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Initiating Coverage

March 30, 2021

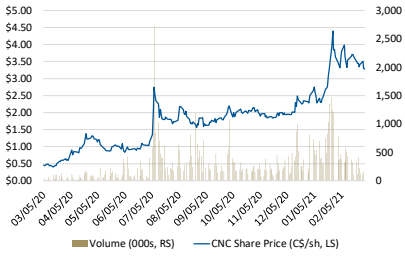
CANADA NICKEL COMPANY INC. – SPECULATIVE BUY

CNC - TSXV	$3.12
TARGET:	$5.60
PROJ. RETURN	79%
VALUATION	0.5x NAV

Share Data

Basic Shares O/S (M)	80.3
Fully Diluted (M)	91.4
Avg. Volume (K)	307
Basic Market Cap ($M)	251
Net Cash ($M)	8
Enterprise Value ($M)	243
Dividend ($/sh)	0
Yield (%)	0
Next Reporting Date	June

Thomson Chart – One Year



Corporate Profile

Canada Nickel Company Inc. explores for nickel in the Timmins mining camp in northern Ontario. Its focus project is the Crawford Ni-Co Project.

Potential Catalysts

- *PEA in April 2021*
- *Feasibility Study at the end of 2021*

Defining the Next Large-Scale Nickel Project

ACTION – Initiating Coverage with a Spec. Buy and $5.60/sh Target Price

We are initiating coverage of Canada Nickel Company Inc. (CNC) with a SPECULATIVE BUY and a $5.60 per share target price. Our valuation is based on a 0.5x NAV multiple of the company's Crawford project $DCF_{8\%}$ (including G&A, exploration and technical studies), plus a risk rated value (0.1x multiple) for the magnetite circuit and exploration potential, plus the company's net cash and cash from in the money options and warrants.

We believe that CNC has already defined a world-class nickel deposit in terms of size and, with at least five exploration targets, we believe CNC is in the process of defining a top-tier nickel camp, second in potential nickel production to Norilsk in Russia.

DETAILS – Quickly Defining One of the Largest Nickel-Bearing Deposits

CNC acquired the Crawford project in late-2019 and completed its first drill program in December 2020. CNC released its first resource estimate at the end of February 2020 and its most recent resource estimate in December 2020 (topping one billion tonnes).

Exploration is continuing at Crawford and earlier stage exploration on the five exploration targets. We believe there is significant potential to expand the Crawford resource (we have assumed 500 million tonnes of additional resources) and we think that at least one of the exploration targets may be on par with Crawford or potentially better.

Deposits like Crawford present some technical challenges such as low nickel recoveries, but also have positive characteristics including: size, high grade concentrates, and the ability to use conventional mining and milling. We believe that Crawford has a good chance of being developed given the lack of large, low-risk nickel projects, globally.

VALUATION – It's Still Early Days and We See Excellent Potential

We think that CNC has done an excellent job of developing the Crawford project to its current stage at a very fast pace. The historical work done on the Dumont project, that shares many similarities, has helped significantly. We expect that the Crawford project will continue to grow and that we will see exciting exploration results from the near-by targets in 2021. A preliminary economic assessment is expected in April 2021 and a feasibility study by the end of 2021.

Year		2021Es	2022Es	2023Es	2024Es	2025Es	2026Es	2027Es	2028Es	2029Es	2030Es	2031Es
Nickel Price	US$/lb	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50	$7.50
Iron Ore Price (62%)	US$/t	$80	$80	$80	$80	$80	$80	$80	$80	$80	$80	$80
CAD:USD	USD	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80	$0.80
Payable Production												
Nickel	Mlbs	0.0	0.0	0.0	0.0	0.0	55.3	55.3	55.3	55.3	90.1	90.1
EBITDA	C$ M	-$4.0	-$4.0	-$4.0	-$4.0	-$4.0	$323.4	$323.4	$323.4	$323.4	$439.6	$439.6
EPS												
Basic	C$/sh	-$0.07	-$0.05	-$0.05	-$0.05	-$0.05	$3.02	$2.26	$2.17	$2.24	$3.01	$2.93
Fully Diluted	C$/sh	-$0.06	-$0.05	-$0.04	-$0.04	-$0.04	$2.78	$2.06	$1.96	$2.03	$2.72	$2.65
Free Cash Flow	C$ M	-$21.9	-$23.0	-$23.0	-$531.8	-$532.3	$284.7	$217.8	$214.7	-$322.1	$325.2	$320.4

CANADA NICKEL COMPANY INC.

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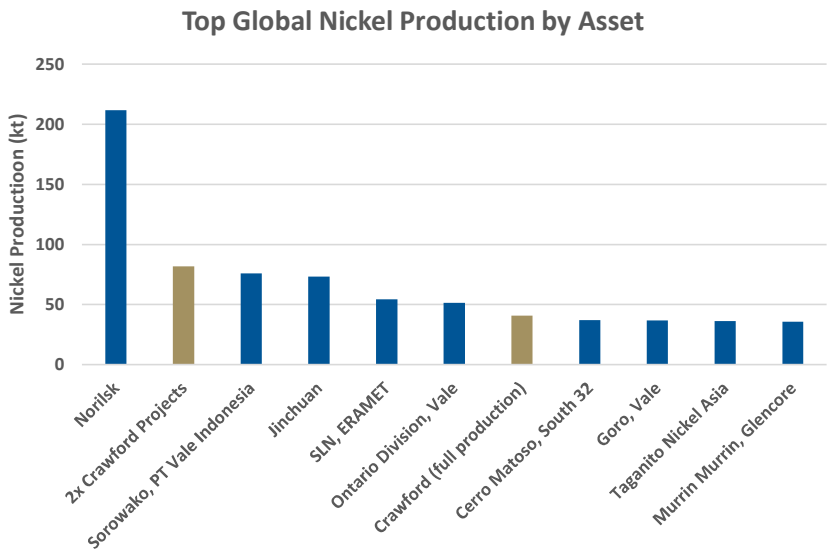
Note: All financial figures in this report are in Canadian dollars, unless stated otherwise. Report pricing date: March 30, 2021

EXPLORING THE NEXT GLOBAL NICKEL PRODUCTION CENTRE

We are initiating coverage of Canada Nickel Company (CNC) with a **SPECULATIVE BUY** rating and $5.60 per share target price. CNC's focus is the Crawford Nickel-Cobalt Project (Crawford), located 42 km north of Timmins, Ontario, where CNC has defined an NI 43-101 resource of 1.15 billion tonnes grading 0.25% nickel. In addition to Crawford, CNC has at least five similar, nearby targets that we believe have excellent potential to become projects to rival Crawford in terms of size and quality**. It is our view that if CNC is successful in defining multiple economic nickel deposits within a relatively small area, that CNC (or another company if CNC is acquired) may be able to develop a nickel production centre that would place it behind Norilsk as the second largest in the world (see Figure 1).**

Figure 1. Nickel Production by Project, Globally (2019)



Source: CapitalIQ, Mackie Research estimates

While there remains much work for CNC to carry out before Crawford can be developed, we think it is worthwhile pointing out the significant shareholder value that has been created by CNC since it acquired the project in late-2019. That said, we think there remains significant upside for CNC investors driven by:

1. Continued exploration at Crawford which may materially increase the resource size and, potentially, the grade as there are many zones within the Crawford project that may hold economic mineralization;
2. Drill test the five targets that appear to share similar geology and for which there have been historic drill holes that indicate they are similar to Crawford;
3. Adding the magnetite circuit to the mine plan to make a saleable iron ore product; and,
4. Develop a very ESG-friendly and environmentally-focused approach to mining, milling and processing the nickel products from the Crawford project.

WHY WE THINK CRAWFORD WILL BE DEVELOPED

In our view, the global lack of new, large-scale nickel sulphide projects that can be developed using conventional technology makes Crawford quite attractive, despite having both relatively low grade and low metallurgical recoveries. Rather, we think that large-scale nickel production from deposits like Crawford present lower risk, lower capital and larger production capacities when compares to nickel laterite projects requiring high-pressure acid leach (HPAL) that are highly risky, expensive and rarely meet technical or cost expectations. Couple this concept with the potential that there may be more than one deposit that could feed a central mill (or second mill) and the potential of CNC's nickel projects becomes apparent. However, we believe it will take a deep-pocketed company willing to take the risk to develop Crawford, but we think that eventually this will happen as the growing need for nickel will drive miners to seek new sources of metal from low-risk jurisdictions using conventional processing technologies.

MUCH OF THE HEAVY TECHNICAL LIFTING HAS BEEN DONE FOR CNC

Much of the foundation work for the technical aspects of the Crawford project were developed by Royal Nickel Corporation (RNC), which was later renamed RNC Minerals and then Karora Resources (TSX:KRR, not covered), where CNC's CEO, Mark Selby, was President and CEO. RNC owned the Dumont Nickel Project in Quebec and brought the project through many studies with a feasibility study (FS) having been published in 2019 by its current owners, Karora (28%) and a private equity firm, Waterton Precious Metals Fund II Cayman, LP. (72%). The feasibility study was carried out by Ausenco Engineering Canada Inc. and SRK Consulting (Canada) and forms the basis for many of the assumptions used to develop a model for the Crawford project. In our view, the high degree of similarity between the two projects allows for many assumptions to be carried over to the Crawford model with some comfort.

The work carried out by RNC over many years helped identify the metallurgical challenges and solutions as well as the most effective and efficient route to produce a nickel product for the market.

The 2019 FS identified a number of opportunities for cost savings, efficiencies, by-product production and environmental improvements. Many of these have been incorporated into our valuation model for Crawford, namely: the use of electric machinery where possible (replacing diesel); the production of a saleable magnetite concentrate as an option; and the use of autonomous mining equipment.

