Tables (Appendix A), Occupational Health and Safety, Safety Management Systems, Workforce Overview.
403-9 Work-related injuries	2025 ESG Report – 2025 Data Tables (Appendix A), Safety Performance, Health, Safety, and Wellbeing, ESG Performance Summary.
403-10 Work-related ill health	2025 ESG Report – 2025 Data Tables (Appendix A), Health, Safety, and Wellbeing, Safety Performance, ESG Performance Summary.

GRI 404: Training and Education 2016

GRI Indicator	Reference
404-1 Average hours of training per year per employee	2025 ESG Report – Training, Learning and Development, Employment Practices, Talent and Culture.
404-2 Programs for upgrading employee skills and transition assistance programs	2025 ESG Report – Training, Learning and Development, Preparing for Growth, Developing Local Talent, Employment Practices.
404-3 Percentage of employees receiving regular performance and career development reviews	2025 ESG Report – Training, Learning, and Development

GRI 405: Diversity and Equal Opportunity 2016

GRI Indicator	Reference
405-1 Diversity of governance bodies and employees	2025 ESG Report – 2025 Data Tables (Appendix A), Board Composition, Governance Framework and Composition, Inclusive Workplace Culture, Female Representation and Leadership, Workforce Overview, Talent and Culture, ESG Performance Summary.
405-2 Ratio of basic salary and remuneration of women to men	2025 ESG Report – 2025 Data Tables (Appendix A)

GRI 406: Non-discrimination 2016

GRI Indicator	Reference
406-1 Incidents of discrimination and corrective actions taken	Not applicable – No incidents occurred during reporting year.

GRI 411: Rights of Indigenous Peoples 2016

GRI Indicator	Reference
411-1 Incidents of violations involving Creating Shared Value with Indigenous Partners	Not applicable – 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	2025 ESG Report – Local Communities, Community Committees and Collaborative Governance, 2025 Open Houses, Federal Impact Assessment and Permitting for the Crawford Project, Continued Indigenous Involvement in the Federal Impact Assessment Process, CNC's Contributions Program.
413-2 Operations with significant actual and potential negative impacts on local communities	2025 ESG Report – Defining Our ESG Priorities – Impact Materiality, Local Communities, Federal Impact Assessment and Permitting for the Crawford Project, Continued Indigenous Involvement in the Federal Impact Assessment Process, Our Approach to Sustainability.

Omissions	
GRI Indicator	Reason for Omission
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.
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 disclosures in this area pending construction approval.
301-2 Recycled input materials used	
301-3 Reclaimed products and their packaging materials	
GRI 301: Materials 2016	
306-1 Waste generation and significant waste-related impacts	Not material at current size of operations. We will look to revisit our disclosures in this area pending construction approval.
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	
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.

Appendix C – TCFD Disclosure Index



TCFD Recommendation	CNC Response
Governance	
Describe the board's oversight of climate-related risks and opportunities	Canada Nickel Company's (CNC's) Board of Directors exercises oversight of climate-related risks and opportunities primarily through its Environmental, Social, and Governance (ESG) Committee. The Committee plays a key role in overseeing CNC's Indigenous relations, environmental sustainability, and climate-related responsibilities, helping ensure these matters remain integrated into strategic decision-making as the Company advances the Crawford Project toward construction readiness. The ESG Committee regularly reviews management reports, sustainability performance, and emerging issues, including emissions management, regulatory developments, climate-related risks, and evolving disclosure expectations. Climate-related matters are considered within the Company's broader governance and risk oversight processes, with material risks and opportunities escalated to the Board as appropriate. Board-level discussions on climate-related risks and opportunities are informed by the ESG Committee's guidance, particularly in relation to evolving industry standards, investor expectations, climate disclosure frameworks, and long-term project resilience. In 2025, this oversight included continued advancement of climate-related initiatives such as In-Process Tailings (IPT) Carbonation, NetZero Metals, NetCarb, and the DOE-supported in-situ carbon injection pilot project. The Board also oversaw broader strategic milestones relevant to climate and long-term value creation, including completion of Front-End Engineering and Design (FEED), continued permitting and technical studies, and progress through the federal review process.

