



**CANADA NICKEL**  
COMPANY

# Introduction to Canada Nickel Company

*Delivering the  
Next Generation of Nickel Sulphide Projects*

**TSX-V: CNC**

May 28, 2020

[www.canadanickel.com](http://www.canadanickel.com)





# Forward Looking Statements

This Presentation contains certain information that may constitute "forward-looking information" under applicable Canadian securities legislation about Canada Nickel Company Inc. ("CNC"). Forward-looking information includes statements about strategic plans, including future operations, future work programs, capital expenditures, discovery and production of minerals, price of nickel, timing of geological reports and corporate and technical objectives. Forward-looking information is necessarily based upon a number of 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, including the risks inherent to the mining industry, adverse economic and market developments. There can be no assurance that such 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 Presentation 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. CNC disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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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.

The scientific and technical information contained in this Presentation has been reviewed by Steve Balch, P. Geo, (VP Exploration) and a Qualified Person within the meaning of National Instrument 43-101.

## **Foreign Exchange Assumptions**

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

# Why Invest in Canada Nickel?



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**Canada Nickel (CNC) owns 100% of the Crawford Nickel-Cobalt Sulphide project:  
A new nickel discovery with large scale potential in an established mining camp adjacent to existing infrastructure north of Timmins, Ontario, Canada.**

- Initial resource in the top 12 nickel sulphide resources globally based on metrics used by Wood Mackenzie
- Initial mineralogy test results demonstrate 89% of nickel is contained in nickel sulphide and nickel-iron alloy minerals in higher grade resource area
- New nickel discovery in East Zone – doubling strike length of nickel mineralization to 3.4 km
- Separate PGM Zone discovered and extended by 1.5km in recent drilling on Main Zone, and discovered parallel to East Zone
- Significant expansion potential; only a fraction of flagship Crawford property tested to date
- Similar to other ultramafic hosted deposits where serpentinized waste rock and tailings have demonstrated the ability to capture CO<sub>2</sub> which provides the potential for lower carbon footprint operation.

**Canada Nickel is well financed to complete a PEA on the Crawford Project after completing a \$4.4 million financing in May 2020. CNC has 67 million shares outstanding.**

**Canada Nickel is well timed – nickel appears to be entering a supercycle which occur every 15-20 years.**

- While extraordinary price peaks are never sustained, prices should remain at relatively high levels for an extended period to incent new supply to meet already strong demand growth further accelerated by substantial requirements from electric vehicles

**Nickel has limited investible opportunities**

- Prior supercycle in 2005-2007 largely emptied project pipeline outside Indonesia.

# Board and Management Team



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**David Smith**  
*Director*  
P.Eng., C.Dir.

- Senior Vice-President, Finance and Chief Financial Officer of Agnico Eagle Mines Limited.
- Previously a mining analyst and mining engineer
- Chartered Director and a Director of Sprott Resource Holdings Inc.

**John Leddy**  
*Director*  
LL.B.

- Senior Advisor, Legal and Strategic Matters at Royal Nickel Corporation,
- Over 20 years' experience as a business lawyer and former Partner at Osler
- On the board of several resource companies.

**Mike Cox**  
*Director*  
B.Sc., MBA

- Managing Partner at CoDa Associates
- Previously head of Vale UK and Asian refineries following over 30 years in senior leadership roles in Base Metals with Inco and Vale

**Russell Starr**  
*Director*  
MA, MBA

- Previously in senior roles with RBC Capital Markets, Scotia Capital, Orion Securities, and Blackmont
- SVP and Director of Cayden Resources, which was acquired by Agnico in 2014 for \$205M

**Mark Selby**  
*Chairman, CEO*  
B.Com.

- Previous President and CEO of Royal Nickel Corporation
- Corporate development, strategy, business planning and market research Executive with Quadra Mining and Inco
- Nickel market expert

**Steve Balch**  
*VP, Exploration*  
P.Geo.

- Steve Balch is a geophysicist with 35 years experience specializing in Ni-Cu-PGE deposits including for Inco Limited in the Sudbury Basin and Voiseys Bay
- Active in developing geophysics technology used in exploration globally

**Jessie Liu-Ernsting**  
*VP, Corporate Development & Investor Relations*  
P.Eng., MBA

- Over 15 years of experience in mining capital projects engineering, debt capital markets, private equity and corporate strategy
- Previously with Hudbay Minerals, Resource Capital Funds, CIBC, Hatch and Golder Associates

**Robert Suttie**  
*CFO*  
CPA

- President of Marrelli Support Services
- Over 20 years of management advisory, accounting and financial disclosure experience

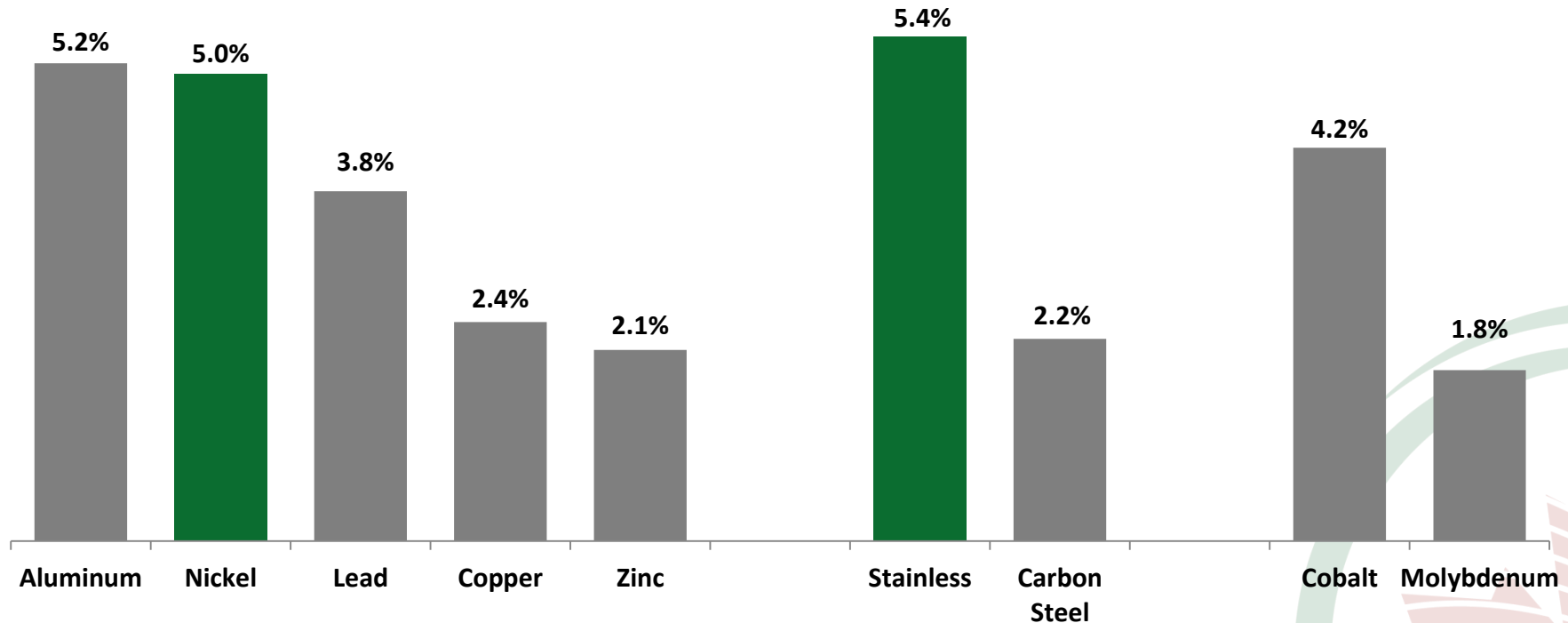
# Nickel Demand A Leader Among Metals



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Nickel demand a leader among metals over the last decade (5%) driven by continued strong growth in stainless steel (5.4%) with little contribution from electric vehicles to date.

