

Insider Trading Policy

Purpose

1. The trading of securities is governed by extensive and complex securities legislation, the fundamental premise of which is that everyone investing in securities should have equal access to information that may affect their investment decisions.
2. To support the objective of equal access to information, and to ensure that CaNickel Mining Limited (the "Company") and the directors, officers and other employees comply with securities legislation, the Board of Directors of the Company has approved, and the Company has adopted, a Disclosure Policy. One of the purposes of the Disclosure Policy is to ensure that the Company makes timely disclosure of material changes affecting the business or affairs of the Company in order to prevent disclosure of such material changes being made on a selective basis. The purpose of this Insider Trading Policy is to ensure that the directors, officers and other employees of the Company do not trade in securities of the Company while in possession of material information affecting the business or affairs of the Company that has not been generally disclosed to the public which would, itself, undermine the principle purpose of securities legislation relating to insider trading (within the meaning set forth below).
3. This Insider Trading Policy (this "Policy") is intended not only to ensure that the directors, officers and other employees of the Company act, but also that they are perceived to act, in accordance with applicable laws and high standards of ethical and professional behaviour in order to protect the reputation of the Company.

Prohibited Trading

4. Trading While In Possession of Undisclosed Material Information: Securities legislation prohibits a reporting issuer and any person in a "special relationship" with a reporting issuer (which includes, but is not limited to, directors, officers and other employees) from trading in securities of the reporting issuer with knowledge of a "material fact" or a "material change" (collectively "material information") about the reporting issuer that has not been generally disclosed (known as "insider trading"). The definitions of "material fact" and "material change" are based on a market impact test in that the fact or change would (or would reasonably be expected to) significantly affect the market price or value of a security. Examples of potentially material information include:
 - a) changes in the ownership of securities that may affect control of the reporting issuer;
 - b) changes in the corporate structure of the reporting issuer, such as reorganizations or amalgamations;
 - c) take-over bids or issuer bids;
 - d) major acquisitions or dispositions;

- e) changes in capital structure;
- f) significant borrowings;
- g) public or private sales of additional securities;
- h) developments affecting the resources of the reporting issuer, including exploration discoveries;
- i) entering into or the loss of significant contracts;
- j) a material increase or decrease in near term earnings prospects;
- k) changes in capital investment plans or objectives;
- l) significant changes in management;
- m) material litigation; and
- n) events of default under financing or other agreements.

The prohibition on trading applies not only to trading in the securities of the reporting issuer but also to trading in the securities of another reporting issuer if the person wishing to trade possesses undisclosed material information about that reporting issuer (for example, a reporting issuer that the other reporting issuer is doing business with). Securities laws also prohibit "tipping", defined as communicating non-public material information, other than in the necessary course of business, to another person. All directors, officers and other employees of the Company must ensure that they do not divulge such non-public information to any unauthorized person, whether or not such person may trade on the information.

5. **Unscheduled Blackout Periods:** Additional blackout periods, due to material developments which may arise, as specified by the Chief Executive Officer or the Chief Financial Officer may be imposed from time to time. All directors, officers and employees of the Company with knowledge of such material developments will be covered by the blackout.

Public Reporting Requirements

6. Directors and certain officers are required to electronically file insider reports through the System for Electronic Disclosure by Insiders ("SEDI"). Such reports are due within five days of becoming an insider disclosing such person's beneficial ownership of, or control or direction over, securities of the Company and within five days of the date on which a change in such ownership, or control or direction, occurs. A trade includes the grant of options or the exercise thereof as well as a change in the nature of the ownership, or control or direction over, securities (e.g. a disposition to a company controlled by the insider or a determination that the securities are held in trust for another person). Failure to file a report on time will result in late fees being levied on the insider and may cause future regulatory filings by the Company to be reviewed or cleared on an untimely basis by securities regulators, thereby potentially impairing its access to capital markets.

Questions & Enforcement

7. This Policy presents only a general framework of the restrictions imposed by securities legislation. The directors, officers and other employees of the Company bear the ultimate responsibility for complying with securities legislation and should therefore view this Policy as the minimum criteria for compliance with such securities legislation and should obtain additional guidance when uncertainty exists regarding a contemplated transaction.
8. Failure to comply with this Policy or the procedures set out herein may result in disciplinary action, which may include termination of employment. Canadian securities legislation provides that a breach of the prohibition against trading in securities with knowledge of undisclosed material information or providing undisclosed material information to others, in addition to civil liability for damages, may result in imprisonment and/or a fine. Penalties may also be levied by Canadian securities regulatory authorities for not complying with the requirement to file insider reports.
9. Any questions concerning this Policy should be directed to the Chief Executive Officer, Chief Financial Officer or VP Corporate Development of the Company.
10. Violations or suspected violations of this Policy should be reported in accordance with the procedures under the Whistleblower Policy of the Company.