Describe management's role in assessing and managing climate-related risks and opportunities	Management at CNC plays a central role in assessing and managing climate-related risks and opportunities across all phases of project development. Strategic leadership is provided by the Vice President of Sustainability, with direct support from environmental leadership and cross-functional teams responsible for permitting, engineering, finance, stakeholder engagement, and project execution. These teams are responsible for ensuring climate considerations are embedded into permitting, project design, infrastructure planning, and long-term business strategy. Management is accountable for execution of CNC's broader climate strategy, including advancement of IPT Carbonation, NetZero Metals, NetCarb, electrification opportunities, and carbon-smart infrastructure designed to reduce the future emissions profile of the Crawford Project. CNC's Risk Register supports ongoing climate risk integration by identifying and assessing emerging exposures such as carbon pricing, regulatory shifts, market expectations, operational vulnerabilities, and physical climate-related risks. Management also considers climate-related matters through environmental baseline studies, engineering reviews, and regulatory processes. In 2025, management continued responding to information requests and technical review comments on the Crawford Impact Statement, supporting the Project's advancement into the federal Impact Assessment phase in 2026. Management also continued engagement with Indigenous Nations, regulators, and technical experts to inform climate mitigation strategies that reflect both scientific analysis and local knowledge.
Strategy	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	As detailed in the section "Environment and Climate Leadership" of CNC's 2025 ESG Report, the Company has undertaken a robust assessment of climate-related risks and opportunities as part of the regulatory process for its flagship Crawford Project. These considerations are integrated into the Impact Statement, submitted in November 2024 under the Impact Assessment Act (2019). The assessment follows guidance outlined in the Strategic Assessment of Climate Change (SACC), which requires project proponents to evaluate greenhouse gas (GHG) emissions, carbon sinks, mitigation strategies, and alignment with Canada's net-zero targets.