Base Metals & Other Metals Demand CAGR% (2007 - 2017)



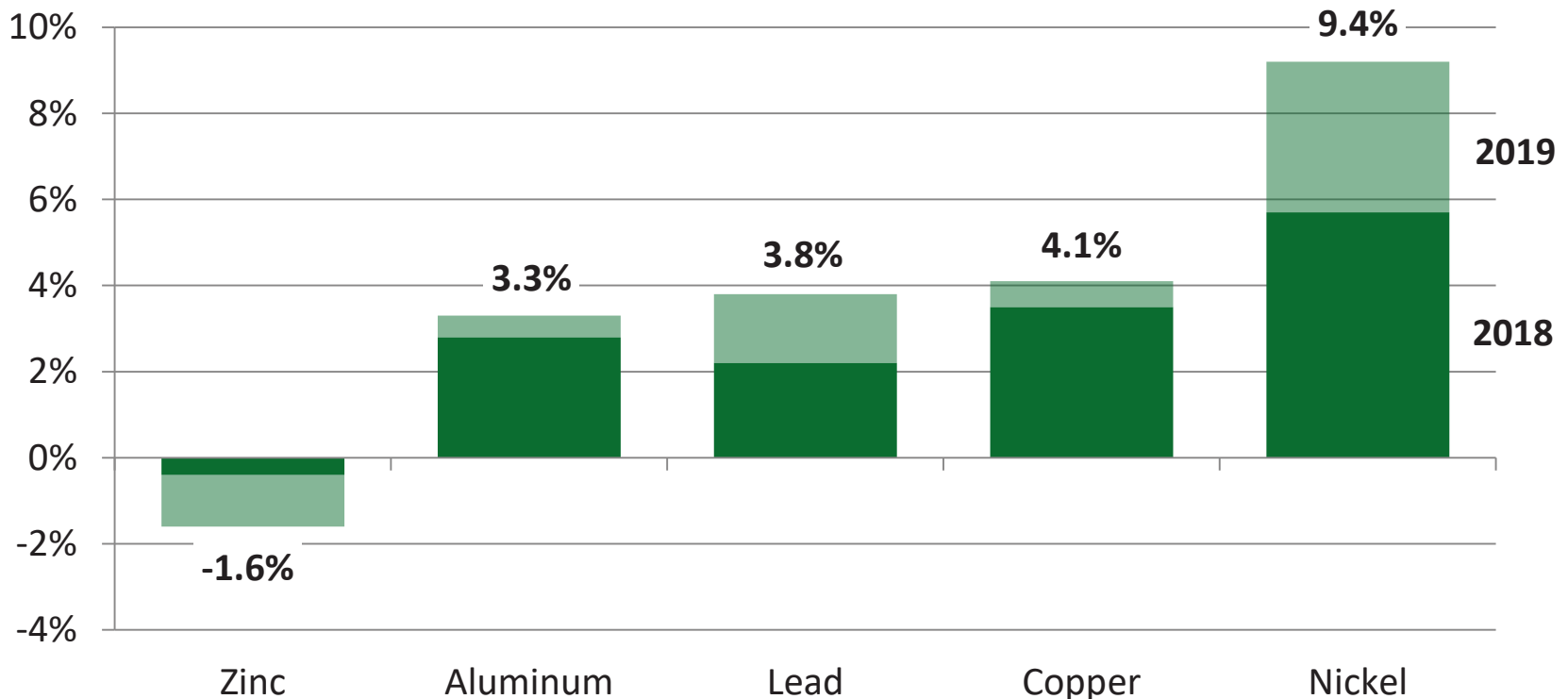
Source: Macquarie

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Nickel demand grew a further 9.4% during 2018 and 2019 outpacing all other major base metals.

### Demand Growth – Base Metals 2018 & 2019f (YoY)



# Electric Vehicles to Drive Significant Additional Demand

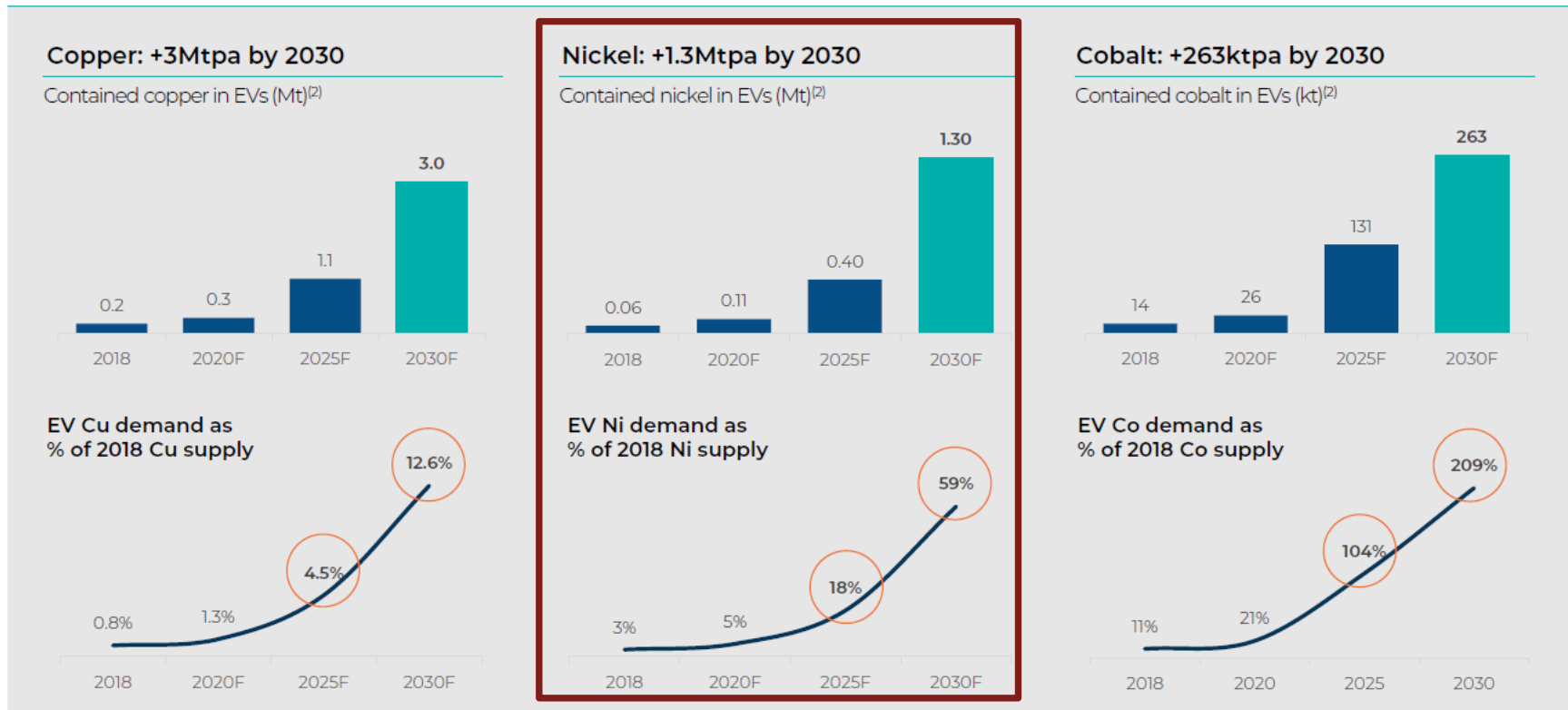


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## Recent Glencore presentation highlights massive growth expected in nickel demand from electric vehicles

