

Thompson Nickel Operations Profile

Asset Overview

The Thompson Nickel Operations (Operations) represent one of Canada's most historically significant and strategically important mining complexes. Located approximately 740 kilometres north of Winnipeg, the Operations form part of the globally recognized Thompson Nickel Belt (Belt), one of the world's major sulphide nickel districts.

The 250-acre complex includes underground mining operations and milling infrastructure, employing approximately 700 workers (plus contractors). The Operations also encompass 135 kilometres of highly prospective exploration assets along the Belt.

Over 2.5 million tonnes of nickel concentrate have been produced from the Thompson Operations. Demand for the high-quality Class 1 nickel produced at Thompson remains strong, driven largely by downstream demand related to the manufacturing of clean energy technologies, aerospace components and defence applications. Several governments of jurisdictions with strong manufacturing sectors have identified nickel as a critical or strategic mineral, including the United States, Germany, China, India, Japan and South Korea. Nickel,

Discovery and Development: INCO and the City of Thompson

The Thompson deposit was discovered in 1956 following airborne geophysical surveys conducted by the International Nickel Company of Canada (Inco). The discovery of a large, high-grade orebody in the Moak Lake area transformed northern Manitoba's economic landscape and marked one of the most important nickel discoveries globally.

Development progressed rapidly, leading to the creation of the planned City of Thompson to support mine construction and operations. Commercial production began in 1961, establishing one of the Western Hemisphere's earliest fully integrated

nickel mining, milling and refining complexes. At the time, the Thompson operation was the second-largest nickel-producing complex in the world.

Expansion and Growth: The Hub of the North

Following its opening, Thompson expanded significantly throughout the 1960s as global nickel demand surged. Multiple mines were developed across the Thompson Belt to support production growth.

Like many commodity operations, Thompson experienced cycles of expansion and contraction tied to global nickel markets. Market oversupply during the 1970s and subsequent price declines resulted in workforce reductions and temporary mine closures. Despite these challenges, the operation demonstrated long-term resilience and has continued producing for more than six decades.

Over time, Thompson evolved from a large industrial mining camp into a diversified regional service centre — often referred to as the “Hub of the North” — providing healthcare, education, and commercial services to surrounding communities.

Vale Base Metals: Past, Present and Future Involvement

Vale acquired Inco in 2006 and continued operating the Thompson complex as part of its global nickel portfolio. In response to evolving market conditions and portfolio priorities, Vale transitioned the operations in 2018 to a mine-and-mill model, with nickel concentrate transported to downstream processing facilities in other parts of Canada.

In January 2025, Vale Base Metals launched a strategic review of the Thompson operations to evaluate long-term options for unlocking the district’s full potential as part of broader portfolio optimization. The review ultimately led to the acquisition of Vale’s Thompson assets by Exiro Nickel Company.

VBM will retain an 18.9% minority stake in the new company. VBM has also signed an offtake agreement for the nickel concentrate produced at the Thompson Mill.