	Short-term risks are primarily associated with the pre-construction and early development phases, including vegetation clearing, land disturbance, and initial infrastructure development (e.g., road construction), all of which can result in increased GHG emissions and a temporary reduction in carbon sinks. However, mitigation efforts, such as targeted land use planning, minimized surface disturbance, and early-stage reclamation, present opportunities to reduce near-term environmental impacts. Medium-term risks are expected during the operational phase and include emissions from mobile mining equipment, energy consumption, and processing activities. To address these, CNC is advancing Best Available Technologies (BAT) and Best Environmental Practices (BEP), including the electrification of haul trucks, use of electric rope shovels, and implementation of IPT Carbonation, which is projected to sequester up to 1.5 million tonnes of CO₂ annually at peak operation. These technologies offer significant medium-term opportunities to reduce Scope 1 and Scope 2 emissions, enhance resource efficiency, and position CNC as a low-carbon supplier to the electric vehicle (EV) and clean energy sectors. Long-term risks include residual GHG emissions post-closure and the challenge of ensuring land restoration effectively restores or enhances carbon sinks. CNC views this as an opportunity to integrate land reclamation with long-term sequestration objectives and biodiversity enhancement. Reclamation plans, as outlined in the Impact Statement and under development in consultation with Indigenous Nations and local stakeholders, include the use of native vegetation and post-operational landforms designed to optimize ecological recovery and passive carbon uptake. Additionally, CNC continues to collaborate with First Nation Environmental Committees and CNC's Environmental Committee consisting of local stakeholders, to identify, amongst other things, site-specific environmental and climate risks and co-develop mitigation strategies that reflect both Traditional Knowledge and scientific analysis. These partnerships enhance CNC's ability to anticipate, respond to, and manage risks while unlocking shared opportunities in environmental stewardship, carbon innovation, and regional economic development.
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Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Climate-related risks and opportunities are central to CNC's strategic direction and long-term financial planning. The Company's objective of advancing the Crawford Project as a future supplier of nickel and other critical minerals with a lower carbon profile continues to shape its approach to project design, permitting, infrastructure planning, and investment, particularly as governments and markets increasingly prioritize secure and responsible supply chains for materials that support electrification, advanced manufacturing, defence, and the broader energy transition. Nickel remains an important input for stainless steel, alloys, batteries, and a range of industrial and clean technology applications. As demand for critical minerals grows, CNC believes responsibly developed domestic projects may play an increasingly important role in supporting supply chain resilience and long-term economic competitiveness. In 2025, Crawford was recognized as a strategically important critical minerals project through referral to the federal Major Projects Office and prioritization under Ontario's One Project, One Process framework. These developments reinforce the strategic relevance of the Project and may support improved coordination of future approvals and investment processes. Canada Nickel also continues to evaluate opportunities to contribute to longer-term decarbonization objectives through mineral carbonation and lower-carbon processing innovation. Through the Company's proprietary IPT Carbonation process, CNC is progressing a pathway that could permanently store an annual average of over 1.3 million tonnes of CO₂, with up to 1.5 million tonnes annually during peak production years, subject to future project development and operational outcomes. In parallel, NetZero Metals and NetCarb initiatives are intended to support lower-carbon processing and broader carbon management opportunities within a regional industrial ecosystem. As outlined in the "Climate Change Mitigation: GHG Emissions and Carbon Management" and "Permitting and Regulatory Compliance" sections of the 2025 ESG Report, climate-related risks and mitigation strategies continue to be integrated into project planning and regulatory processes. This includes consideration of GHG emissions across project phases, carbon management opportunities, environmental performance, and long-term resilience. These elements inform regulatory compliance while also supporting CNC's broader strategy for disciplined, future-focused development.
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	Development plans for the Crawford Project continue to incorporate climate-smart technologies and infrastructure, including evaluation of IPT Carbonation, electrified mining equipment, efficient infrastructure design, and use of Ontario's comparatively low-carbon electricity grid. These initiatives are intended to reduce future emissions intensity, improve long-term operating efficiency, and support resilience in a carbon-constrained economy. To address transition risks such as regulatory change, carbon pricing, investor expectations, and evolving disclosure standards, CNC continues to integrate climate considerations into engineering, permitting, governance, and stakeholder engagement processes. Completion of FEED in 2025 marked an important milestone in strengthening project readiness and refining the Project's execution pathway. Financially, CNC's planning continues to consider upfront investments required for emissions reduction technologies, infrastructure, permitting, and technical advancement, alongside potential long-term value associated with lower-carbon production pathways and carbon management opportunities. As CNC progresses from project development toward a construction decision, climate-related risks and opportunities are expected to continue influencing procurement strategies, financing discussions, technology partnerships, permitting schedules, and stakeholder engagement.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	CNC acknowledges the importance of scenario analysis in evaluating long-term climate-related risks. While the Company has not yet conducted formal climate risk modeling aligned with a 2°C or lower scenario, such analysis is expected to be incorporated as CNC progresses into construction and operational phases. This will enable the Company to evaluate a range of physical risks (e.g., water scarcity, extreme weather) and transition risks (e.g., carbon pricing, regulatory changes) that may emerge under different climate futures. In the absence of formal scenario testing, CNC has already embedded several key strategies that strengthen resilience to climate-related impacts. As described in the ESG Report section "Climate Change and Carbon Management," the Company is actively implementing emissions reduction technologies such as IPT Carbonation, electrified mining equipment, and energy-efficient design features. These support operational flexibility in a low-carbon economy while reducing regulatory exposure and long-term cost risks.