A preliminary economic assessment (PEA) for the Crawford project is anticipated in April 2021 and a feasibility study by the end of 2021.

VALUATION DETAILS

Our target price of $5.60 is based on a discounted cash flow analysis of the Crawford project using an 8% discount rate to which we ascribe a 0.5x NAV multiple (we would have used a lower multiple if the work carried out on the Dumont project had not significantly de-risked the technical aspects of the Crawford project). We have used a 1.0x NAV multiple for balance sheet items and options that have already been risk discounted (e.g. magnetite and exploration). We have assumed that the Crawford project's resource increases by 500 million tonnes at a grade of 0.28% nickel. We believe this is a reasonable assumption given the exploration upside at Crawford, described in more detail below – this additional resource adds approximately $192 million to our DCF valuation, or about 20%.

We have included value for the magnetite concentrate option valued at approximately $165 million to which we have ascribed a 0.1x NAV multiple – until this option is better defined by CNC, we will only provide option value as a component of our target price.

We have also included what we believe is a conservative value for the exploration upside for CNC given the number of exploration targets that share many similarities to the Crawford project – we have assumed that the optionality is valued at 10% of the DCF value for the Crawford project (implying a 10% chance that one of the five targets will be at least equal to Crawford). We also subtract the present value of corporate SG&A, exploration and technical studies that will be required before production can commence using a 0.5x multiple as they are directly related to Crawford (which is similarly discounted).

Figure 2. Valuation Details of Canada Nickel

Item	Value C$ 000	Value per Share
Crawford Nickel Project	$930,033	$10.18
Corporate SG&A, Exploration and Technical Studies	-$163,664	-$1.79
Cash	$11,167	$0.12
Debt	$0	$0.00
ITM Warrants and Options	$9,066	$0.10
Exploration Upside	$93,003	$1.02
Magnetite Option	$16,515	$0.18
Total NAV	$896,121	$9.81
Target Multiple	0.5x	
Target Price	**$512,937**	**$5.60**
Fully Diluted Shares Used to Calculate per Share Value (millions)		91.4
Share Price		$3.10
Return to Target		81%
Project IRR		**18%**

Source: Mackie Research estimates

TARGET PRICE: UPSIDE AND DOWNSIDE SCENARIOS

Upside Scenarios

Our $5.60 target price for CNC may increase based on the following potential developments:

1. CNC has at least five targets in addition to Crawford which appear to host similar geology and, in some cases, defined nickel mineralization from historic drilling. There are no resource estimates (current or historical) for these deposits. It is our view that at least one of these has a good chance of being very similar in size and grade to Crawford, or perhaps even better.
2. We have ascribed a relatively conservative value to our target price ($16.5 million, $0.18 per share) for the potential to sell an iron ore concentrate from Crawford. The value is calculated by taking 10% of the DCF value of the iron ore option. Should the company decide to proceed with this option, we would most likely add 100% of the DCF value, multiplied by our 0.5x NAV multiple, which would increase our target price by $83 million or $0.90 per share.
3. In the base case scenario, we have assumed that CNC produces a high-grade nickel concentrate grading 22.5% nickel that is sold to companies that will roast the concentrate into a high-grade ferronickel product for the stainless-steel industry. In this case, there would be no recovery or payment for cobalt, palladium, or platinum. If the industry dynamics change or metal prices increase sufficiently, there is the potential to sell the nickel concentrate to traditional nickel smelters which may result in payment for cobalt, palladium, and platinum. We believe that under this circumstance, the value of the Crawford project may be higher than if it was to follow the ferronickel route.
4. CNC has signed a memorandum of understanding (MOU) with Glencore to use the Kidd Creek concentrator and metallurgical site to treat material from Crawford, approximately 40 km away. This option could be used to provide a nearer-term path to production, albeit at a smaller scale, and may be capable of treating higher grade ores from Crawford and provide technical data to substantially de-risk the proposed larger-scale development at Crawford. We have not factored this option into our valuation as there are no metrics available to determine what incremental value, if any, this may add. The Kidd

Creek mine is apparently slated for closure in 2022 and has a rated capacity of 12,500 tonnes per day. CNC is planning to use only one line of the mill rated at 3,000 tonnes per day.

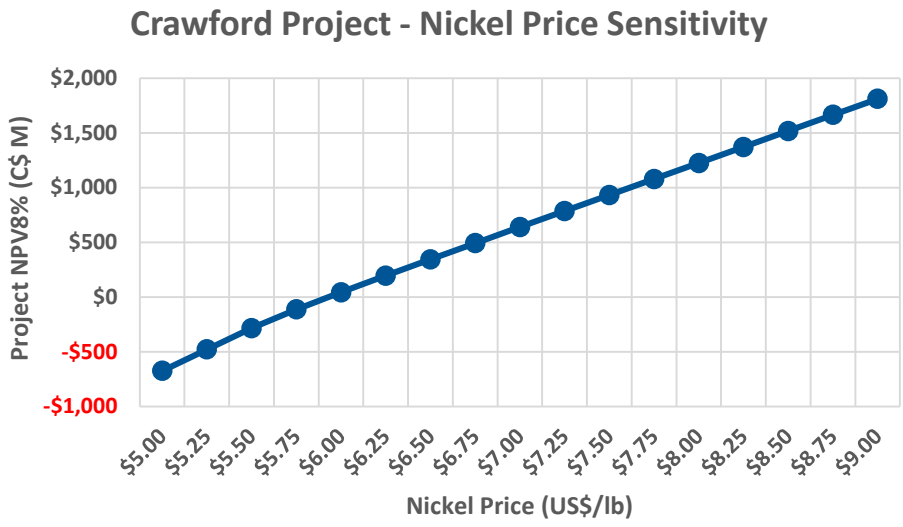
5. Looking to the longer-term, CNC announced in July 2020 it established a subsidiary company, NetZero Metals, that it is working toward establishing processing facilities in the Timmins area to produce zero carbon nickel, cobalt and iron products using existing, proven technologies. There are very few details on this initiative and, therefore, we have ascribed no value for this plan in our valuation.

Downside Scenarios

1. The metallurgy of the Crawford project, and similar deposits, is very challenging. Much of the nickel can be trapped in silicate minerals, rendering them unrecoverable. This was a problem identified by Royal Nickel fairly early in its work on the Dumont project. When the company first carried out a PEA on the Dumont project in 2010, it assumed 65.5% of the contained nickel would be recovered to concentrate. In November 2011, Royal Nickel announced the results of a prefeasibility study (PFS) in which it noted nickel recoveries were expected to be 41% over the life of the mine, a drop of 24.5% (the current feasibility study has a life of mine (LOM) recovery forecast to be 43.2%). We have assumed various recoveries depending on the grade (which correlates to the nickel mineral species and sulphur content) ranging from 52% for the high grade (+0.30% nickel), 48% for material grading approximately 30% and 42% for the lower grade material grading approximately 0.245% nickel. The life of mine recovery is 42.8%, in line with the forecast recoveries at Dumont. The Crawford project is at a very early stage when compared with Dumont and we highlight the risk that recoveries may be lower than we anticipate (that said, they may also be higher).
2. There is very little information regarding the five exploration targets held by CNC. We believe that there is a high probability that at least one of these targets will at least match Crawford for tonnage, grade and recoverability of nickel, but there is also a possibility that none of these targets is worthy of eventual development. This would have a negative impact on our target price by $1.02 per share or approximately 18%.
3. For our target price calculation, we have assumed that there is option value for the magnetite circuit that accounts for $0.18 per share of our target price. If the magnetite concentration concept is not economic or technically feasible, our target price would be reduced by approximately 3%.

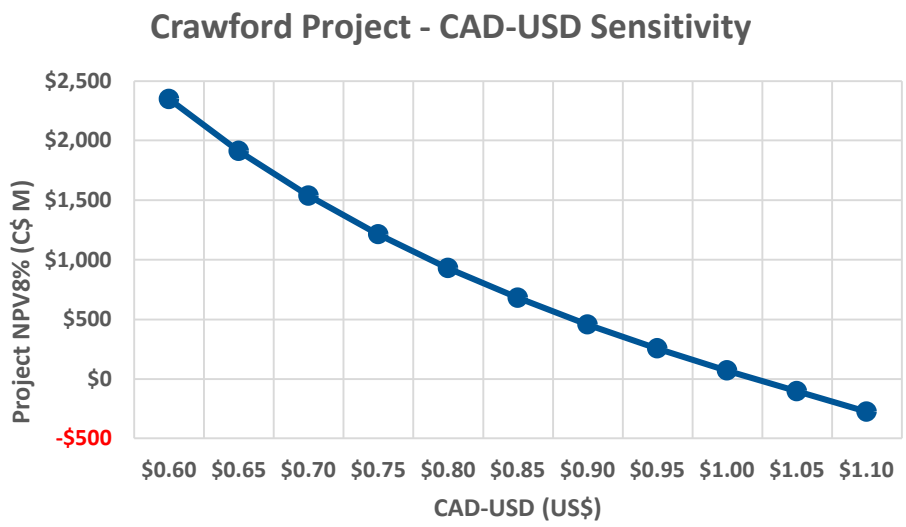
SENSITIVITIES

Figure 3. Crawford Project $NPV_{8\%}$ Sensitivity to Nickel Prices



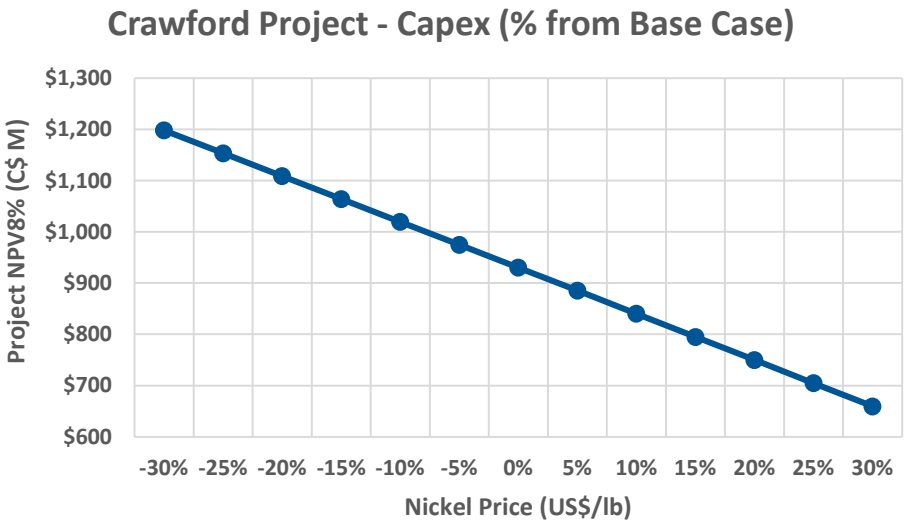
Source: Company filings, Mackie Research estimates

