

			diamond drilling, (3) 1984-1989: primarily diamond drilling, Orofino camp construction, (4) 2003-2004: mapping, rock and historic drill core sampling, (5) 2008-2011: diamond drilling in 2008, decommissioning of old Orofino camp in 2011.	archaeological or paleontological artifact or site is discovered at any stage of the program work in the area will be immediately stopped and the Kitikmeot Inuit Association and the Department of Culture, Language, Elders, and Youth will be notified.	and 160 km east of Kugluktuk (Qurluktuk), NU. The Property is not located within any federal or territorial protected areas, but is adjacent to the Victoria Island Caribou Sea Ice Crossing.
Arcadia Bay Project	Mineral Exploration	Inuit Owned Surface Lands	The Property has been the focus of mineral exploration since the 1960's. Work by previous companies occurred during the following periods: (1) 1963-1966: mainly prospecting, (2) 1974-1981: primarily trenching and diamond drilling, (3) 1984-1989: primarily diamond drilling, Orofino camp construction, (4) 2003-2004: mapping, rock and historic drill core sampling, (5) 2008-2011: diamond drilling in 2008, decommissioning of old Orofino camp in 2011.	There are no known archaeological/paleontological sites on the Property that the company is aware of. All staff and contractors will be properly trained in identification of potential sites and what to do if a site is located. If an archaeological or paleontological artifact or site is discovered at any stage of the program work in the area will be immediately stopped and the Kitikmeot Inuit Association and the Department of Culture, Language, Elders, and Youth will be notified.	The Property is located approximately 605 km north of Yellowknife, NT, 305 km south of Cambridge Bay (Iqaluktuutiaq), NU, and 160 km east of Kugluktuk (Qurluktuk), NU. The Property is not located within any federal or territorial protected areas, but is adjacent to the Victoria Island Caribou Sea Ice Crossing.
Arcadia Bay Project	Mineral Exploration	Inuit Owned Sub-Surface Lands	The Property has been the focus of mineral exploration since the 1960's. Work by previous companies occurred during the following periods: (1) 1963-1966: mainly prospecting, (2) 1974-1981: primarily trenching and diamond drilling, (3) 1984-1989: primarily diamond drilling, Orofino camp construction, (4) 2003-2004: mapping, rock and historic drill core sampling, (5) 2008-2011: diamond drilling in 2008, decommissioning of old Orofino camp in 2011.	There are no known archaeological/paleontological sites on the Property that the company is aware of. All staff and contractors will be properly trained in identification of potential sites and what to do if a site is located. If an archaeological or paleontological artifact or site is discovered at any stage of the program work in the area will be immediately stopped and the Kitikmeot Inuit Association and the Department of Culture, Language, Elders, and Youth will be notified.	The Property is located approximately 605 km north of Yellowknife, NT, 305 km south of Cambridge Bay (Iqaluktuutiaq), NU, and 160 km east of Kugluktuk (Qurluktuk), NU. The Property is not located within any federal or territorial protected areas, but is adjacent to the Victoria Island Caribou Sea Ice Crossing.

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ᓂᓕᓂᓪᓂᓪ ᓂᓕᓂᓪᓂᓪ	Amendment to land Use Licence KTL113B001 to add camp and drilling	Not Yet Applied		

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Please indicate the mineral of interest that is being extracted. Include a brief description.

Mineral Type	Description
Base Metals (zinc, copper, gold, silver, etc)	Gold

				metre freeboard at all times. Sumps and pipes will be inspected at regular intervals for leaks or overflow. When full, greywater sumps will be covered with enough material to allow for future ground settlement.
Drilling	ΔΔΔ ΔΔΔΔΔΔΔΔΔΔ	40m3/day	sump or natural depression	Drilling greywater will be stored and treated in an excavated sump or natural depression, which will allow for slow infiltration into the soil and will be located at least 31 m away from the high water mark of any water body. If available, coarse gravel will be placed in the bottom of the sump to provide filtration, and supports will be built on the sides to prevent slumping. Sumps will maintain a minimum 1 metre freeboard at all times. Sumps and pipes will be inspected at regular intervals for leaks or overflow. When full, greywater sumps will be covered with enough material to allow for future ground settlement.
Camp	ΔΔΔΔΔ	12 people	Stored in sealed containers within secondary containment until they can be backhauled for recycling or authorized disposal.	Recycling
Camp	ΔΔΔΔ ΔΔΔΔΔΔΔΔΔ	12 people	Backhauled for recycling or disposal at authorized reciever	Backhauled for recycling or disposal at authorized reciever
Camp	ΔΔΔΔΔ	12 people	Outhouse treated with lime	Pacto system and incineration