	Water management remains a central focus of CNC's resilience planning. Under the Company's <i>Code of Practice for Responsible Exploration Operations</i>, sumps are installed at drill sites located within 30–100 metres of waterbodies. These sumps capture and recycle water, as well as biodegradable drill cuttings and dewatering fluids, to minimize environmental discharge and reduce reliance on external water sources. This is especially important in areas where water is limited or where multiple drills are operating simultaneously. Sump construction is determined on a case-by-case basis and allows for water to be reused during drilling operations, lowering freshwater demand. Additionally, any drill holes encountering artesian water are plugged and sealed to prevent the uncontrolled release of groundwater, which protects subsurface resources and reduces water loss. These proactive steps ensure that CNC can continue operating sustainably under potential climate-related water stress scenarios. CNC's approach also incorporates Traditional Knowledge through meaningful engagement with Indigenous Nations, particularly with respect to local water systems and land stewardship. This collaboration strengthens adaptive capacity and enhances CNC's understanding of environmental change from both scientific and cultural perspectives. Looking ahead, CNC intends to develop a formal Climate Change Strategy that may include climate scenario analysis to inform future planning. This will support enhanced alignment with investor expectations and global climate disclosure frameworks while reinforcing CNC's net-zero commitment.
Risk Management	
Describe the organization's processes for identifying and assessing climate-related risks.	CNC identifies and assesses climate-related risks through a structured, cross-functional process that integrates project-level environmental planning, corporate risk management, regulatory review, and stakeholder engagement. The Company uses a centralized Risk Register to document and monitor strategic, operational, environmental, financial, and social risks, including those with climate implications. This tool is updated by management and supports Board oversight of material risks, helping ensure emerging exposures such as emissions, land disturbance, permitting requirements, regulatory developments, and changing market expectations are identified and assessed in a timely manner.

	At the project level, climate-related risks are assessed through technical studies, engineering design, environmental baseline programs, and regulatory processes associated with the Crawford Project. This includes consideration of GHG emissions, carbon management opportunities, water stewardship, environmental performance, and long-term project resilience. The federal Impact Assessment process has been an important mechanism for evaluating these issues through formal studies, information requests, and technical review. Risk identification is further supported through collaborative engagement with Indigenous Nations, federal and provincial regulators, technical experts, municipalities, and local communities. During 2025, CNC evolved its community governance model by combining the Environmental and Socioeconomic Committees into the new Integrated Monitoring, Partnerships and Community Advisory Table (IMPACT). The IMPACT Committee provides a more integrated forum to identify and discuss environmental, socioeconomic, and project-related risks and opportunities, including matters relevant to climate, land use, water stewardship, monitoring, and long-term community interests. Through these processes, CNC incorporates both scientific analysis and external perspectives, including local and Indigenous Knowledge, into its assessment of climate-related risks and opportunities.
Describe the organization's processes for managing climate-related risks.	CNC manages climate-related risks through a structured, multi-tiered process that integrates regulatory compliance, cross-functional oversight, and collaboration with Rightsholders and stakeholders. These processes are outlined in the "Risk Management and Internal Controls" and "Federal Impact Assessment and Permitting for the Crawford Project" sections of the 2025 ESG Report. At the corporate level, CNC uses its Risk Register to track environmental, technical, and operational risks, as well as health and safety, human resources, financial, administrative, political, social, reputational, and legal risks. This tool allows for ongoing monitoring of risk severity, likelihood, and mitigation actions. It is reviewed by the Board and updated regularly by departmental risk owners, ensuring that climate-related concerns such as emissions, permitting obligations, and land disturbance, are identified and actively managed across the organization. CNC's most comprehensive climate risk management process has been carried out through the federal impact assessment for its proposed Crawford Project, conducted under the <i>Impact Assessment Act</i> (2019). The <u>Tailored Impact Statement Guidelines</u> (TISG), issued by the IAAC, require CNC to evaluate and disclose climate-related factors in detail. This includes:

	• Quantification of GHG emissions for each project phase; • Identification of key emission sources and reporting of net emissions and emissions intensity; • Assessment of positive and negative impacts on carbon sinks; and • Description of mitigation measures to reduce or offset emissions and restore disturbed carbon sinks. The TISG also require CNC to demonstrate how the Crawford Project aligns with Canada's net-zero target by 2050 and global climate commitments. To meet this requirement, CNC has developed a BAT/BEP Determination, which outlines mitigation options for all project phases from site preparation to closure. Following submission of the Impact Statement in November 2024, CNC continued throughout 2025 to respond to information requests and technical review comments, supporting advancement of the Project into the federal Impact Assessment phase in 2026. This ongoing process helps ensure climate-related risks are not only identified, but also continuously refined and addressed through formalized, transparent, and inclusive planning. Additional oversight is provided through ongoing engagement with Indigenous Nations, regulators, technical experts, municipalities, and communities. In 2025, CNC combined the Environmental and Socioeconomic Committees into the new IMPACT Committee, creating a more integrated forum to discuss environmental, socioeconomic, and project-related matters, including climate, land use, emissions, water stewardship, monitoring, and long-term community interests. This integrated system enables CNC to manage climate risks from both a regulatory compliance and operational readiness perspective. As the Company progresses toward development, climate-related risk management will continue to evolve through scenario analysis, enhanced emissions tracking, and alignment with emerging disclosure frameworks.
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Refer to above line items under Risk Management category.

Metrics and Targets

Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

CNC uses a range of metrics to assess climate-related risks and opportunities that are aligned with the Company's strategy and risk management processes. Monitoring of greenhouse gas emissions, carbon sequestration potential, fuel and energy consumption, environmental performance, and water use are key components of the Company's management approach and support assessment of climate-related risks and opportunities.

CNC monitors and publicly discloses the Company's Scope 1 and Scope 2 GHG emissions. In 2025, Scope 1 emissions totalled 749 tonnes CO₂e, while Scope 2 emissions totalled 2.0 tonnes CO₂e. As a development-stage company without active mining operations, the Company's current emissions profile is primarily influenced by exploration and project advancement activities, particularly drilling programs and associated fuel use.

The Company also monitors total energy consumption and energy intensity. In 2025, total energy consumption was approximately 11.1 million MJ, representing a significant decrease from 2024 levels. Emissions intensity decreased from 43 kg CO₂e per metre drilled in 2024 to 36 kg CO₂e per metre drilled in 2025, while energy intensity remained an important operational indicator used to evaluate efficiency across exploration activities. These trends reflect the lower activity levels and improved intensity performance reported during the year.

CNC does not currently report on Scope 3 emissions or other operational metrics. As the Company progresses toward construction and operations, more comprehensive monitoring systems will be implemented to ensure alignment with global reporting standards.

CNC currently calculates its GHG emissions by relying on fuel consumption data provided by contractors. In cases where detailed fuel data is unavailable, emissions are estimated based on other operational metrics, such as hours worked, equipment used, and standard fuel consumption per hour. CNC acknowledges that this approach introduces variability, as fuel efficiency may vary depending on equipment, site conditions, and work intensity. The Company is not yet actively implementing real-time data collection but intends to do so if the Crawford Project is approved for construction and operations, to improve the accuracy of GHG emissions reporting.