Figure 4. Crawford Project $NPV_{8\%}$ Sensitivity to Canada:US Exchange Rate



Source: Company filings, Mackie Research estimates

Figure 5. Crawford Project $NPV_{8\%}$ Sensitivity to % Changes in Capital Costs



Source: Company filings, Mackie Research estimates

COMPARABLE PROJECTS

Figure 6. Comparable Deposits to Crawford (similar geology)

							Total Reserves and Resources			
	Ticker	Share Price	Market Capitalization (US$ 000)	Cash (US$ 000)	Debt (US$ 000)	Enterprise Value (US$ 000)	Tonnage (Mt)	Nickel Grade (% Ni)	Contained Nickel Pounds (millions)	EV/lb
Canada Nickel Company Inc.	TSXV:CNC	$3.12	$202.4	$8.9	$0.0	$193.4	1,150.4	0.249%	6,326.0	$0.031
Magneto Investments L.P.	PRIVATE	n/a	n/a	n/a	n/a	n/a	2,165.4	0.260%	12,412.1	n/a
FPX Nickel Corp.	TSXV:FPX	$0.69	$102.6	$1.1	$6.2	$107.6	2,588.8	0.120%	6,858.3	$0.016
Giga Metals Corp.	TSXV:GIGA	$0.53	$29.6	$3.5	$0.2	$26.3	2,215.4	0.218%	10,669.6	$0.002

Source: CapitalIQ, Company Filings, Mackie Research estimates

FORECAST EXPLORATION AND STUDIES EXPENDITURES AND FINANCINGS

As CNC is in the process developing a PEA for the Crawford project while also carrying out exploration on one or more of its exploration targets and additional studies (e.g. resource estimates, pre-feasibility work, feasibility studies), we have forecast the following expenditures over the next five years and the financings required to carry out the work we believe will be required as illustrated in Figure 7:

Figure 7. Forecast Exploration and Study Spending & Financings (2021-2025)

	2021es	2022es	2023es	2024es	2025es
Exploration (C$ 000)	$9,000	$10,000	$10,000	$5,000	$5,000
Studies (C$ 000)	$9,000	$9,000	$9,000	$9,000	$9,000
Financings					
Flow Through (C$ 000)	$11,250	$12,500	$12,500	$5,250	$5,250
Hard Dollars (C$ 000)	$3,750	$12,500	$12,500	$9,750	$9,750

Source: Mackie Research estimates

GOING GREEN: ADDING ESG VALUE AT AN EARLY STAGE

In addition to seeking to develop large-scale nickel producing mines, CNC is also looking well into the future with the goal of producing nickel with the lowest carbon footprint possible. To that end, the company is designing its mining operations to use trucks and shovels that use electricity whenever possible rather than consuming diesel fuel, using Ontario generated electricity which is, for the most part, hydroelectric and nuclear, and has very low carbon output (currently, 70% of Ontario's electricity generation is nuclear, hydroelectric, solar and wind). Much of the waste rock that will be produced by CNC is naturally CO_2 absorbing and acts to sequester CO_2 by locking it in newly formed minerals. A portion of the off-gassing from roasting or electric arc furnace reduction may be able to be absorbed by the waste rock and/or tailings.

For more detail on this subject, see the section below titles "Net Zero".

CRAWFORD NI 43-101 RESOURCE

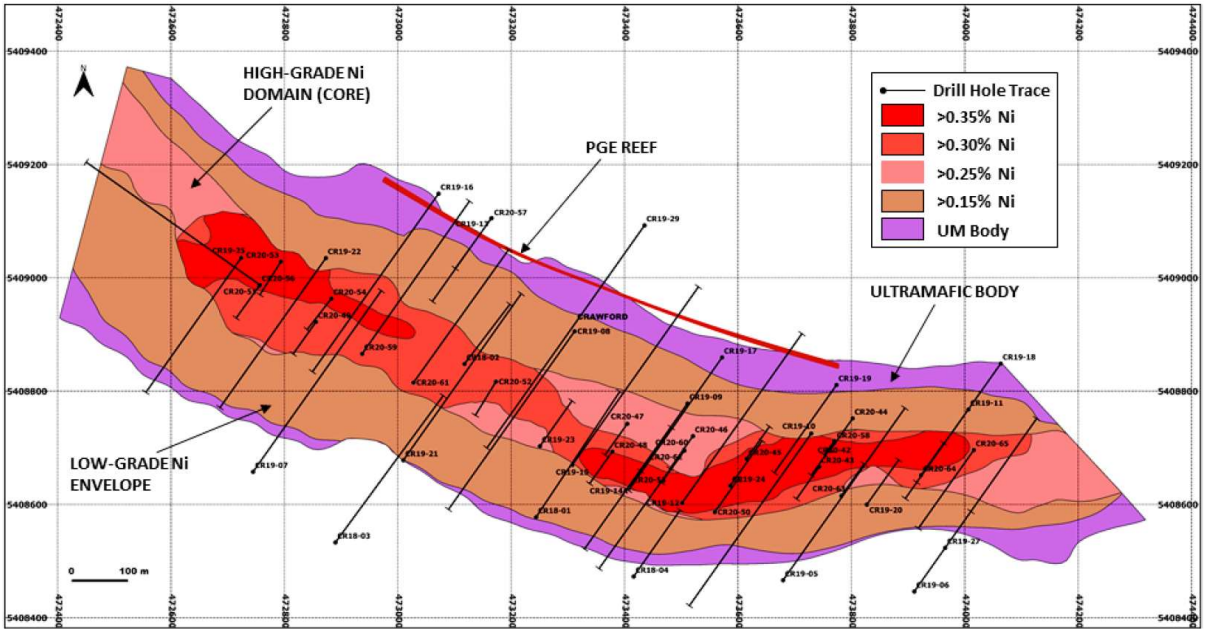
CNC published a technical report with an NI 43-101 code-compliant resource estimate in December 2020. The resource is divided into the Main Zone and East zone as shown in Figure 8. There is no resource for the North Zone as it has had only two holes drilled into it, to date.

Figure 8. Crawford NI 43-101 Resource (December 2020)

	Tonnes (mt)	Ni %	Co%	Fe %	Pd (g/t)	Pt (g/t)
Main Higher Grade						
Measured	151,700	0.320%	0.013%	6.250%	0.029	0.012
Indicated	128,600	0.300%	0.013%	6.370%	0.027	0.013
Inferred	109,900	0.290%	0.013%	6.660%	0.026	0.013
Total	390,200	0.305%	0.013%	6.405%	0.027	0.013
Main Lower Grade Zone						
Measured	62,500	0.220%	0.013%	6.830%	0.000	0.000
Indicated	263,200	0.210%	0.013%	6.900%	0.000	0.000
Inferred	210,200	0.210%	0.013%	6.870%	0.000	0.000
Total	535,900	0.211%	0.013%	6.864%	0.000	0.000
East Zone						
Measured	25,800	0.260%	0.012%	6.020%	0.000	0.000
Indicated	21,800	0.260%	0.013%	6.200%	0.000	0.000
Inferred	176,700	0.240%	0.013%	6.630%	0.000	0.000
Total	224,300	0.244%	0.013%	6.251%	0.000	0.000
Total						
Measured	240,000	0.288%	0.013%	6.376%	0.018	0.008
Indicated	413,600	0.241%	0.013%	6.698%	0.008	0.004
M&I	653,600	0.258%	0.013%	6.580%	0.012	0.005
Inferred	496,800	0.238%	0.013%	6.738%	0.006	0.003
Total	1,150,400	0.249%	0.013%	6.648%	0.009	0.004

Source: Company filings, Mackie Research estimates

Figure 9. Plan View of Current Crawford Resource

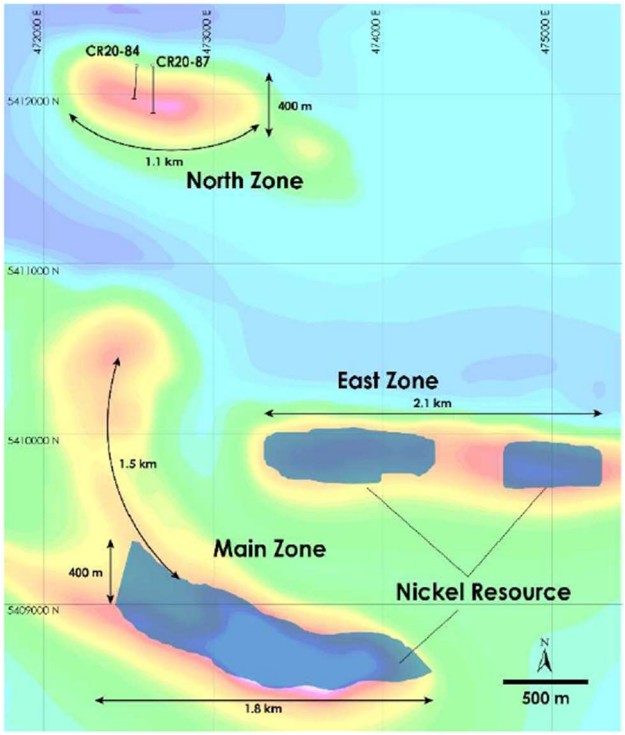


Source: Company filings

CRAWFORD GEOLOGY AND EXPLORATION UPSIDE

Deposits like Crawford and Dumont are known as ultramafic intrusive bodies and are composed of two principal rock types: dunnite and peridotite. At Crawford, this intrusive is known as the Crawford Ultramafic Complex (CUC) and is defined by geophysics to be 8 km long and 2 km wide. The deposit appears to be horseshoe-shaped and cut by a regional fault that runs northwest along the eastern extent of the CUC.

