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March 8, 2023

Subject: Canada Nickel Company – Comments on draft Tailored Impact Statement Guidelines for the Crawford Nickel Project

Dear Mr. Keess,

It is with great interest that we have received the letter dated February 6, 2023 from Anjala Puvananathan, informing us of the Impact Assessment Agency of Canada's (the Agency) notice of a comment period for the Crawford Nickel Project (the Project) under the Impact Assessment Act (IAA).

Introduction

Canada Nickel Company (CNC) appreciates having the opportunity to provide comments at this stage of the impact assessment process. The CNC team has carefully reviewed the draft documents produced by the Agency and for which it is seeking input as part of the planning phase, including the Draft Tailored Impact Statement Guidelines (TISG). We recognize the work invested by the Agency in preparing the Draft Tailored Impact Statement Guidelines for the Crawford Project. Therefore, our comments are mainly focused on producing guidelines that are tailored to the specific context of the Project and available data. Our comments also aim at scoping out elements that, in our view, may not be directly relevant to the impact assessment or that can be addressed by other means while ensuring a sustainable project that is in the public's interest. Our comments are summarized in the following pages, for consideration by the Agency during the preparation of the final version of the TISG.

In addition, both the letter from February 6th and the Draft TISG mentioned that, in accordance with subsection 36(1) of the IAA, the Minister of Environment and Climate Change Canada has 45 days from the posting of the Notice of Commencement to determine whether he is of the opinion that it is in public interest to refer the impact assessment of the Project to a review panel. CNC wishes to take the opportunity to share its perspective to support the Minister in examining if it is in the public interest or not to do so.

Perspective on a Referral to a Review Panel

CNC believes that the impact assessment process led by the Agency is the most appropriate approach for the Crawford Project. Although we understand that the Minister will consider multiple factors to make his decision about a referral to a review panel, key information that we think is relevant is presented below.

CNC is planning to provide essential metals to power the clean energy transition in support of Canada's clean growth ambition. As part of that endeavor, we are committed to producing zero-carbon metals through research in technologies and approaches in various alternatives to achieve the objectives of net-zero carbon emission. Our goal is to produce a domestic, strategically positioned source of nickel, iron, chromium, cobalt, palladium, and platinum intended to meet increasing global demand from the stainless steel and lithium-ion battery markets, with the minimum impacts to the environment and surrounding communities. We believe zero-carbon production of these much needed critical minerals will be a determinant factor in positioning Canada within the electric vehicle production industry while also contributing to Canada's Climate plan and Clean Growth objectives.

The impact assessment process under the IAA provides an important opportunity for CNC to evaluate, with careful and thorough attention, the potential effects on the environment and communities of the construction, operation, and closure of the projected Crawford mine, and integrate in a timely manner any necessary adjustments and measures to improve the design and eliminate or limit these effects. CNC is dedicated to advancing the impact assessment process by providing rigorous and reliable scientific data to respond to the issues and requirements outlined in the final Tailored Impact statement Guidelines. We recognize the integrated input from experts in many areas, the public, and potentially affected Indigenous communities is key in developing the best project while ensuring value is created for all. We will also continue seeking input and advice from federal and provincial government experts to optimize the Project to maximize its benefits and minimize its impacts.

Furthermore, CNC is working to support Canada's commitments around reconciliation with Indigenous communities by ensuring a thorough participation of potentially affected Indigenous communities, and the implementation of the guidance provided by the Agency, such as in the Tailored Impact Statement Guidelines and the Indigenous Partnership and Engagement Plan. As such, it is important for us to convey that, since the beginning of this Project, CNC has been dedicated to meaningfully engaging with potentially affected Indigenous communities and the public, and to continuing the dialogues during the implementation, operation, and closure phases of the Project. Our approach has been to establish relationships and partnerships with the Indigenous communities based on transparency and trust, with the intention of reducing environmental and social impact and creating opportunities and benefits. We are pleased to share the following milestones in developing these strong partnerships:

- At early stages of the Project, CNC signed exploration agreements with Mattagami First Nation and Matachewan First Nation, both members of the Wabun Tribal Council, and Taykwa Tagamou Nation (TTN). Upon later discussion with the Wabun Tribal Council, it was decided to include Flying Post First Nation to this group. The exploration agreements provide: financial support for communities to be efficiently engaged in the Crawford Project, clear guidelines for environmental monitoring and reporting, compensation and business opportunities related to the exploration activities, and the framework to negotiate Impacts and Benefits Agreements and Mutual Support Agreements. These negotiations are ongoing with the groups mentioned above.

- CNC recently signed a regional exploration agreement with Apitipi Anicinapek Nation (AAN) including similar terms to the ones mentioned above, and paving the path forward on how AAN and CNC could work together towards reducing environmental and social impacts and creating opportunities and benefits related to the Crawford Project.

- Also at an early stage of the Project, TTN and CNC entered into an agreement with TIP-1, a joint venture between TTN and investors, to build, own and manage the new transmission line that will be required to power the Project. TTN and CNC are also in active discussions for TTN to be involved in the financing and maintenance of the haul fleet.