Electrification of transport relies on the large scale replacement of ICE with EVs

The mobility transition is a major new source of material demand: >140M EVs forecast on the road by 2030<sup>(1)</sup>



Bank of America Merrill Lynch  
2019 Global Metals, Mining & Steel Conference

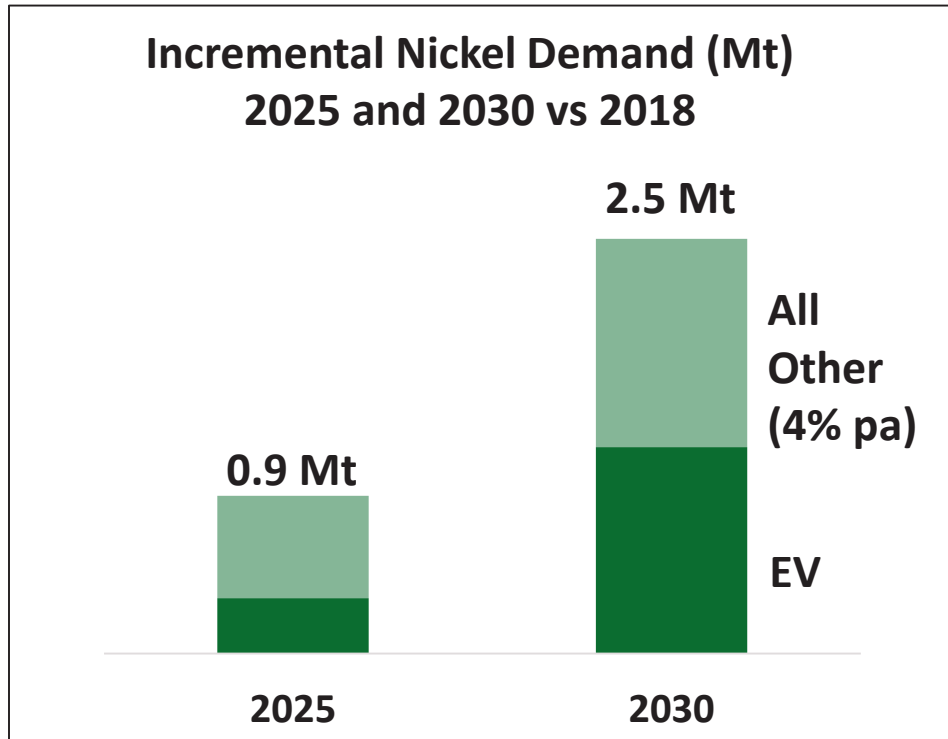
Source: (1) BNEF Long-Term Electric Vehicle Outlook 2018. (2) Glencore estimates, Wood Mackenzie, CRU, BNEF. Does not include the copper, nickel or cobalt required for other parts of the EV supply chain including charging infrastructure, energy storage systems, grid

GLENCORE



By 2025, EV + 4% trend demand growth (slower than 5% trend) requires nearly 1 Mtpa of new supply. By 2030, *2.5 million tonnes (or double today)* is required.

*2.5 Mt would require (at best) - \$50-\$75 billion of new investment this decade.*



Where is new project supply going to come from?

Laterites – HPAL?

Laterites – FeNi?

NPI?

Sulphides?

*Using copper as comparison,  
adding 100% of current nickel supply is equivalent to adding 20 Escondidas*



# Nickel Supply – Significant Political Risk

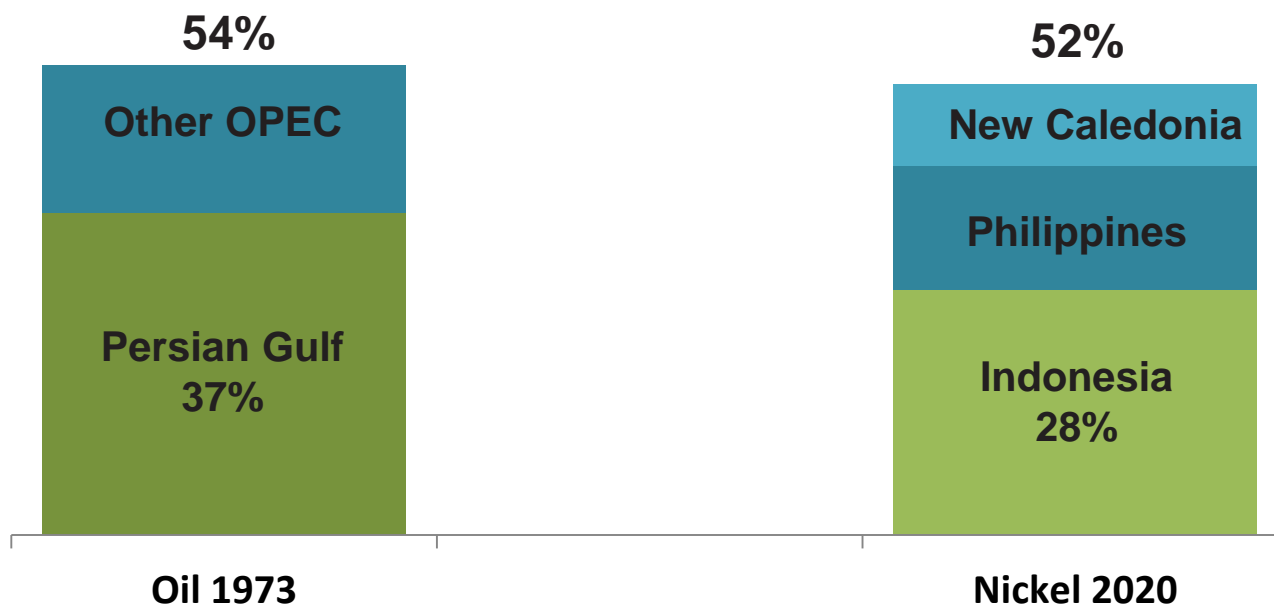
## Is there an OPEC in our future ??



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Nickel supply facing increasing political risk as Indonesia now dominates nickel supply growth. Just 3 countries are expected to control as much of the nickel supply as OPEC did of global oil supply at its peak in 1973

**Nickel Supply Concentration (2020)  
vs Oil Supply Concentration at OPEC peak (1973)**



These 3 countries:

- Face revenue shortfalls
- Have intervened directly into mining sector

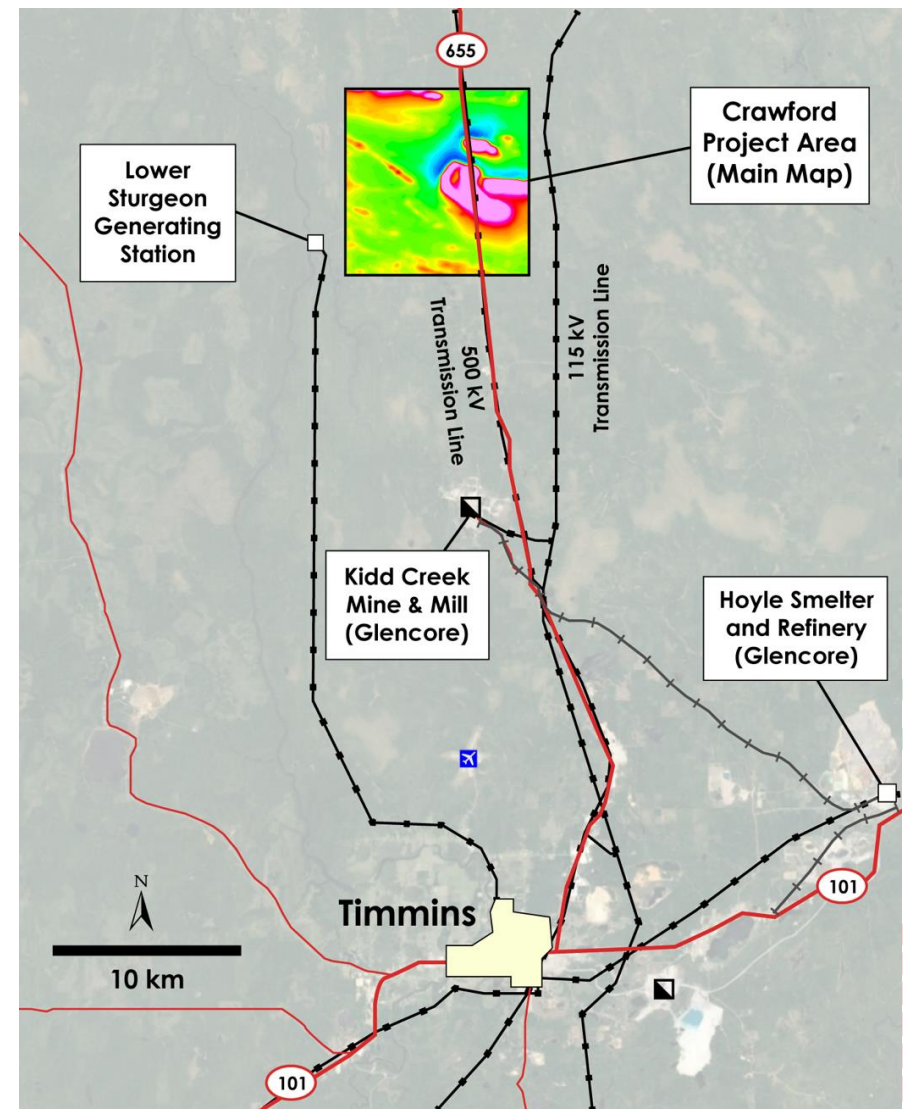
# Crawford Nickel-Cobalt Sulphide Project

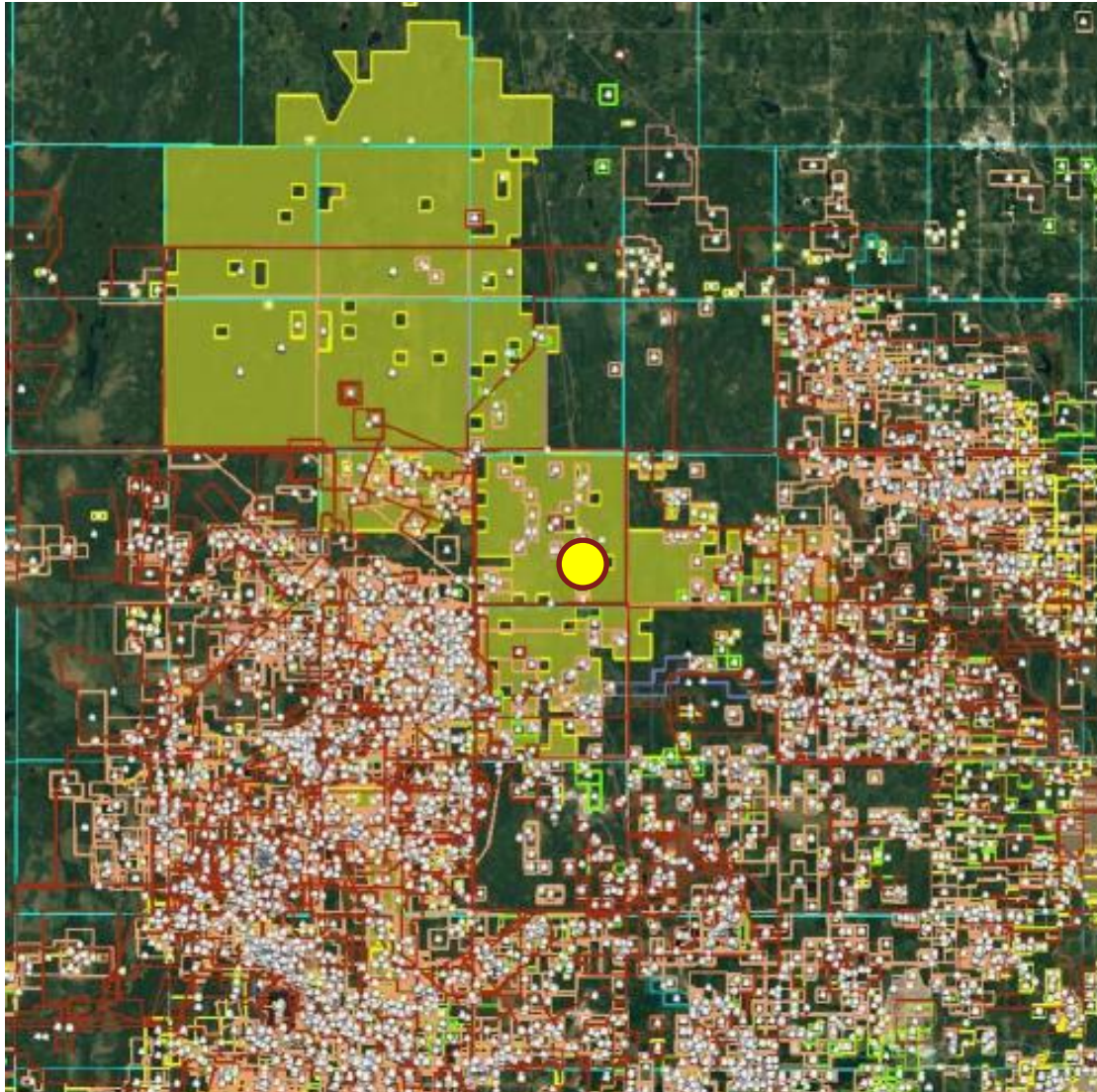


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One of largest nickel-cobalt sulphide resources located in a well established mining camp with infrastructure.

- World-class jurisdiction in Ontario, Canada
- Established Timmins mining camp with 100-year history of mining
- Adjacent to all major infrastructure
- Active permitting and development of mines





## Why Crawford undiscovered until now?

- A few drill holes by Inco in 1960s in each large anomaly
- Minimal exploration in 1970/1980s
- Land owned by forestry company for several decades until acquired by Noble in 2011
- Little outcrop on land package

# Large Scale Potential

## Geophysical Footprint Larger than Dumont



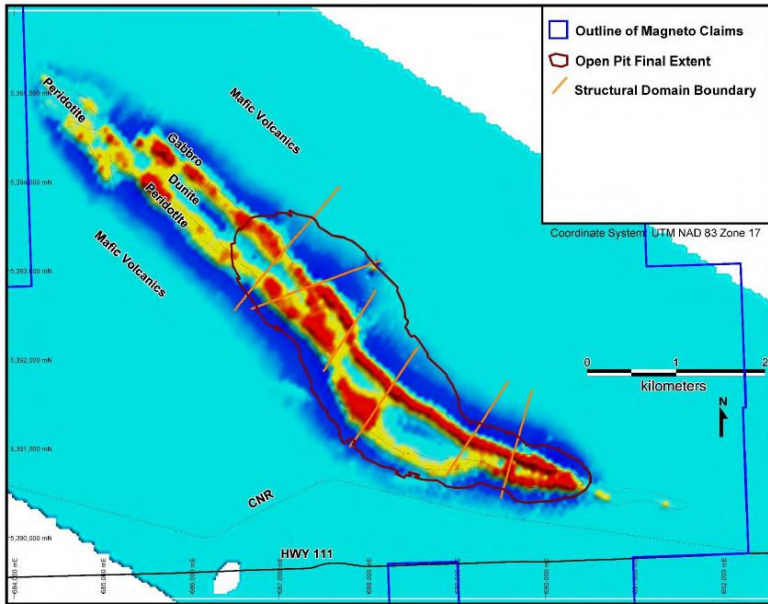
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Mineralization at Crawford is contained in a serpentized ultramafic which has a distinct geophysical signature. Crawford has multiple structures with approximately 7.9 km of strike length versus 6km at Dumont