Figure 10. Crawford zones with Resource Areas Highlighted

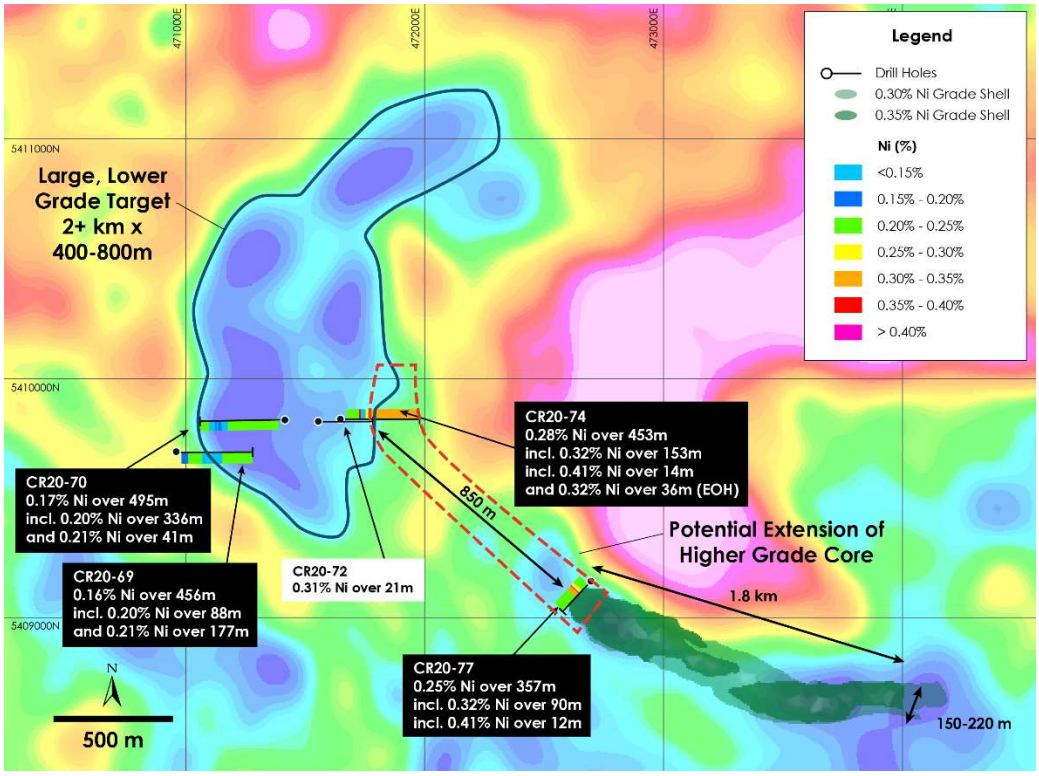


Source: Company filings

As one can see quite clearly in Figure 10, above, there are a number of targets within the CUC that have yet to be tested properly and are not included in the current resource estimate.

For instance, drilling between the current resource and a geophysical anomaly to the northwest has identified a potential extension of the high-grade core (+0.30% nickel) of the current resource over 850 m. A drill hole (CR20-74) on the southeast portion of the anomaly returned 0.28% nickel over 453 m, including a high-grade portion grading 0.32% over 153 m. If this theory holds true, there is the potential to almost double the strike length of the existing resource and increase the high-grade core by up to 45%. This is illustrated in Figure 11.

Figure 11. Potential Extension of Main Zone with High Grade Expansion Potential



Source: Company filings

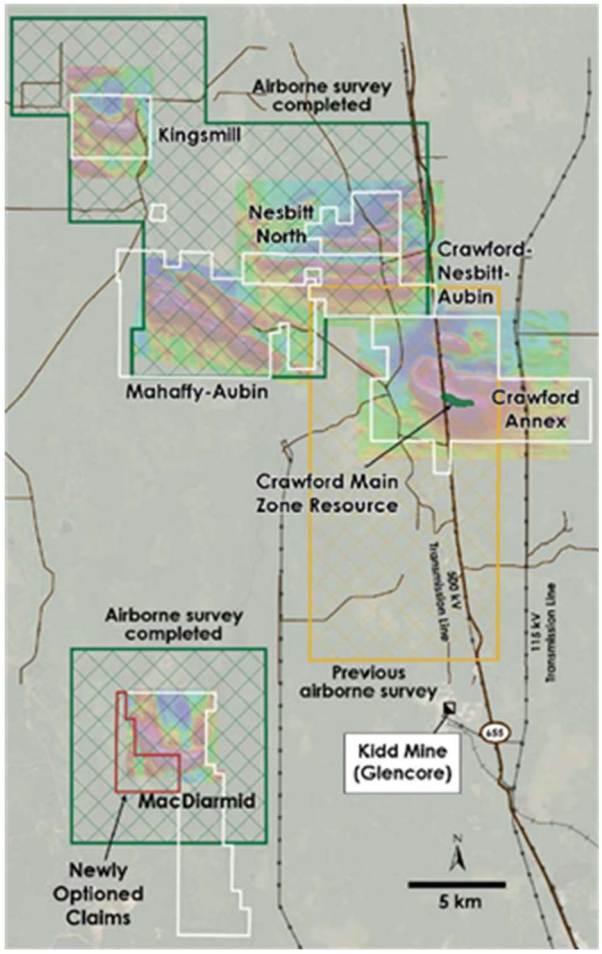
For our valuation of CNC, we have assumed an additional 500 million tonnes grading 0.28% are added to the Crawford resource which we believe will be discovered in the western extension of the main Crawford resource, the East Zone and the North Zone (see Figure 10 above).

OTHER EXPLORATION TARGETS

As noted above, CNC has a number of exploration properties in the same area as the Crawford project (all in the large property north of Timmins, Ontario) originally owned by Noble Mineral Exploration Inc. (Noble, TSXV-NOB, Not Covered). For each of these properties, CNC has the right to earn up to an 80% interest from Noble. These properties are shown in Figure 12.

We believe that there is a high probability that CNC will be able to define a resource on at least one of these exploration targets that is as good, or perhaps better than, the Crawford project.

Figure 12. Other Canada Nickel Exploration Targets Close to Crawford



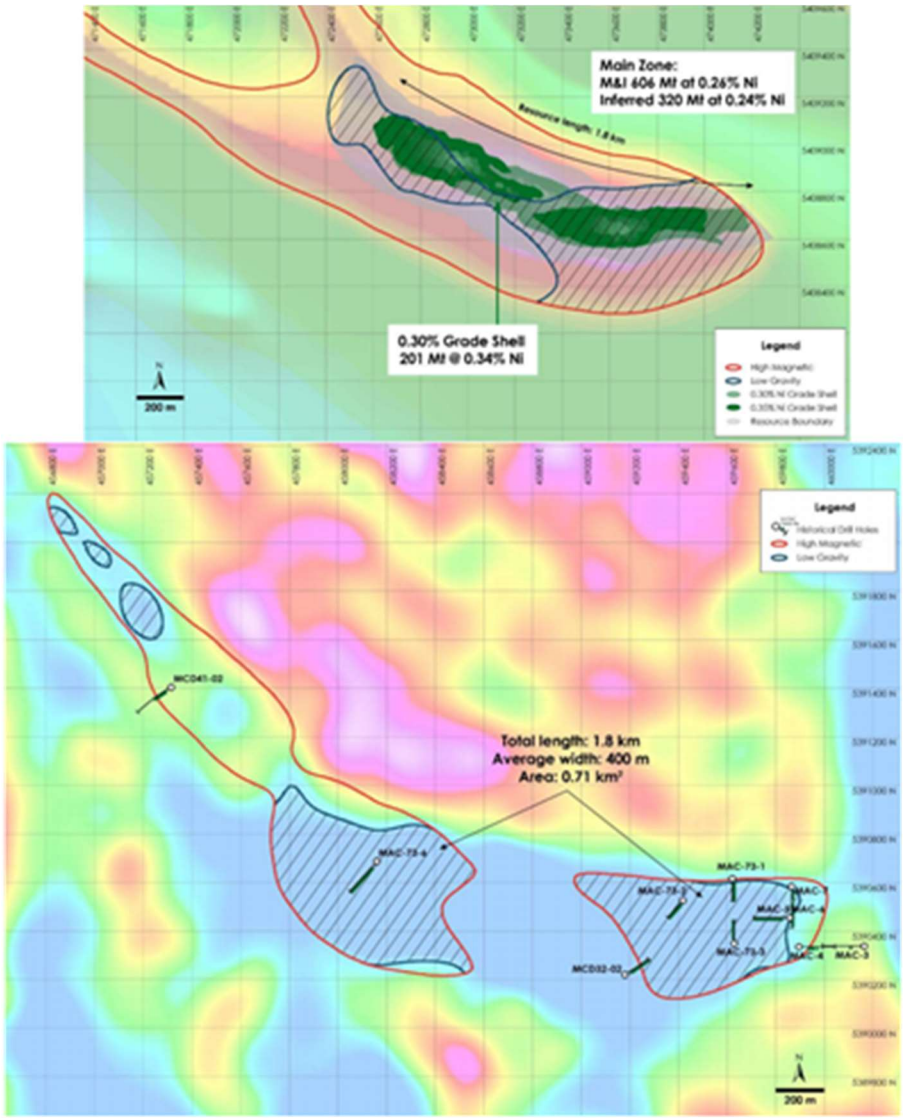
Source: Company filings

We think that the exploration properties will be prioritized based on the information that is currently available and, in our opinion the order will be: MacDairmid, Mahaffy-Aubin, and then Nesbitt.