- Prior to initiating the federal Impact Assessment process, CNC entered into an Impact Assessment Process Agreement with TTN, Mattagami First Nation, Matachewan First Nation, and Flying Post First Nation. This innovative approach's main objective is to provide extensive means for the potentially affected First Nations to be fully engaged in the Crawford Project's permitting process by providing funding and support for: in-house management and coordination of the Impact Assessment Process requirements, environmental training, professional support, and community performance of their own traditional knowledge, land use, and socio-economic studies that will feed into the Project's Impact Statement.

So far, no significant concerns or negative comments regarding the Project have been expressed and brought to CNC's attention by the public. However, we remain committed to considering and addressing any existing or new concerns in cooperation with federal and provincial authorities. We also seek to pursue our transparent, continuous engagement and partnership approach with those interested groups/individuals, and Indigenous communities specifically, beyond the Agency's requirements.

Comment 1: Scope of Designated Project – Rail Transport

The rail line between the Kidd Mine and the Kidd Concentrator is an existing facility, currently owned and operated by third parties. The operation of this rail line is not and will not be under the care and control of Canada Nickel.

Materials will be transported to and from the Project site during construction and operation under contract to a third party, who are qualified to determine appropriate safety, handling and emergency response measures., Canada Nickel does not intend to take ownership of or operate the rail spur as part of the Project in the future.

Any extension of the rail spur north of the Project, independent of Canada Nickel and the Project, could be a possibility in the future. As such, users of the rail line other than CNC are anticipated.

Construction (only) of the new rail line connection from the Project site to the existing rail line will be within the care and control of Canada Nickel. After construction, ownership is proposed to be transferred to Ontario Northland Transportation Company (ONTC). At that point, the operation will be under the care and control of ONTC. Canada Nickel respectfully requests that the scope of this aspect be revised in the TISG to clearly limit the rail line aspect to the construction of the new connection to the Project site.

Comment 2: Supporting Baseline Studies

Comprehensive environmental baseline investigations have been designed and implemented to provide representative information to support the assessment of impacts which may arise from the undertaking of Project activities. Canada Nickel is confident the information developed will be suitable to appropriately characterize and assess the Project, without the need for “exhaustive” prescribed requirements that do not bring additional value to the assessment of effects, determination of appropriate mitigation measures, and Project design.

Canada Nickel respectfully requests revision of two descriptions of baseline information requirements identified in the Draft TISG:

Air Quality

The Draft TISG includes a requirement to provide baseline ambient air concentrations for contaminants for all phases of the Project, in particular near key receptors (e.g., communities, traditional land users, wildlife). Canada Nickel agrees with the collection of ambient air concentrations to reflect key receptors which could reasonably be affected by the Project; however, CNC respectfully requests that: 1) the introductory portion of the sentence be removed (“near key receptors” and “for all Phases of the Project”) and replaced by "…baseline ambient air concentrations for contaminants within the local study area", since baseline data can only be provided for the Project phase before construction; and 2) that the list of examples be removed, which could otherwise influence public expectations.

The Draft TISG mentions that baseline data should be collected over an appropriate duration and specifies “multi-year” data collection. Canada Nickel notes that recently approved TISG for other mining projects in the same region did not specify multi-year data collection, nor is multi-year data collection consistent with provincial regulatory requirements. As the Crawford Project is within a greenfield location without previous industrial development, there are no significant annual fluctuations in baseline air quality expected. One year of sampling is considered adequate to characterize this aspect by our consultant experts. Canada Nickel requests removal of the requirement for “multi-year” data collection. A requirement for an additional year or more of data would be at a very high financial and schedule cost, and our experts do not believe it would provide additional technical value.

Acoustic (noise)

The Draft TISG includes a requirement to *"provide current ambient noise levels at key receptors points, around the mine site, highway relocation and new and existing rail spur (e.g., communities, traditional land users within or outside the property boundary, sensitive human receptors, representative seasonal use cabins, representative points along the Mattagami River, Bigwater Campground, and wildlife), including the results of a baseline ambient noise survey and permissible noise levels for each receptor."* Canada Nickel agrees with the collection of ambient noise levels to reflect key receptors which could reasonably be affected by the Project; however, respectfully requests that: 1) the introductory portion of the sentence indicate at "key receptor points, around the Project area"; and 2) that the list of examples be removed, which could otherwise influence public expectations.