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All potential environmental effects associated with the proposed Arcadia Bay Project are considered minor, localized effects that can be mitigated. No significant residual impacts to the environment are expected to occur as a result of the implementation of this program. Please see attached Management Plans for mitigation measures.

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Proximity to protected areas, including: i. designated environmental areas, including parks; The Property is not located within any federal or territorial protected Areas. As the Property is located along the shore of Arcadia Bay, south of the Coronation Gulf, it is adjacent to the Victoria Island Caribou Sea Ice Crossing. There are a number of protected areas near the Property including the Bathurst Elu Inlets Bird Habitat, approximately 60m km to the north-east; a caribou freshwater crossing, approximately 50 km south-west; and a caribou calving area, approximately 80 km to the south-east. ii. heritage sites; There are no known heritage sites on the Property. iii. sensitive areas, including all sensitive marine habitat areas; As the Property is located along the shore of Arcadia Bay, south of the Coronation Gulf, it is adjacent to the Victoria Island Caribou Sea Ice Crossing. iv. recreational areas; There are no known recreational areas on the Property. v. sport and commercial fishing areas; There are no known sport and commercial fishing areas on the Property. vi. breeding, spawning and nursery areas; There are no known breeding, spawning and nursery areas on the Property. vii. known migration routes of terrestrial and marine species; There are no known migration routes on the Property as defined by the GN shapefiles. viii. marine resources; Marine resources should not be affected by this project. ix. areas of natural beauty, cultural or historical history; All efforts will be made to respect and preserve all natural, cultural or historical resources. x. protected wildlife areas; and There are no protected wildlife areas within the project boundary of which the company is aware. xi. other protected areas. There are no other protected areas within the project boundary of which the company is aware. Eskers and other unique landscapes (e.g. sand hills, marshes, wetlands, floodplains) Sand hills are noted just outside of the north-west perimeter of the Property boundary. The company is unaware of any other unique landscapes within the Property, but considers all landscapes to be critical to the natural environment and as such all areas of the Property will be treated with care and respect. Any seemingly unique and fragile landscapes will be avoided. Evidence of ground, slope or rock instability, seismicity. There is no evidence of ground, slope, rock instability or seismicity within the boundary of the Property of which the company is aware. Evidence of thermokarsts. There is no evidence of the presence of thermokarsts within the boundary of the Property of which the company is aware. Evidence of ice lenses. There is no evidence of the presence of ice lenses within the boundary of the Property of which the company is aware. Surface and bedrock geology. The Anialik River Igneous Complex underlies the majority of the Arcadia Bay Property, with the Anialik River Greenstone Belt underlying the north-western area, and the Golfing Lake gabbro outcropping in the southwest corner. Mackenzie diabase dykes are common and trend northwest throughout the area. Topography. The Property is characterized by rolling, outcrop-dominated hills with relatively minor flat, muskey dominated lowlands. The land rises gently toward the southeast and south with elevations ranging from sea level to a maximum of 140 metres. Bedrock exposure on the property is extensive, ranging from more than 75% in the highland areas to 10 to 20% outcrop in low lying and drift covered areas. Permafrost (e.g. stability, depth, thickness, continuity, taliks). The entire region is subject to continuous permafrost, extending to depths of 400 to 500 metres. Sediment and soil quality. Flat areas are dominated by felsenmeer and cryoturbated soils. Cryoturbation produces features such as frost boils, ice-wedge polygons, stone nets and stone stripes. Hydrology/ limnology (e.g. watershed boundaries, lakes, streams, sediment geochemistry, surface water flow, groundwater flow, flood zones). Numerous lakes occur on the Property and it is bisected by Arcadia Creek, which flows from south to north entering the head of the inlet immediately to the west of Salt Lake. The Property is not located within any community watersheds or flood zones. The project should not have any effect on watersheds, lakes, streams, sediment geochemistry, surface water flow, or groundwater flow. Tidal processes and bathymetry in the project area (if applicable). N/A Water quality and quantity. Water quality on the Property appears to be abundant and pristine. All efforts will be made to keep water quality as close to pristine as possible. Air quality. All pollutants will be kept to an absolute minimum. Climate conditions and predicted future climate trends. JThe area has a continental climate with low levels of precipitation and a wide temperature range. Summers are typically brief with long daylight hours, whereas winters are long and extremely cold with average temperatures below -30°C. Noise levels. Will be kept to an absolute minimum. Other physical Valued Ecosystem Components (VEC) as determined through community consultation and/or literature review. None known at this time.