MacDairmid-Jaimeson (MacDairmid)

The MacDairmid property is located 23 km southwest of the Crawford project and totals 4,377 Hectares. Using airborne geophysics and the compilation of historical exploration work indicates that the MacDairmid target is 1.8 km long and averages 400 m in width (15% larger than the anomaly at the Crawford project). Additionally, seven drill holes were historically drilled within the anomaly but were not assayed. However, core logging indicates that all the holes intersected dunite or peridotite across the majority of the core lengths and the presence of magnetite and sulphides were noted which is similar to observations at Crawford. We believe that the presence of magnetite implies that the deposit has undergone serpentinization and that the sulphides may indicate the presence nickel-bearing minerals.

Figure 13. Crawford Main Zone Compared to MacDairmid Target



Source: Company filings

Mahaffy-Aubin

The Mahaffy-Aubin project comprises two blocks (57 hectares in the north and 5,324 hectares in the south) in both Aubin and Mahaffy townships. Mahaffy-Aubin is located 14 km west-northwest of the Crawford project. Within the project boundaries, four holes were drilled by Inco in 1966 which targeted nickel in ultramafic-mafic rocks. Drill results included 418 m grading 0.24% nickel with some samples as high as 0.36% nickel.

Nesbitt North

Nesbitt North is located 9.5 km north-northwest of the Crawford project and totals 1,222 hectares. The property covers east-west trending ultramafic-mafic rocks. At least six holes were drilled, historically, by Chevron (1984), Inco (1964-65) and Rio Algom (1991) all of which were targeting nickel in ultramafic-mafic rocks. Intercepts reported by Inco include 535 m grading 0.28% nickel in serpetinized peridotite with some sections grading up to 0.39% nickel.

Crawford-Nesbitt-Aubin (CAN)

The CAN property comprises 2,113 hectares and covers parts of Crawford, Nesbitt and Aubin townships and is 8.5 km northwest of the Crawford project. There has been limited drilling on the property with 19 holes drilled. Three of the these, drilled in 1965, 1973 and 1975, targeted ultramafic-mafic rocks (the host rocks for the target deposit type).

Kingsmill-Aubin

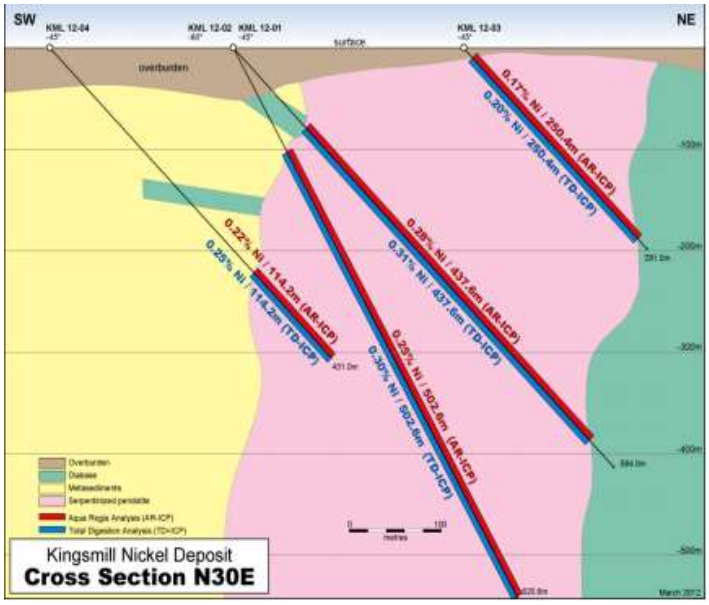
This property is located in the northeast quadrant of Aubin Township and is 23 kilometers northwest of the Crawford project and totals 1,311 hectares. Within the project area are a number of historic drill holes 20 historical drill holes carried out by Inco in 1964-66, HudBay Mining 1974, and Noble in 2012. INCO Canada's drill program in 1964-66 included at least 23 drill holes (not all on the Kingsmill-Aubin project area) which intersected serpentized peridotite in several holes, including DDH 27090 which returned 385.57 m grading 0.36% nickel and DDH 25065 which returned 190.2 m grading 0.28% nickel. In 2012, Noble (then called Ring of Fire Resources Inc.) carried out 12 drill holes, the results are in Figure 14.

Figure 14. 2012 Drill Results from Kingsmill Deposit

Drill Hole	From (m)	To (m)	Int (m)	Ni (%)
KML-12-01	111.00	548.60	437.60	0.28
KML-12-02	118.00	620.60	502.60	0.25
KML-12-03	14.00	264.40	250.40	0.17
KML-12-04	314.00	428.20	114.20	0.22
KML-12-05	58.00	159.00	101.00	0.23
KML-12-06	54.70	551.00	496.30	0.18
KML-12-07	80.00	546.20	466.20	0.18
KML-12-09	221.00	653.00	432.00	0.20
KML-12-10	78.00	307.50	229.50	0.21
KML-12-11	108.00	308.00	200.00	0.20
KML-12-12	175.00	272.00	97.00	0.16

Source: Company filings

Figure 15. Section View of Drilling at Kingsmill Deposit



Source: Noble Mineral Exploration Incorporated

WHAT THE GEOLOGISTS LOOK FOR IN EXPLORATION TARGETS LIKE DUMONT AND CRAWFORD

As noted above, the host rocks for these nickel deposits are dunnite and peridotite – without those, it is highly unlikely that one will find a nickel-bearing deposit within these kinds of mafic-ultramafic exploration targets.

One of the problems with these kinds of deposits is the fact that some of the nickel is trapped in minerals, namely olivine. Over time, and under the right temperature and pressure conditions, the olivine is transformed into a mineral called serpentine (the process is called serpentinization). This process results in chemical changes to the olivine whereby serpentine is produced along with magnetite (a magnetic iron mineral used as common feed to make iron/steel). Additionally, sulphide minerals (minerals with sulphur as part of their composition) may lose some of their sulphur, resulting in minerals that are not common in other nickel deposits (e.g. heazlewoodite and awaruite – an iron nickel alloy) whereas nickel is most commonly found in other deposits in the form of pentlandite. The nickel-bearing minerals with reduced sulphur result in a much higher grade nickel concentrate for these deposit types when compared to other, pentlandite-dominant concentrates. It is the process of serpentinization that appears to release the nickel from olivine, thereby allowing the nickel to be recovered to a concentrate using conventional processing methods.

Therefore, when geologists are assessing these deposit types, the degree of serpentinization is very important to the potential economics of the deposit – without it, much of the nickel would be unrecoverable.

There also appears to be a strong correlation at Crawford between nickel grades and nickel trapped in silicates. In the higher-grade core (>0.25% nickel) of the Crawford project, samples grading 0.31% nickel were analyzed and 11% of the nickel was found to be trapped in silicates. Conversely, in the lower grade envelope around the core where nickel grades below 0.15%, 41% of the nickel was found to be trapped in silicates (see Figure 16). This provides empirical evidence to justify our assumption of higher recoveries from higher grade portions of the deposit.

Figure 16. Differences Between High Grade and Low Grade at Crawford

Mineral Resource Zone:	Higher Grade Core	Lower Grade Zones
No. Samples	44	45
(1)% Ni in nickel sulphide and nickel-iron alloy minerals	89	59
% Ni in silicates	11	41
(2)% Nickel	0.31	0.19
% Sulphur	0.14	0.03
% Magnetite	8.7	6.9

Source: Company filings

RECOVERIES AND MINE PLAN FORECAST FOR CRAWFORD

The ability to recovery nickel from deposits like Crawford and Dumont is critical and requires more work to determine than most other metalliferous deposits. As noted above, a significant portion of the nickel can be trapped in silicates resulting in no recovery, while other nickel mineral species will have different recoveries.

One of the best predictors of potential nickel recovery is the amount of sulphur in the host rock. The sulphur is related directly to the nickel-bearing sulphide minerals (e.g. pentlandite and heazlewoodite) which can be concentrated using conventional methods (as can the iron-nickel alloy, awaruite).

Our valuation model for Crawford assumes mining will be carried out in various stages with different grades, throughput and recoveries as illustrated in Figure 17.