### Dumont Nickel-Cobalt Project

#### 1<sup>st</sup> Vertical Derivative

Figure 7-2: Map of Magnetometer Survey of the Dumont Property (1st Vertical Derivative)

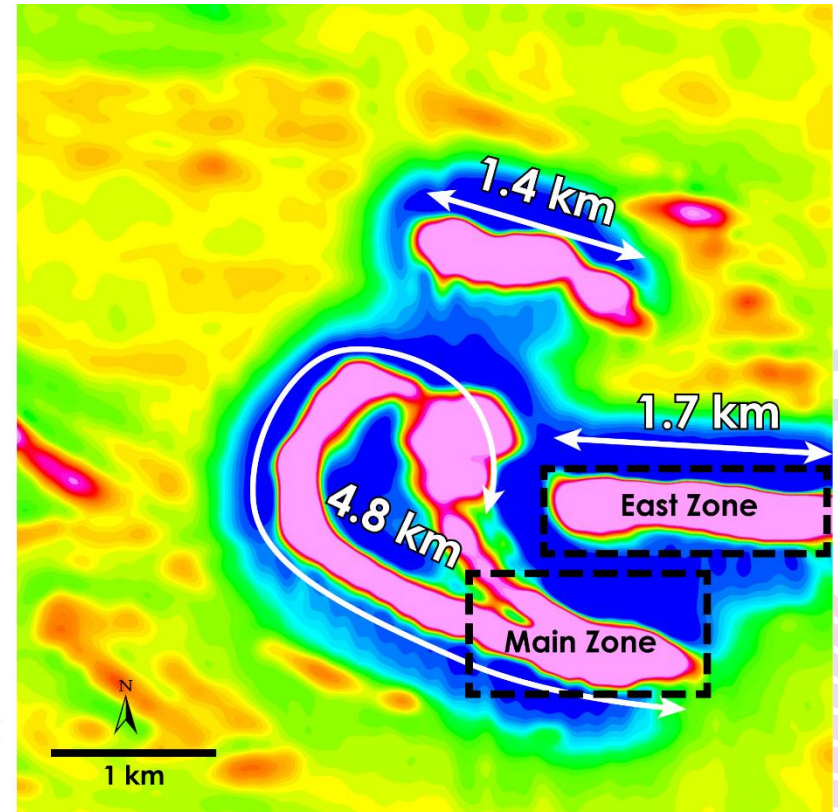


Source: RNC.

Note: Graphics scaled so distances are equal  
Source: RNC Minerals Revised Feasibility Study July 2019

### Crawford Nickel-Cobalt Project

#### 1<sup>st</sup> Vertical Derivative



# Initial Resource - Crawford Main Zone



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Crawford's initial resource already ranks as one of the 12 largest nickel sulphide resources globally

Domain	Class	Tonnes (Mt)	Ni (%)	Co (%)	Fe (%)	S (%)	Contained Nickel (kt)	Contained Cobalt (kt)	Contained Iron (Mt)
<b>HIGHER GRADE ZONE</b>	Measured	59.5	0.31	0.013	6.37	0.18	185.4	7.7	3.8
	Indicated	203.4	0.31	0.013	6.32	0.15	621.6	25.9	12.9
	Mea+Ind	262.8	0.31	0.013	6.33	0.157	807.0	33.7	16.6
	Inferred	66.4	0.29	0.013	6.46	0.13	190.7	8.4	4.3
<b>LOWER GRADE ZONE</b>	Measured	145.4	0.21	0.013	6.91	0.04	310.4	19.1	10.0
	Indicated	192.2	0.21	0.013	6.86	0.04	407.2	24.9	13.2
	Mea+Ind	337.5	0.21	0.013	6.88	0.04	717.6	44.0	23.2
	Inferred	244.1	0.21	0.013	6.75	0.04	516.0	31.0	16.5
<b>Domain</b>	<b>Class</b>	<b>Tonnes (Mt)</b>	<b>Ni (%)</b>	<b>Co (%)</b>	<b>Fe (%)</b>	<b>S (%)</b>	<b>Contained Nickel (kt)</b>	<b>Contained Cobalt (kt)</b>	<b>Contained Iron (Mt)</b>
<b>TOTAL:</b>	Mea+Ind	600.4	0.25	0.013	6.64	0.09	1,524.5	77.6	39.9
	Inferred	310.5	0.23	0.013	6.69	0.06	706.7	39.4	20.8

- Higher grade core of M&I Resource of 263 Mt at 0.31% Ni , 0.013% Co, and 0.038 g/t Pd + Pt

- Within an overall M&I resource of 600 Mt at 0.25% Ni and 0.013% Co

- Higher grade inferred resource of approximately 66 Mt at 0.29% Ni and 0.013% Co within an overall inferred resource of approximately 310Mt at 0.23% nickel and 0.013% cobalt

Domain	Class	Tonnes (Mt)	Pd (g/t)	Pt (g/t)	Contained Palladium (koz)	Contained Platinum (koz)
<b>HIGHER GRADE ZONE</b>	Measured	59.5	0.026	0.010	49	20
	Indicated	203.4	0.028	0.011	181	74
	Mea+Ind	262.8	0.027	0.011	230	93
	Inferred	66.4	0.029	0.014	62	29

- Mineral Resource Estimate prepared by Caracle Creek International Consulting Inc., in accordance with the National Instrument 43-101 ("NI 43-101") and CIM Definition Standards on Mineral Resources and Reserves.