	CNC also monitors carbon sequestration opportunities through advancement of its proprietary IPT Carbonation technology and related mineralization initiatives. Current estimates indicate the potential to sequester an annual average of over 1.3 million tonnes of CO₂, with up to 1.5 million tonnes annually during peak production years, subject to future project development and operating outcomes. The Company continues refining metrics related to CO₂ storage potential per tonne of processed material and geological characteristics such as brucite content. CNC also tracks the Company's water usage to minimize its environmental footprint. This is accomplished through the installation of flow meters on water intakes used during drilling activities, allowing for consistent and transparent measurement of withdrawal volumes. In 2025, CNC withdrew 8.3 megalitres of water, with an average daily withdrawal of 38.25 m³ per drill). CNC continued daily water tracking protocols at drill sites, providing a precise understanding of withdrawal patterns and supporting better alignment with regulatory and internal environmental performance goals. Water intensity was 0.40 m³/metre drilled in 2025.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	CNC has disclosed the Company's Scope 1 and 2 emissions in the 2025 ESG Report under the "Climate Change Mitigation: GHG Emissions and Carbon Management" section, as well as the appended annual data tables. A year-over-year comparison can be found under the ESG Performance Summary in the 2025 ESG Report. In 2025, total emissions were as follows: - Scope 1 (Direct): 749 tonnes CO₂e - Scope 2 (Indirect): 2 tonnes CO₂e - Scope 3: Not disclosed, as the Company's emissions are not yet classified as industrial-level.
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	CNC does not currently have quantitative Scope 1, 2, or 3 GHG reduction targets for current operations, as the Company does not yet have an operating asset. However, CNC has established several qualitative climate-related targets focused on supporting the Company's commitment to achieving net-zero emissions by 2050. These targets are embedded into the design and planning of the Crawford Project and guide decisions related to emissions mitigation, technology deployment, and environmental compliance. CNC's primary climate target is to achieve net-zero emissions by 2050 by avoiding, reducing, and offsetting greenhouse gas emissions throughout the life of the Project. This target is being advanced through the use of BAT and BEP, as required under the Impact Assessment Act (2019) and the SACC. One of the most significant tools supporting this target is CNC's proprietary IPT Carbonation technology.

	Recent pilot-scale testing demonstrated IPT operation using 130 tonnes of ore, representing a 600-fold scale-up from initial trials. Results support the modelled potential for the technology to sequester up to 1.5 million tonnes of CO₂ annually during peak production years, subject to future project development, scale-up and operating outcomes. If achieved, this level of sequestration could support Crawford's potential to become a net-positive carbon sink over the life of the Project. CNC also intends to achieve significant operational efficiencies through the use of electrified equipment, including trolley-assisted haul trucks and electric rope shovels, which will reduce reliance on diesel and lower future Scope 1 emissions. In addition, the Company plans to use electricity supplied through Ontario's grid as part of its approach to managing future Scope 2 emissions. Infrastructure for the Crawford Project has been strategically sited to reduce land disturbance and support efficient energy delivery. These measures align with CNC's climate mitigation goals and reflect the Company's long-term strategy to reduce emissions intensity across all phases of development. Although CNC's climate targets remain qualitative at this stage, the Company is committed to evolving its emissions tracking, performance benchmarking, and carbon accounting systems as it advances toward construction. Future work will include third-party validation of IPT performance, engagement with regulated carbon markets, and continued refinement of climate-related targets to support investor and regulatory expectations.
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Appendix D – Definitions for ESG Material Topics



ESG topic	Description
Biodiversity	Impacts on ecosystems, species, and habitats resulting from exploration, development, land use, and infrastructure. Includes measures to avoid, minimize, mitigate, and restore impacts, as well as biodiversity monitoring and conservation planning.
Climate change mitigation	Identification and management of climate-related risks and opportunities, including GHG emissions, energy use, climate resilience, and alignment with transition pathways relevant to exploration and development-stage assets.
Closure & rehabilitation	Planning for the progressive reclamation and rehabilitation of exploration and development sites, including commitments to restore land to agreed post-disturbance conditions in accordance with regulatory and community expectations.
Water and effluents	Management of water withdrawals, use, and discharges associated with project activities, including protection of surface and groundwater quality, erosion control, and compliance with permits and standards.
Economic impacts	Direct and indirect economic contributions generated through employment, procurement, taxes, and local spending, including benefits to Indigenous and local communities.
Local communities / Community relations	Engagement with local communities to understand concerns, manage impacts, support economic development, and maintain respectful, transparent, and long-term relationships throughout the project lifecycle.
Rights of Indigenous Peoples/Land and resource rights	Meaningful engagement with Indigenous Nations based on respect for rights, treaties, land tenure, and Traditional Knowledge, including reconciliation efforts, participation in decision-making, and processes to identify, assess, and manage impacts related to land access, use, and ownership.
Occupational health and safety	Protection and promotion of the health, safety, and wellbeing of employees and contractors, including development of a strong safety culture, prevention of workplace incidents, and management of risks to workers and the public when interacting with company activities or infrastructure.