Figure 17. Crawford Project: Mackie Research Assumptions for Throughput, Grade and Recovery

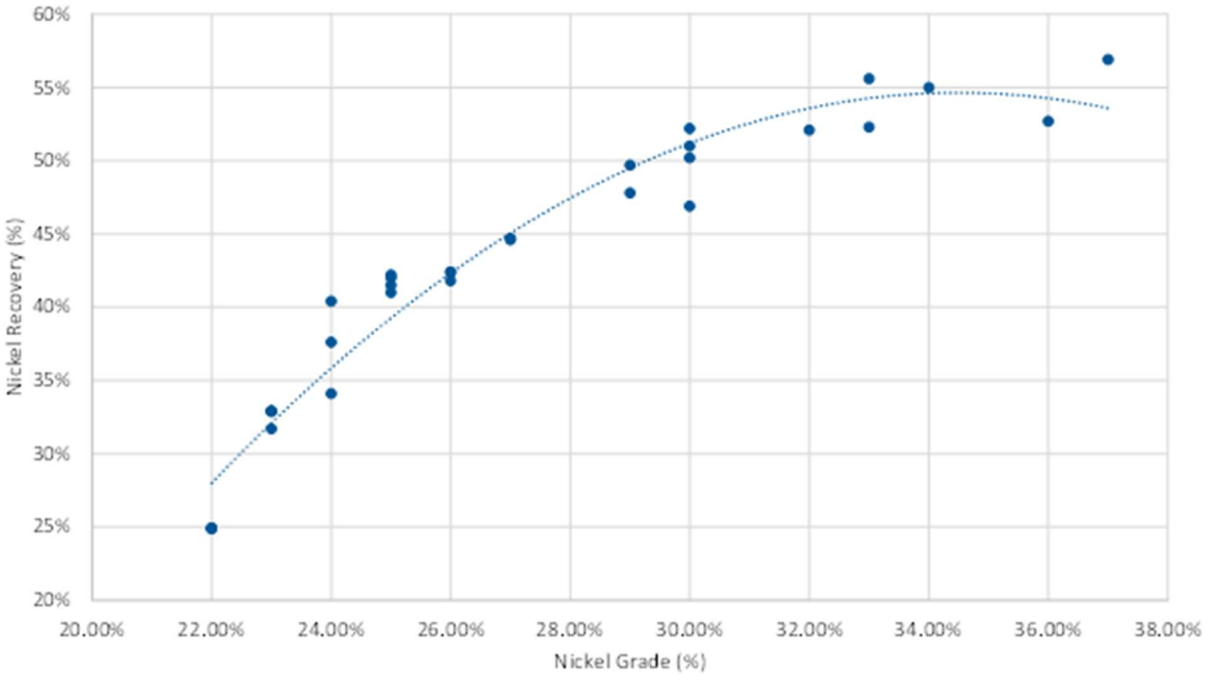
Start Year	End Year	Throughput (tonnes per day)	Nickel Grade (%)	Recovery (%)	Average Annual Payable Nickel (t)
1	4	42,500	0.340%	52.0%	25,095
5	7	85,000	0.300%	48.0%	40,879
8	43	115,000	0.254%	42.0%	40,925
Life of Mine Average		106,860	0.249%	42.8%	38,843

Source: Company filings, Mackie Research estimates

The life of mine grade and recovery are quite similar to that forecast in the Dumont feasibility study which specifies a life of mine recovery of 42.9% and grade of 0.27%. In our view, the grade at Crawford will likely increase as the higher grade zones are expanded and the lower grade zones are eliminated from the mine plan or stockpiled for processing after the deposit has been mined.

The forecast recoveries follow, in general terms, the recoveries forecast for the Dumont project in its 2019 feasibility study as show in Figure 18.

Figure 18. Dumont Project Recovery vs. Head Grade (Ni %)7



Source: "Technical Report on the Dumont Ni Project, Launay and Trécesson Townships, Quebec, Canada", Ausenco, 2019

DIFFERENCES BETWEEN DUMONT AND CRAWFORD

There are obviously many differences between the Dumont and Crawford deposits. However, only a handful of them are considered material at this time. These include:

Potential for resource expansion: The Dumont resource is constrained to the north by the division between the St. Lawrence watershed and the Arctic watershed. This serves to limit any mine development or water discharge beyond that boundary into the Arctic watershed. At Crawford, there have been no limiting factors identified that would constrain the expansion of the Crawford resource footprint, nor any of the exploration targets held by CNC.

Lower Power Rates: Quebec has lower electricity rates than Ontario. In Quebec, the current industrial rate, known as the "L Tarrif" is expected to average $47.37 per MWh over the life of the Dumont mine. Ontario, on the other hand, has higher electricity rates. To model the rates which will apply to the Crawford project, we have assumed that CNC will receive a discount for the first six years at $50 per MWh and then step up to $80 per MWh for the remainder of the mine life. The discounted first six years is in line with the deal struck by Detour Gold with the Ontario Power Authority.

Grind Size: CNC's metallurgical test work, announced in March 2021, indicated that "ore" from the Crawford project can use a 20% larger grind size and that such a change would have no material impact on recoveries. However, it would reduce the electricity costs by 15% and provide 15% higher throughput (resulting in higher throughput for similar capital costs). This has been factored into our valuation. We are not aware whether this same test work has been carried out for the Dumont project, however, the feasibility study is assuming a grind size of 150 microns compared to the current assumption of 165 microns to 180 microns at Crawford.

KIDD CREEK FACILITIES

In January 2021, CNC signed a memorandum of understanding with Glencore Canada Corporation (Glencore) to examine the potential use of the Kidd Creek concentrator and metallurgical site in Timmins, Ontario for the treatment of material mined from the Crawford project and potential further, downstream processing in the future. None of these initiatives have been factored into our valuation of CNC.

According to press reports, the Kidd Creek Mine is slated for closure in 2022. The mill has a four lines, one of which CNC would like to re-task to treat material from Crawford and serve as a commercial-scale pilot plant (at 3,000 tonnes per day). If this agreement is consummated, it would provide CNC with a very robust means to significantly de-risk the Crawford project by having the ability to test its flow sheet on a large scale. We believe Glencore would retain all environmental liabilities while providing access to tailings impoundment to CNC. We expect Glencore would charge a tolling fee for the treatment of Crawford-source material.

The Kidd Creek Mine used to have extensive metallurgical facilities used to process the concentrates generated from the mine (and other third party sources). The metallurgical facilities once comprised a copper smelter and zinc plant, both of which have been decommissioned and, for the most part, demolished. The footprint of these former facilities may be made available to CNC for the future construction of a roasting facility to produce high-grade ferronickel. We have not assumed this in our valuation, rather we are assuming the high-grade nickel concentrate is sold to third parties for conversion into ferronickel. However, developing a roasting facility in Timmins, near the mine site, may offer the opportunity to capture significantly more value by CNC.

OPTIONS FOR PRODUCTION (FeNi vs. CONCENTRATE)

As noted above, our assumption is that CNC will produce a high-grade nickel concentrate (22.5% nickel) which will be sold to third parties for conversion into high-grade ferronickel. The benefit of this path is that CNC would likely receive a fairly high payable for its nickel content of 91.5%, but on the downside would not receive any value of cobalt, platinum, palladium or other metals contained in the concentrate. However, in the right price environment (i.e. higher prevailing metal prices), CNC may consider selling its concentrate to traditional smelter/refiners that would pay for a portion of the other metals. We have not considered this route in our valuation of the company.

NETZERO

CNC is exploring a number of initiatives under its NetZero plan where it will seek to produce nickel with no carbon emissions (or carbon neutral). We believe that these plans may help set CNC apart from its nickel competition as it may have the ability to become among the lowest carbon emitting nickel and iron producers, globally. As highlighted by Tesla Inc.'s CEO, Elon Musk, nickel is one of the key elements required for the lithium ion batteries that power electric cars. To emphasis this point, Elon Musk was quoted as saying "Tesla will give you a giant contract for a long period of time if you mine nickel efficiently and in an environmentally sensitive way. So, hopefully, this message goes out to all mining companies. Please get nickel."

One part of the NetZero plan is to use the serpentinite tailings from the Crawford property to absorb CO_2. This process happens naturally, but at a slow rate. The chemical reaction, for those interested, is $Mg_3Si_2O_5(OH)_4 + 3CO_2 \rightarrow 3MgCO_3 + 2SiO_2 + 2H_2O$. CNC is studying methods to accelerate the reaction so the serpentinite tailings can be used to sequester CO2 into stable minerals.

The NetZero plan has many facets which include:

Mining: CNC is planning to use as much electricity to replace diesel in the mining of Crawford. This would entail the use of electric rope shovels and extensive electric trolly assist for the trucks. Neither of these are new technologies and should have limited risk associated with them.

Milling: Ontario's electrical grid is 70% clean energy (nuclear, hydroelectric, wind and solar). Milling is an electricity intensive operation and the use of low carbon sourced electricity should help minimize CNC's carbon footprint.

Nickel-Cobalt Processing: CNC is considering two potential paths to produce nickel and cobalt using low carbon technology. The first would be to use conventional metallurgical processes (e.g. roasting, sulphation roasting, and reduction using electric arc furnaces) to produce metal products while capturing the CO2 off-gas to be sequestered using waste rock and tailings, as described above.

Magnetite Processing: As noted above, one of the options being considered by CNC is the production of a magnetite concentrate. We have assumed, for now, that the concentrate is shipped to a pelletizing plant to become a feedstock for traditional blast furnaces to make iron/steel. CNC is investigating the possibility of using direct reduction iron (DRI) process or natural gas fired electric arc furnaces to produce iron products which should result in a lower carbon footprint.

MANAGEMENT AND BOARD

MARK SELBY
CHAIRMAN, CEO & DIRECTOR
Mr. Selby was formerly President & CEO of RNC Minerals (Royal Nickel Corporation) where he led a team that successfully raised over $100 million and advanced the Dumont nickel-cobalt project from initial resource to a fully permitted, construction ready project. He has held a number of senior management roles with Quadra Mining, Inco, and Purolator Courier, and was a partner at Mercer Management Consulting. Since 2001, Mr. Selby has been recognized as one of the leading authorities on the nickel market. He graduated from Queen's University with a Bachelor of Commerce (Honours) and has also served on the boards of multiple junior mining companies.