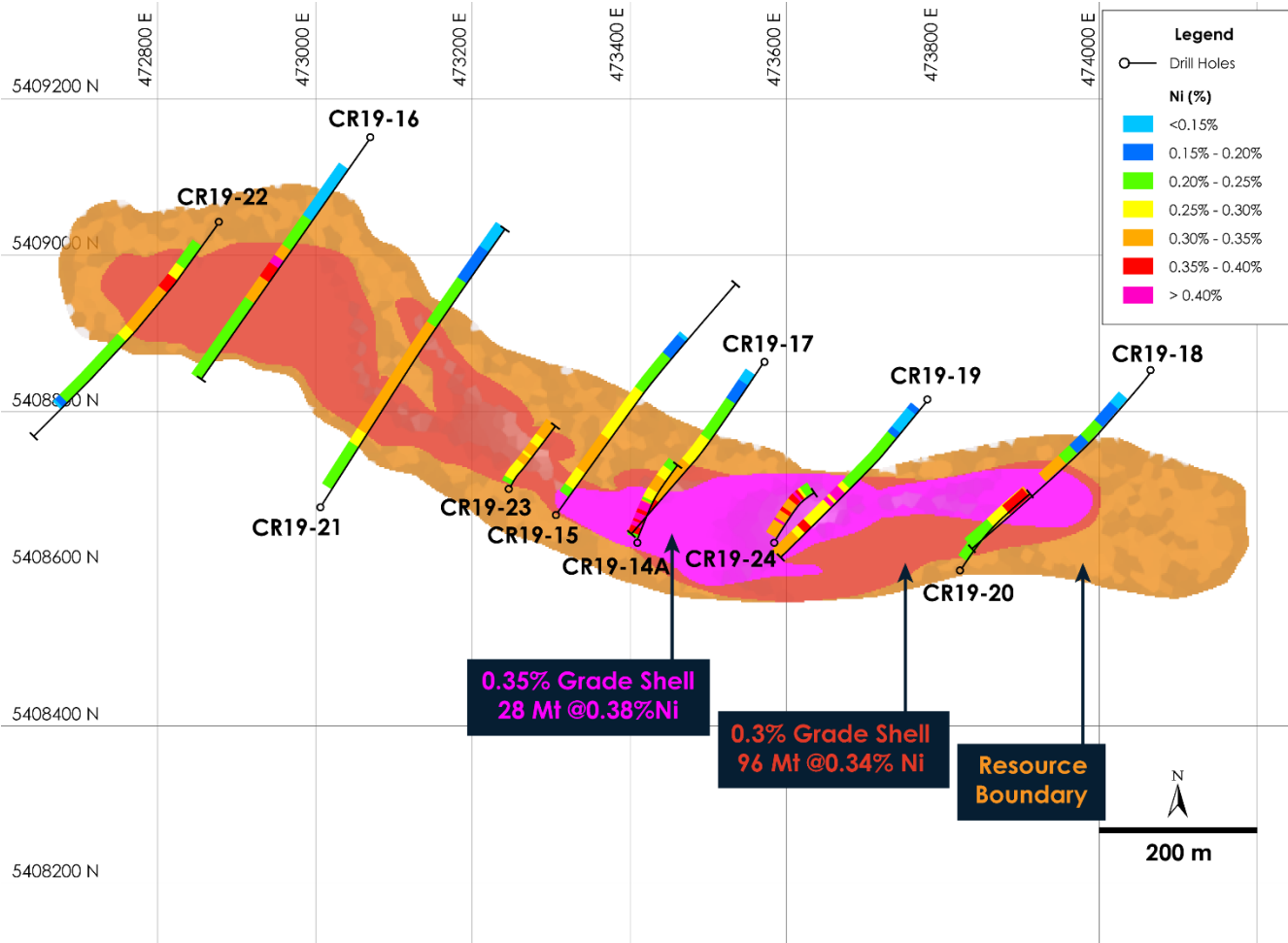
- Refer to Canada Nickel TSX-V Announcement dated February 28, 2020

# Higher Grade Core – Crawford Main Zone Clearly Defined in Resource



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A higher grade core of 96Mt of 0.34% nickel including an even higher grade shell of 28Mt at 0.38% was defined within resource. Remains open in multiple directions



The higher grade core has been defined for:

- 1.6 km long
- 160-230 m wide
- Up to 650 m deep

# Very Encouraging Initial Mineralogy Results



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Crawford's initial mineralogy results have been positive

Initial Mineralogy Results	Higher Grade Core	Lower Grade Zones	
# samples	44	45	
% Ni in nickel sulphide and nickel-iron alloy minerals	89%	59%	
% Ni in silicates	11%	41%	
% Nickel	0.31	0.19	
% Sulphur	0.14	0.03	
% Magnetite	8.7	6.9	
Breakdown of Nickel Sulphide and Nickel-Iron Alloy Minerals	Higher Grade Core	Lower Grade Zones	
Pentlandite	40%	51%	
Heazlewoodite	57%	38%	
Awaruite	3%	11%	
Initial Electron Microprobe Results – Selected Elements (12 samples)	% Ni	% Co	% Fe
Pentlandite	35.0	5.1	27.0
Heazlewoodite	71.5	0.0	1.5
Awaruite	75.2	1.4	23.2
Magnetite	0.1	0.0	70.9

- **89% of the nickel in the Higher Grade Core** of the resource is contained in nickel sulphide and nickel-iron alloy minerals.
- 59% of the nickel in the Lower Grade Zones is contained in nickel sulphide and nickel-iron alloy minerals.
- Both the higher and lower grade areas contain significant quantities of magnetite. In the Higher Grade Core, the magnetite content averaged 8.7% and in the Lower Grade Zones averaged 6.9%.

• Refer to Canada Nickel TSX-V Announcement dated March 12, 2020

# Current Drilling

## East Zone Discovery & Main Zone Extension

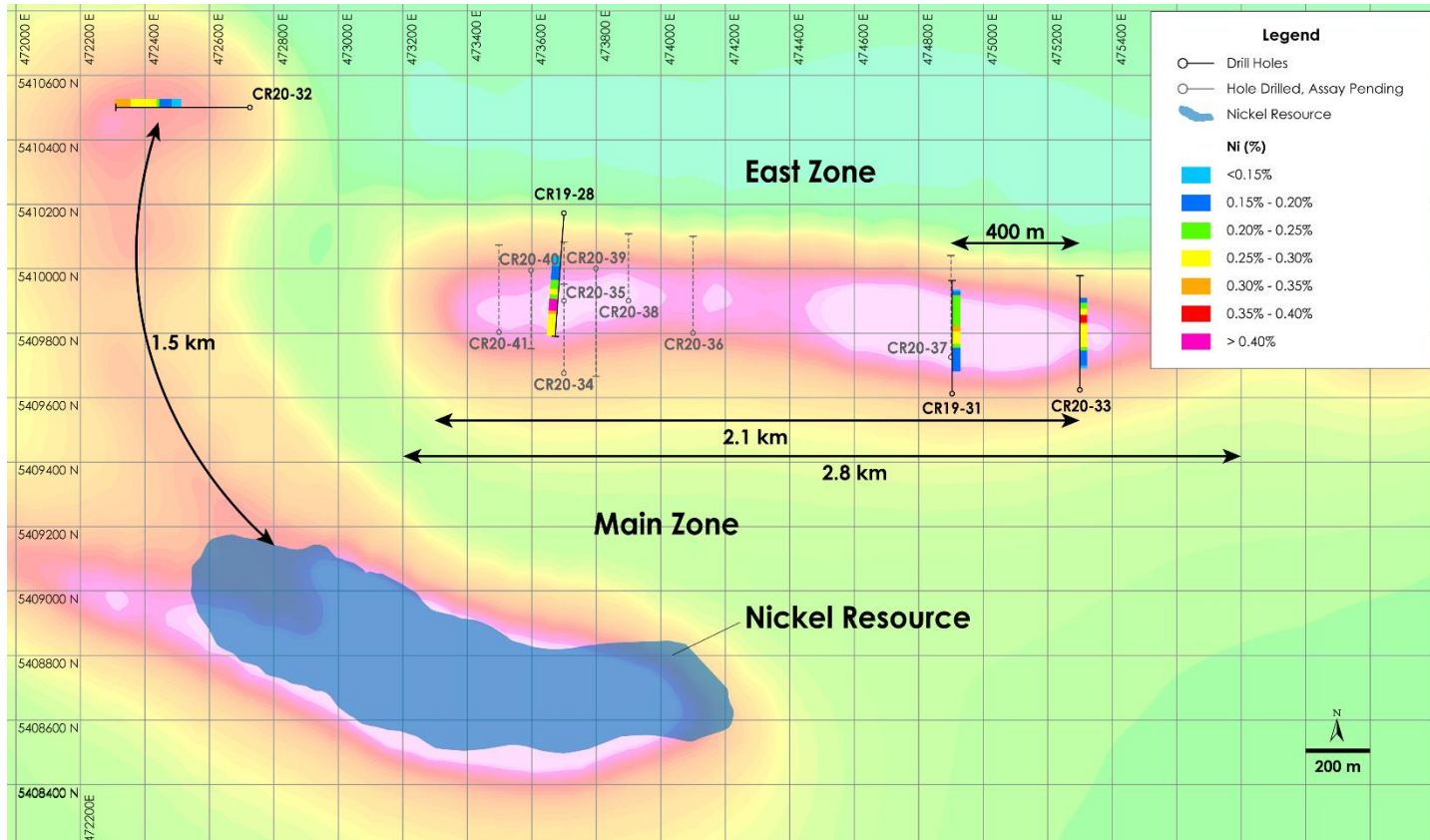


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East Zone Discovery and Main Zone extension more than doubles the known extent of nickel mineralization to over 4 km. Hole CR19-28 yielded the highest grade nickel interval to date – 55 m of 0.42% Ni and 0.2 g/t Pd + Pt.