ESG topic	Description
Employment practices	Fair and responsible employment practices including recruitment, retention, training, performance management, and workforce development, while promoting an equitable, diverse, and inclusive work place aligned with labour standards and regulatory requirements.
Public policy	Engagement with governments, regulators, and industry associations on public policy, legislation, and regulatory processes relevant to mining, sustainability, and economic development.
Business ethics and transparency	Accurate, open and regular disclosure through both mandatory and voluntary reporting, including the availability, accuracy, clarity and comparability of information, metrics and targets being communicated to stakeholders.
Cybersecurity and data protection	Policies, systems, and controls to protect sensitive corporate, employee, and stakeholder data from unauthorized access, cyber threats, and misuse.
Risk management	Processes to identify, assess, monitor, and mitigate environmental, social, governance, and financial risks that could impact business performance or continuity.

Appendix E – Acronym Table



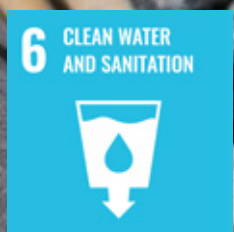
ACRONYM	DEFINITION
ARPA-E	Advanced Research Projects Agency-Energy
BAT	Best Available Technologies
BEP	Best Environmental Practices
CAD	Canadian Dollars
CCUS	Carbon Capture, Utilization, and Storage
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMIF	Critical Minerals Infrastructure Fund
CNC	Canada Nickel Company Inc.
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
DOE	Department of Energy
ESG	Environment, Social, and Governance
ESTMA	Extractive Sector Transparency Measures Act (Canada)
EV	Electric Vehicle
FEED	Front-End Engineering and 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

ACRONYM	DEFINITION
IFR	Incident Frequency Rate
IMPACT	Integrated Monitoring, Partnerships and Community Advisory Table
IPT	In-Process Tailings
IRR	Internal Rate of Return
JHSC	Joint Health and Safety Committee
MPO	Major Projects Office
MPP	Member of Provincial Parliament
MJ	Megajoules
ML	Megalitres
NPV	Net Present Value
PGE	Platinum Group Elements
SASB	Sustainability Accounting Standards Board
tCO ₂ e	Tonnes of Carbon Dioxide Equivalent
TCFD	Task Force on Climate-Related Financial Disclosures
TISG	Tailored Impact Statement Guidelines
TKLU	Traditional Knowledge and Land Use
TSXV	TSX Venture Exchange
UNGC	United Nations Global Compact
UN SDGs	United Nations Sustainable Development Goals
1P1P	One Project, One Process

Appendix F – United Nations Sustainable Development Goals (UN SDGs) and UN Global Compact Principles



United Nations Sustainable Development Goals (UN SDGs)



UN Global Compact Principles



01

Businesses should support and respect the protection of internationally proclaimed human rights.

02

Businesses should make sure that they are not complicit in human rights abuses.

03

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

04

Businesses should uphold the elimination of all forms of forced and compulsory labour.

05

Businesses should uphold the effective abolition of child labour.

06

Businesses should uphold the elimination at discrimination in respect of employment and occupation.

07

Businesses should support a precautionary approach to environmental challenges.

08

Businesses should undertake initiatives to promote a greater environmental responsibility.

09

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.



CANADA NICKEL
COMPANY

130 King Street West,
Suite 1900
Toronto, ON
M5X 1E3
647-256-1955
canadanickel.com