WENDY KAUFMAN
CHIEF FINANCIAL OFFICER
Wendy brings more than twenty-five years of experience leading junior and mid-tier publicly-listed mining companies in project financing, capital structuring, capital markets, accounting and internal controls, tax, and financial reporting and public disclosure. Her skills and experience include the completion of a $4 billion finance package for Cobre Panama during her time at Inmet Mining, one of largest finance packages assembled by mid-tier mining company. She was also previously the CFO at Khiron Life Sciences Corporation and held CFO and senior finance positions at Pasinex Resources Limited, Primero Mining Corporation and Inmet Mining Corporation. Wendy holds a Bachelor of Business Administration from Wilfrid Laurier University and is a Chartered Professional Accountant (CPA, CA).

JESSIE LIU-ERNSTING
VP CORPORATE DEVELOPMENT AND INVESTOR RELATIONS
Jessie has over 15 years of experience in the mining industry, spanning capital projects engineering, debt capital markets, private equity and corporate strategy. Ms. Liu-Ernsting was most recently on the corporate development team at Hudbay Minerals, responsible for formulating and executing on corporate strategy. Jessie previously spent over five years at Resource Capital Funds, sourcing, evaluating, executing and managing investments, gaining expertise in a wide range of commodities and mining services. Before RCF, Jessie provided debt financing solutions in CIBC's mining corporate credit group. Prior to CIBC, Jessie's experience at Hatch ad Golder spanned all levels of mining and mineral processing operations design around the world and the development of mining innovation R&D projects. Jessie is a Professional Engineer who holds an Electrical

Engineering degree from Queen's University, and a Schulich School of Business Mining, Finance and Strategy MBA graduate.

CHRISTIAN BROUSSEAU
PROJECT DIRECTOR
Mr. Brousseau has close to 30 years of experience with engineering, design and construction in the Canadian mining industry, including over 6 years as project Director for the Dumont Project, three years as the Engineering and Construction Manager for Detour Gold. Prior to Detour, he held various construction management positions at Osisko's Malartic Project (now owned by Agnico Eagle and Yamana) and at Goldcorp's Éléonore Project. Mr. Brousseau also spent eight years at Falconbridge supervising and managing various capital projects at Sudbury, Raglan, Kidd Creek and the Horne Smelter.

JOHN LEDDY
SENIOR ADVISOR, LEGAL AND STRATEGIC MATTERS
John serves as Senior Advisor, Legal and Strategic Matters at Karora Resources Inc. (formerly Royal Nickel Corporation). Mr. Leddy has over 20 years' experience as a business lawyer and in private equity, specializing in M&A, capital raising and structuring, and other strategic transactions. He is a former Partner in the Business Law Group (M&A) at Osler, a leading Canadian corporate law firm. Mr. Leddy is a member of the Law Society of Upper Canada.

STEVE BALCH
VP EXPLORATION
Steve is an Ontario registered geoscientist with 32 years of experience in geophysics, specializing in the magnetic and electromagnetic methods, but also with experience in large exploration compilations. After working at Inco for six years in the Sudbury Basin and at Voisey's Bay, Steve joined Aeroquest in 2001 and helped develop the AeroTEM system, focusing on the on-time measurements of the linear triangular waveform. In 2007, Mr. Balch founded Triumph Instruments and developed the AirTEM system, a multi-coil helicopter-borne EM system that is now in use in Mexico, China, Canada and Eastern Europe. Steve has also been active in borehole geophysics and has worked to develop new technology including north-seeking gyros, temperature compensated induction conductivity probes, UAV-based magnetometers and high sensitivity magnetic gradiometers.

PIERRE-PHILIPPE DUPONT
VICE PRESIDENT, SUSTAINABILITY
Pierre-Philippe has over fifteen years' experience in leading efforts to successfully acquire environmental, community stakeholder and First Nation approvals for mining projects. For ten years he worked with RNC Minerals to successfully permit the large scale Dumont Nickel project with broad support from the local community and First Nation stakeholders through the implementation of an extensive consultation process that is now regarded and applied as a model. Prior to this, he was also involved in the permitting process of major resource projects such as the Canadian Malartic Gold Mine and the Canadian Royalties Nickel Mine. Prior to his appointment with Canada Nickel, he served as Director of Sustainability at Glencore's Horne Copper smelter where he was responsible for the environment, health and safety, governance, communications and community relations departments. Pierre-Philippe holds a Masters Degree in Science from Laval University.

DAVID SMITH
DIRECTOR
David is Senior Vice-President, Finance and Chief Financial Officer of Agnico Eagle and has held this position since 2012. He has also held the position of Senior Vice-President, Strategic Planning and Investor Relations. Prior to joining the Company's investor relations team in 2005, Mr. Smith, a Professional Engineer, was a mining analyst and held a variety of mining engineering positions in Canada and abroad. He is a Chartered Director holding a Directorship with Sprott Resource Holdings Inc. and is formerly a Director at eCobalt Solutions Inc. He holds a B.Sc. (Queen's University) and M.Sc. in Mining Engineering (University of Arizona).

FRANCISCA QUINN, MSC
DIRECTOR
Ms. Quinn is the Co-founder and President of Quinn & Partners Inc., a recognized advisory firm whose mission is to advance sustainability in business and capital markets. It supports organizations to design and execute sustainability / ESG leadership strategies to enhance organizational reputation, manage risks, create value,

identify business opportunities and ultimately create more resilient, future-oriented businesses. Clients include significant institutional investors, public and private companies, many of which are continually supported over multi-year mandates. Ms. Quinn leads advisory mandates with the top ten North American pension plans and alternative fund managers. Quinn & Partners became a B Corp in 2014 to reinforce its commitment to positive environmental and social impacts and company values. Ms. Quinn has 25 years of corporate strategy experience. She started her consulting career in 1995 with Oliver Wyman, a leading international management consultancy, where she specialized in growth strategies and organisational design for Fortune 500 companies. Her personal engagement on climate change brought her to the Carbon Trust in London in 2002, where she worked with FTSE companies on carbon emissions reduction and global investors on identifying risks and opportunities from climate change. At WSP she built a corporate sustainability advisory practice, serving sustainability leaders across a wide range of industries. Ms. Quinn has spoken on ESG, sustainability and climate change-related topics to business and investor audiences and is a sought after moderator on ESG integration in alternative asset classes. In 2014 and 2018, Francisca was recognized as a Clean50 honouree for her contributions to clean capitalism in Canada. Ms. Quinn holds a Masters Degree of Science in Economics and Masters of Business Administration from the Stockholm School of Economics.

KULVIR SINGH GILL
DIRECTOR
Kulvir Singh Gill has twenty years of experience working with innovation and sustainability within the global mining industry. He works with the strategy firm Clareo to lead innovation and growth projects for international Fortune 500 clients across multiple industries in the mining, oil and gas and heavy industrial sectors. He was the Founding Executive Director of the Development Partner Institute (DPI), which advanced sustainability in the mining industry. In his current role as Associate Director with the DPI, he has convened global working groups, spoken at major mining conferences and led their regional catalyst programs in South Africa, Brazil, Ecuador and Peru. He has also recently served as the Innovation Ecosystem Manager for the Canadian Mining Innovation Council (CMIC). He began his career as a management consultant with Oliver Wyman before holding several positions with Barrick Gold involving supply chain management, post-merger integrations, strategic planning, innovation and sustainability. He is also passionate about community service, being the co-founder of the Seva Food Bank in Mississauga. He serves on the boards of the William Osler Health System, the Empire Club of Canada and the Sikh Research Institute. Mr. Gill is a recipient of the Queen Elizabeth II Diamond Jubilee Medal and a 2010 Action Canada Fellow. He holds a B.Sc. and a B. Comm. from the University of Calgary and the ICD.D designation from the Institute of Corporate Directors.

RUSSELL STARR
DIRECTOR
Russell has over nineteen years of corporate finance, investment and business development experience and has held senior positions and advisory roles with financial institutions including RBC Capital Markets, Scotia Capital, Orion Securities, and Blackmont. After leaving Bay Street, Russell held senior management roles with Cayden Resources (successfully acquired by Agnico Eagle Mines Limited in 2014), Auryn Resources, and Pivot Pharmaceuticals. He has also served on the Board of multiple junior mining companies. Mr. Starr holds an MBA from the Richard Ivey School of Business, a Master of Arts degree in Economics from the University of Victoria, and a Bachelor of Arts degree in Economics from Queens University. Mr. Starr was also a PhD candidate at McGill University in Econometrics.

JENNIFER MORAIS, BA, MBA CFA
DIRECTOR
Jennifer Morais has over twenty years of experience as a senior executive in the global private equity and alternatives industry, complemented by a further decade of work experience in the global mining finance and management consulting fields. She is currently Co-Founder and Managing Partner of Acuity Partners Inc., an advisory practice serving the strategic needs of private equity, private credit and other alternative investment firms. Prior to founding Acuity Partners, she spent 17 years as both a GP (as a senior member of TPG Capital's investor relations team) and an institutional investor (or LP) at each of CPPIB and OMERS Capital Partners. Highlights of her career at TPG and CPPIB include: raising over $2 billion of capital for various TPG funds; making over $9 billion of capital commitments to managers in North America, Europe, Asia and Latin America; applying her passion for research and strategic partner identification to formulate the CPPIB private equity group's first Asian strategy and CPPIB's entry into Latin America; and playing an instrumental role on over 50 external advisory boards (or limited partner advisory committees) and the investment committees of several investment platforms within CPPIB. While at OMERS Capital Partners, she participated in both fund investing, and in direct co-investments, which initiated and honed her private equity investment judgement skills. Ms.