### Crawford Nickel-Cobalt Project East Zone – Plan View

Recent drilling overlain on total field magnetic intensity





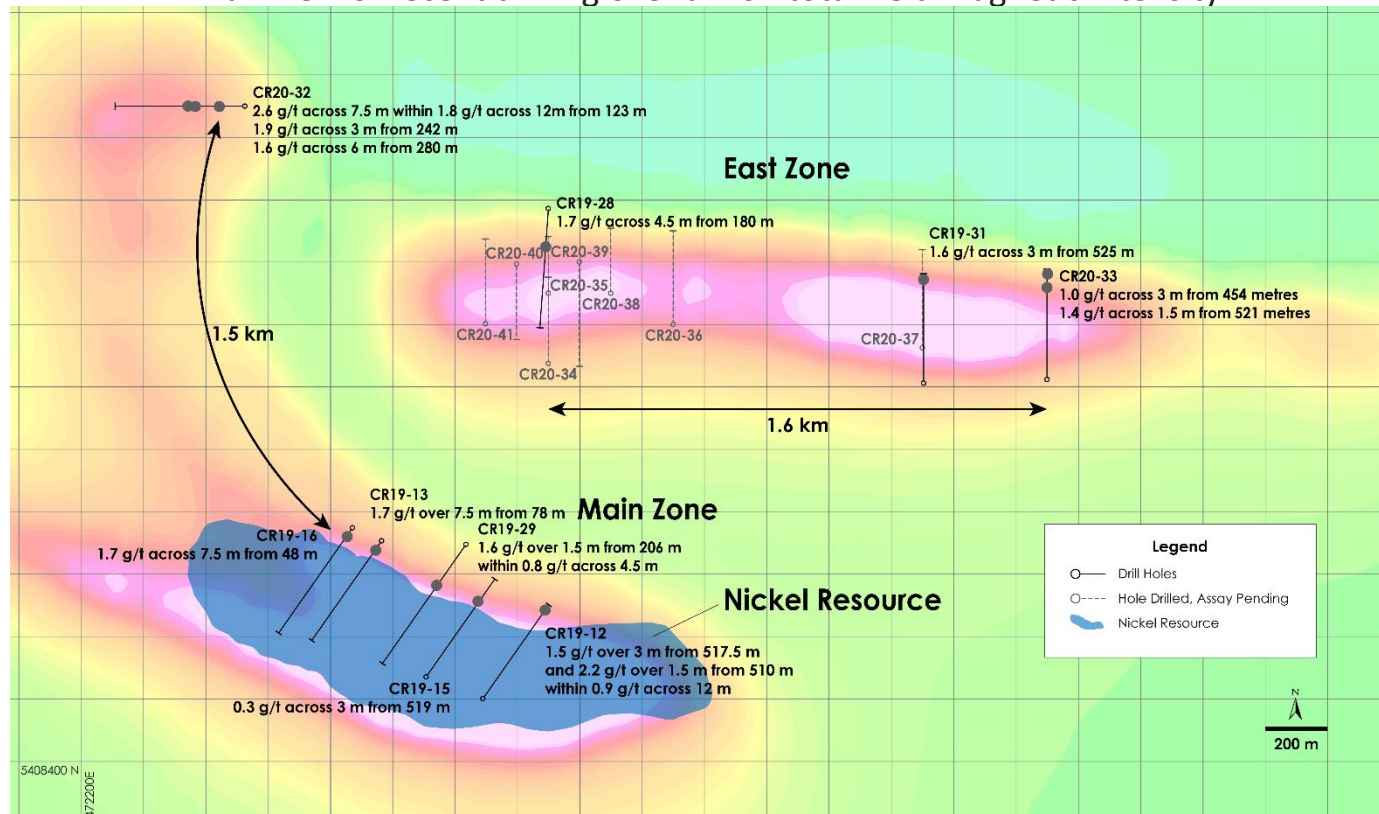


PGM Zone now discovered parallel to both Main and East Zones from near surface to depth of 500+ metres across multi-kilometre strike length.

Recent drilling yielded multiple PGM Zones and highest grade intersections to date: 2.6 g/t Pd + Pt over 7.5 m from 123 metres.

## Plan View of Crawford PGM Zones

Plan view of recent drilling overlain on total field magnetic intensity



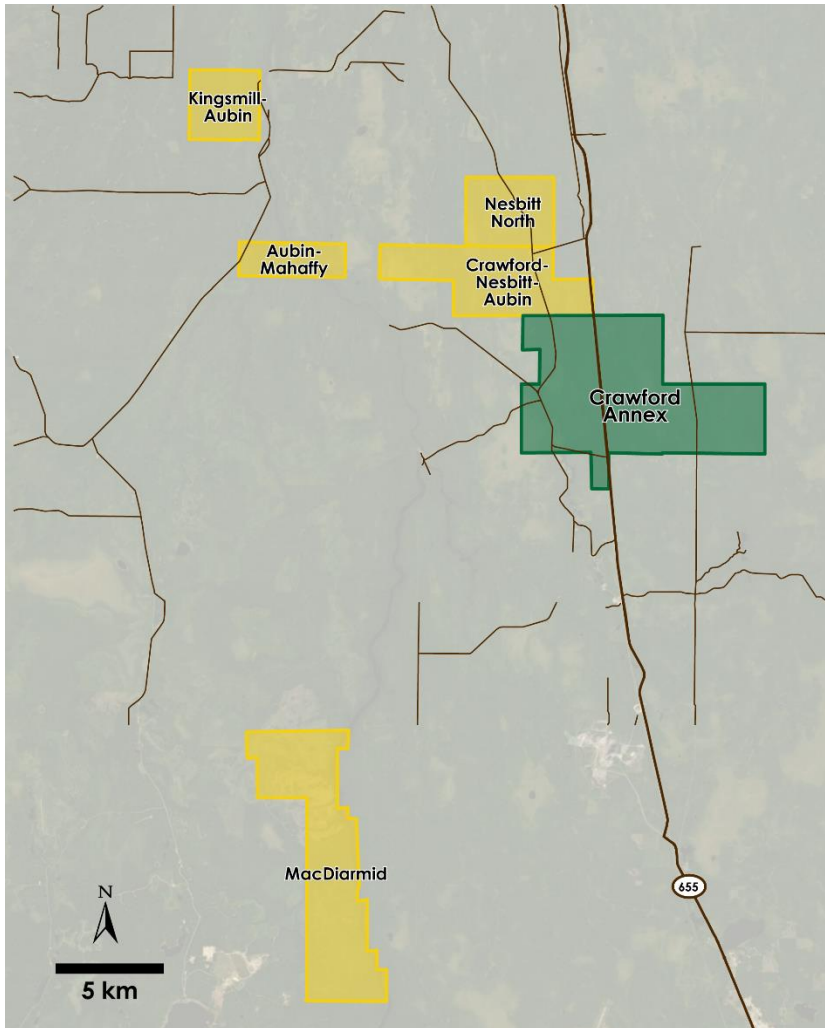
# Additional Property Options

## Multiple Targets



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### Recently Acquired High Potential Targets Have Similar Geology to Crawford



- Canada Nickel acquired the Crawford Annex property (4,909 hectares) and the option to earn up to 80% interest on 5 other targets (collectively “Option Properties”, between 903 to 5,543 hectares) near Crawford.
- Provides Canada Nickel with the larger footprint to develop Crawford.
- Additional targets host similar geology to Crawford.
- Canada Nickel to pay Noble \$500,000 cash and 500,000 CNC shares to enter into transaction.
- Terms on the Option Properties:
  - Earn a 60% interest within 2 years by funding at least \$500,000 of expenditures on each option property and make an additional payment of \$250,000 in cash or CNC shares;
  - Earn up to 80% interest within 3 years by funding an additional \$1,000,000 of exploration and development expenditures;
  - Noble retain 2% NSR on any claims not currently subject to 2% with Franco Nevada.