Comment 3: Valued Components

As per Section 7.2 of the Draft TISG, "*The Impact Statement must identify the valued components (VCs) that will serve as the focal points for the impact assessment. VCs consists of components that are of*

particular concern or value to participants and that may be affected by the Project." Canada Nickel recognizes the list provided in Section 7.2 as components that are important to participants, but wishes to clarify that while these will be considered in the determination of VCs, Canada Nickel would like to have more flexibility to determine the final list of VCs. This includes the VCs to include in the cumulative effects assessment, to be defined and engaged upon by the Proponent in the Impact Statement. The following are some examples where VCs have been prescribed to the Proponent:

- *The Impact Statement must identify the VCs that will be subject to the cumulative effects assessment, including:…VCs for which cumulative effects were identified as concern during the Planning Phase including:*
  - *air quality (e.g., potential for increased wind dispersal of contaminants due to forestry),…*
  - *current use of lands and resources for traditional purposes by Indigenous peoples, including hunting, trapping, gathering, navigation and experience of using the land (e.g., potential impacts from other mining, forestry and industrial activity, and new roads, transmission lines, and railways)* (Section 7.6)
- *the following groupings should be considered as unique VCs with rationale provided where groups are not included as unique VCs:*
  - *waterfowl such as ducks and geese;*
  - *land birds, including songbirds;*
  - *raptors, such as bald eagles and osprey;*
  - *marsh birds including rails;*
  - *water birds;*
  - *shorebirds;*
  - *other land birds;*
  - *each bird species of conservation concern as an individual VC, including Canada warbler, common nighthawk, eastern whip-poor-will; olive-sided flycatcher, bobolink, barn swallow, bank swallow, evening grosbeak, rusty blackbird, yellow rail (see also Section 8.11 Species at Risk);*
  - *important habitats associated with avian species at risk* (Section 8.9.1)
- *the Impact Statement must identify Bigwater Campground as a recreational valued component in consideration of the definition of sustainability* (Section 10.1.1).

Canada Nickel would also like to highlight that specific guidance for the VCs of *Birds, Migratory Birds and Their Habitat* and *Species at Risk and Their Habitat* includes species for which no evidence of their presence and/or habitat has been documented in the Project area. Further, species which are not currently subject to protections (i.e., Black Ash) and species of special concern are also listed as individual VCs. These two categories are not typically considered as specific VCs and can lead to a dilution of the meaning of valued components in the context of the Impact Assessment. Canada Nickel respectfully proposes to adapt the way birds and SAR VCs are determined, to reflect the latest baseline information collected by Canada Nickel at the time of the preparation of the Impact Statement.

Comment 4: Level of Detail to Provide

CNC believes that the level of information required in the TISG is generally adequate to support the analysis by participants and is thus relevant to the development of the Impact Statement for the Project. In some cases, however, the level of detail that is dictated to be required in the Impact Statement exceeds this objective. This requirement may have the effect of overwhelming participants with information that does not contribute to the assessment of effects and the definition of main mitigation measures. It may also require Canada Nickel to provide information that will have to be reassessed in the subsequent detailed design stage and through the provincial (or federal) environmental permitting and approval processes.

Five examples are listed below:

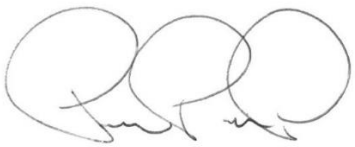
- The Draft TISG asks for plant species, seed mixes, planting and seeding rates, fertilizer application rates, etc. in relation to future reclamation and rehabilitation measures. These details will depend on further engagement with stakeholders and through the provincial Closure Plan development, vegetation trials, availability of seeds at the time of reclamation efforts, etc., and cannot be accurately defined at this stage of the Project nor are they suitable / needed within the Impact Statement.
- The Draft TISG asks to describe aggregate preparation equipment capacity, gestation of hazardous wastes, transportation of material in general, etc. These aspects will be developed as detailed project design advances, considering all regulatory and permitting requirements. Canada Nickel respectfully requests a revision of the TISG to exclude these items, and limit the activities to the "on-site" transportation of materials.
- The Draft TSIG includes requirements for the assessment of alternative means of carrying out the Project that are very detailed and prescriptive. CNC wishes for more flexibility on the final list of alternative means of carrying out the Project to be assessed, and to specifically remove the requirements for the design of process facilities (comminution, separation, concentration, and dewatering), the staging of mining operations, and the timing options for components and phases of the Project.
- In Section 13.1 – Risk Assessment, the Draft TISG includes a requirement to do modelling for any contaminants spilled or released indirectly into water or air. CNC respectfully asks to remove this requirement, as it would involve work of an unprecedented magnitude for very limited benefits to the Impact Statement. CNC believes that the requirements as stated in the TISG, without the requirements for modelling, are sufficient to inform the participants on the risks, potential impacts and mitigation measures in case of a spill.
- Also in Section 13.1 – Risk Assessment, there is a requirement to "*provide environmental sensitivity mapping that identifies site-specific conditions and sensitive receptors adjacent to project activities, including shores, streams and wetlands frequented by fish and/or migratory birds, and likely routes to them. Shoreline classification surveys and mapping must be conducted along major waterways where large spills are possible*". CNC believes that any additional requirements for baseline studies are not relevant, since previous sections of the Draft TISG already include a very comprehensive list of baseline requirements. In addition, sensitive receptors are identified throughout the requirements of the Draft TISG, making the

requirements here redundant. CNC respectfully asks that this requirement be removed from the Draft TISG.

Final Remarks

Canada Nickel would like to thank the Agency for the opportunity to provide the preceding comments on the Draft TISG, and we look forward to working with you throughout the Impact Assessment process to advance the Crawford Nickel Project for the benefit of Canadians.

Sincerely,



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