Morais also spent several years at Hatch Associates as a management consultant to global natural resources companies (mining, pulp and paper, steel) on the adoption of leading industry key manufacturing and cost performance metrics. She also previously worked with the Global Mining Group at CIBC World Markets where she participated in the analyzing and underwriting of several greenfield mine development project financings in South America, Asia and Africa. She is a Chartered Financial Advisor (CFA) charter holder and a member of the Toronto CFA society. She holds a Bachelor of Commerce and MBA from the University of Toronto.

MIKE COX
DIRECTOR
Mike has over thirty years of experience in Base Metal operations with Inco Ltd and Vale SA. He has held a number of senior leadership positions in Europe, Canada and Asia including the oversight of operations which have delivered nickel products to consumers for use in multiple generations of nickel batteries. Most recently, Mr. Cox was Head of UK and Asian Refineries at Vale with responsibility for a portfolio of precious metal and nickel refineries. He is now a Managing Partner at CoDa Associates, a consultancy that provides a range of advisory services to the corporate and public sectors in Europe and Asia. Mr. Cox holds a BSc.

APPENDIX 1: FINANCIAL STATEMENTS

Income Statements

CANADA NICKEL COMPANY OCT YEAR END (C$)	Unit	2021Es	2022Es	2023Es	2024Es	2025Es	2026Es	2027Es	2028Es	2029Es	2030Es	2031Es
Income Statements												
Revenue	C$ M	$0	$0	$0	$0	$0	$519	$519	$519	$519	$845	$845
Operating Costs	C$ M	$0	$0	$0	$0	$0	$186	$186	$186	$186	$396	$396
Gross Margin	C$ M	$0	$0	$0	$0	$0	$332	$332	$332	$332	$449	$449
SG&A	C$ M	$4	$4	$4	$4	$4	$9	$9	$9	$9	$9	$9
Other Income												
Interest Income	C$ M	$0	$0	$0	$0	$0	$2	$4	$5	$4	$3	$5
Interest Expense	C$ M	$0	$0	$0	$0	$1	$1	$57	$51	$45	$39	$33
Other Income/(Expense)	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EBITDA	C$ M	-$4	-$4	-$4	-$4	-$4	$323	$323	$323	$323	$440	$440
Depreciation, Depletion, Amort.	C$ M	$0	$0	$0	$0	$0	$11	$11	$11	$17	$34	$35
Pre-Tax Income	C$ M	-$4	-$4	-$4	-$4	-$5	$313	$260	$267	$265	$369	$377
Income Tax	C$ M	$0	$0	$0	$0	$0	$3	$25	$40	$30	$52	$67
% Income Tax	%	0%	0%	0%	0%	0%	1%	9%	15%	11%	14%	18%
Net Income	C$ M	-$4	-$4	-$4	-$4	-$5	$310	$235	$227	$236	$317	$309
EPS (Basic)	C$/sh	-$0.05	-$0.05	-$0.04	-$0.04	-$0.05	$3.01	$2.26	$2.17	$2.25	$3.02	$2.94
Weighted Average Shares Outstanding												
Basic	M	81.8	86.0	91.4	96.3	100.8	103.0	104.1	104.7	105.0	105.1	105.2
Fully Diluted	M	85.8	90.6	96.3	102.5	107.6	112.1	114.4	115.6	116.1	116.4	116.5

Source: Company filings, Mackie Research estimates

Balance Sheets

CANADA NICKEL COMPANY OCT YEAR END (C$)	Unit	2021Es	2022Es	2023Es	2024Es	2025Es	2026Es	2027Es	2028Es	2029Es	2030Es	2031Es
Cash Flow Statements												
CASH FROM OPERATIONS												
Net Income	C$ M	-$4	-$4	-$4	-$4	-$5	$310	$235	$227	$236	$317	$309
Add: DD&A	C$ M	$0	$0	$0	$0	$0	$11	$11	$11	$17	$34	$35
Other Income	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Share-Based Compensation	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in Non-Cash Working Cap.	C$ M	$0	$0	$0	$0	$0	-$8	$0	$0	$0	-$3	$0
CASH FROM OPERATING ACTIVITIES	**C$ M**	-$4	-$4	-$4	-$4	-$5	$313	$247	$238	$253	$349	$344
CASH FROM INVESTING												
PP&E Expenditures	C$ M	-$18	-$19	-$19	-$528	-$528	-$29	-$29	-$24	-$575	-$24	-$24
Acquisition of Investments	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Sale of Investments	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CASH FROM INVESTING ACTIVITIES	**C$ M**	-$18	-$19	-$19	-$528	-$528	-$29	-$29	-$24	-$575	-$24	-$24
CASH FROM FINANCING												
Proceeds from Equity Offering	C$ M	$15	$25	$25	$15	$15	$0	$0	$0	$0	$0	$0
Proceeds from Options & Warrants	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Share Issue Costs	C$ M	-$1	-$2	-$2	-$1	-$1	$0	$0	$0	$0	$0	$0
Additions to LTD	C$ M	$0	$0	$0	$527	$555	$57	$0	$0	$0	$0	$0
Repayments of LTD	C$ M	$0	$0	$0	$0	$0	$0	-$114	-$114	-$114	-$114	-$114
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
CASH FROM FINANCING ACTIVITIES	**C$ M**	$14	$24	$24	$541	$569	$57	-$114	-$114	-$114	-$114	-$114
Changes in Cash	C$ M	-$8	$1	$1	$9	$36	$342	$104	$101	-$436	$211	$207
Cash at Beginning of Period	C$ M	$11	$3	$4	$4	$14	$50	$392	$496	$597	$161	$372
Cash at End of Period	C$ M	$3	$4	$4	$14	$50	$392	$496	$597	$161	$372	$578

Source: Company Reports, Mackie Research estimates

Cash Flow Statements

CANADA NICKEL COMPANY OCT YEAR END (C$)	Unit	2021Es	2022Es	2023Es	2024Es	2025Es	2026Es	2027Es	2028Es	2029Es	2030Es	2031Es
Balance Sheets												
Current Assets												
Cash	C$ M	$3	$4	$4	$14	$50	$392	$496	$597	$161	$372	$578
Accounts Receivable	C$ M	$1	$1	$1	$1	$1	$13	$13	$13	$13	$20	$20
Prepaid Expenses	C$ M	$0	$0	$0	$0	$0	$3	$3	$3	$3	$6	$6
Inventories	C$ M	$0	$0	$0	$0	$0	$29	$29	$29	$29	$61	$61
Equity Investments	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Current Assets	**C$ M**	**$5**	**$6**	**$6**	**$15**	**$52**	**$436**	**$540**	**$641**	**$205**	**$459**	**$666**
Long-Term Assets												
PP&E (Net Depreciation)	C$ M	$38	$57	$76	$604	$1,131	$1,149	$1,167	$1,179	$1,737	$1,726	$1,715
Investments	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Long-Term Assets	**C$ M**	**$38**	**$57**	**$76**	**$604**	**$1,131**	**$1,149**	**$1,167**	**$1,179**	**$1,737**	**$1,726**	**$1,715**
TOTAL ASSETS	**C$ M**	**$43**	**$63**	**$82**	**$619**	**$1,183**	**$1,586**	**$1,707**	**$1,820**	**$1,942**	**$2,186**	**$2,381**
Current Liabilities												
Accounts Payable	C$ M	$1	$1	$1	$1	$1	$37	$37	$37	$37	$76	$76
Flowthrough Premium Liability	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Current Portion of LTD	C$ M	$0	$0	$0	$0	$0	$114	$114	$114	$114	$114	$114
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Current Liabilities	**C$ M**	**$2**	**$2**	**$2**	**$2**	**$2**	**$151**	**$151**	**$151**	**$151**	**$191**	**$191**
Long-Term Liabilities												
Long-Term Debt	C$ M	$0	$0	$0	$527	$1,082	$1,025	$911	$797	$683	$569	$455
Asset Retirement	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other	C$ M	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Long-Term Liabilities	**C$ M**	**$0**	**$0**	**$0**	**$527**	**$1,082**	**$1,025**	**$911**	**$797**	**$683**	**$569**	**$455**
Total Liabilities	**C$ M**	**$2**	**$2**	**$2**	**$529**	**$1,083**	**$1,175**	**$1,062**	**$948**	**$834**	**$760**	**$646**
Shareholders' Equity												
Capital Stock	C$ M	$45	$68	$92	$106	$120	$120	$120	$120	$120	$120	$120
Reserved for Warrants	C$ M	$4	$4	$4	$4	$4	$4	$4	$4	$4	$4	$4
Retained Earnings	C$ M	-$7	-$11	-$15	-$19	-$24	$286	$522	$749	$985	$1,302	$1,611
Total Liab. & Shareholders' Eq.	**C$ M**	**$43**	**$63**	**$82**	**$619**	**$1,183**	**$1,586**	**$1,707**	**$1,820**	**$1,942**	**$2,186**	**$2,381**

Source: Company Reports, Mackie Research estimates

RISKS TO TARGET

Please refer to section titled "**Upside and Downside Scenarios**".

RELEVANT DISCLOSURES APPLICABLE TO: GENERATION MINING

1. Relevant disclosures required under IIROC Rule 3400 applicable to companies under coverage discussed in this research report are available on our web site at www.mackieresearch.com
2. The analyst has holdings in this Issuer.

ANALYST CERTIFICATION

I, Adam Schatzker, certify the views expressed in this report were formed by my review of relevant company data and industry investigation, and accurately reflect my opinion about the investment merits of the securities mentioned in the report. I also certify that my compensation is not related to specific recommendations or views expressed in this report.

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