# Significant Scale Potential



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Crawford Nickel is already one of 12 largest nickel sulphide projects with <20% of structure tested to date

## Ranking of Largest Resource Nickel Sulphide Projects Worldwide (WoodMac)

Rank	Company	Project	Contained Nickel (Mt)
1.	Norilsk	Polar/Kola	19.0*
2.	Waterton	Dumont	5.8
3.	Terrafame	Terrafame	4.4*
4.	Jinchuan	Jinchuan	4.4*
5.	Zebedelia	Zebedelia	4.0
6.	GIGA Metals	Turnagain	3.7
7.	FPX	Decar	2.7
8.	BHP	Yakabindie	2.7
9.	Ivanhoe	Platreef	2.7
10.	ONEXIM	Kingashky	2.4
11.	BHP	Leinster	1.8
<b>12.</b>	<b>Canada Nickel</b>	<b>Crawford</b>	<b>1.5<sup>(1)</sup></b>

\*Denotes operation. All other projects at earlier development/exploration stage

(1) Measured & Indicated resource only. Does not include 0.7 Mt of inferred resource

All other comparators are based on total resources (measured, indicated, and inferred)

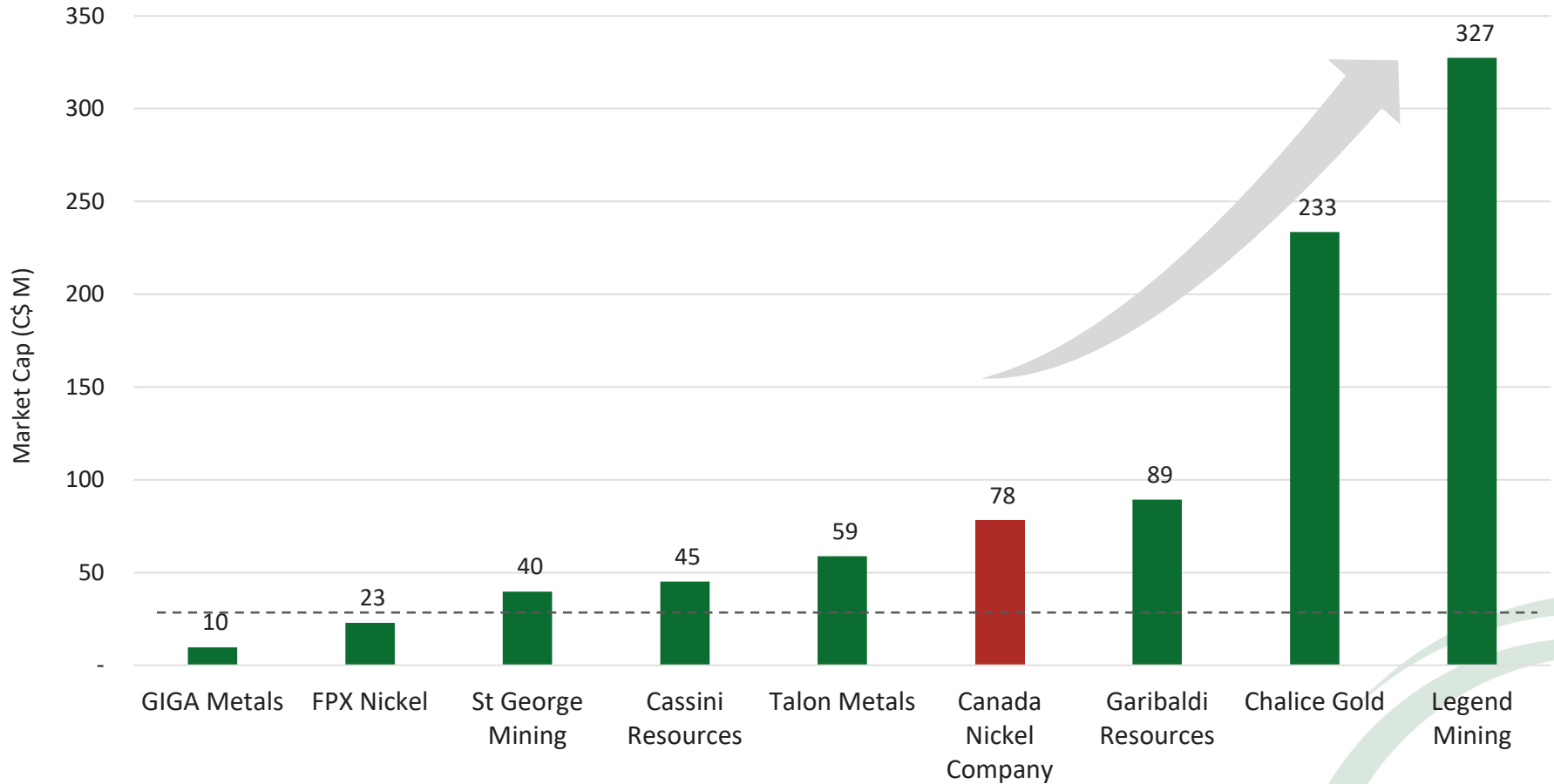
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## Undervalued Versus its Peers



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Ni Project	Turnagain	Decar	Hawaii	Yarawindah Brook	Tamarack	Crawford	E&L	New Julimar	Mawson
Ownership %	100	100	100	96	60	100	100	100	70
Year Discovered	2004	2010	2012	2001	2007	2019	1966	2019	2019

As at May 27, 2020

[www.canadanickel.com](http://www.canadanickel.com)

# New Nickel Sulphide Discoveries Have Been Acquired at Significant Valuations



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**Voisey's Bay**

**Cosmos**

**Multiple  
Mines**

**Nova  
Bollinger**

**Acquisition  
Value &  
Year**

**C\$4.5 B  
(1996)**

**A\$3.1 B  
(2007)**

**C\$6.8 B  
(2007)**

**A\$1.8B  
(2015)**

**Share Price  
Accumulation**

**37x**

**58x**

**6.5x**

**15x**

**Reserve (Mt)**

**0.9**

**0.09**

**1.4**

**0.27**

**Resource (Mt)**

**2.1**

**0.5**

**4.4**

**0.3**

**Production (kt)**

**50**

**12**

**34**

**26**



The Company is well-funded to achieve its next milestone after completing a financing to raise \$4.4 million on May 5, 2020.

Capital Structure	
Common Shares (M)	67
Warrants (M)	2.9
Options / RSUs (M)	6.5
Fully Diluted Shares (M)	76.5

Management and Board members own ~6% of common shares.

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