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Vegetation (terrestrial as well as freshwater and marine where applicable). Vegetation at the Property consists mainly of moss, lichens, stunted plants, and Arctic grasses. The grasses are typically observed growing at lower elevations in areas associated with river drainage basins. Wildlife, including habitat and migration patterns. Typical wildlife expected to be on or near the Property include caribou, muskox, Arctic fox, hare, and lemmings. Birds, including habitat and migration patterns. The proposed activities should not interfere with bird habitat and migration patterns. Species of concern as identified by federal or territorial agencies, including any wildlife species listed under the Species at Risk Act (SARA), its critical habitat or the residences of individuals of the species. Aquatic (freshwater and marine) species, including habitat and migration/spawning patterns. The proposed activities should not interfere with marine species. Screens will be placed over water intakes for the camp and drills to ensure no entrapment of freshwater species. Other biological Valued Ecosystem Components (VEC) as determined through community consultation and/or literature review. The area has been defined as a char area of abundance.

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Proximity to communities. The Property is located approximately 605 km north of Yellowknife, NT, 305 km south of Cambridge Bay (Iqaluktuutiaq), NU, and 160 km east of Kugluktuk (Qurluktuk), NU. Archaeological and culturally significant sites (e.g. pingos, soap stone quarries) in the project (Local Study Area) and adjacent area (Regional Study Area). The company is currently not aware of any archaeological and/or culturally significant sites on the Property. Palaeontological component of surface and bedrock geology. The company is currently not aware of any palaeontological sites on the Property. Land and resource use in the area, including subsistence harvesting, tourism, trapping and guiding operations. Property is located within an area of Traditional Land Use. Local and regional traffic patterns. This project is not anticipated to have any effect on local or regional traffic patterns. Human Health, broadly defined as a complete state of wellbeing (including physical, social, psychological, and spiritual aspects). This project is not anticipated to have any effect on human health. Other Valued Socioeconomic Components (VSEC) as determined through community consultation and/or literature review. The area has been defined as having a high Mineral Potential.

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1. The Impacts tab outlines activities associated with the Arcadia Bay Property, including work related to the camp, exploratory drilling and general regional exploration, which may impact environmental, social, economic and health components. It is noted where the potential for interaction exists, which subsequently, can be used to determine potential impacts. 2. Potential Impacts and Mitigation: PHYSICAL AND BIOLOGICAL Designated Environmental Areas: There are no known protected areas in the vicinity of the Property (see point i. the Physical Environment portion of Section 4, "Description of the Existing Environment" for more information. Ground Stability: The proposed drilling program and the size and duration of use for the proposed camp, is not likely to cause any impact on the permafrost or stability of the ground. Permafrost: Permafrost can be impacted by camp activities. Mitigation measures to reduce the impact include limiting the amount of vegetation disruption to ensure proper shade coverage and reduction in the potential for ground thaw and subsidence. Footpaths can be marked using stakes and flagging tape to ensure that impacts to vegetation are confined to a small area or boardwalks can be built between camp buildings to reduce damage to vegetation on high-traffic footpaths. Areas that have patterned ground, clay-rich soil and or wetlands will be avoided. Heat radiating from camp buildings may thaw permafrost, so all heated camp structures will be slightly elevated above the ground to allow air circulation. Surface Water Hydrology: Surface

water hydrology can be disrupted from removal of water for camp use and drilling. Water use at the camp will be drawn from an applicable water source near camp. Extraction volumes to sustain 12 people will be approximately 2 m³ per day, which will not impact hydrology or aquatic habitat. Drilling could use up to 40 m³ per day and will be drawn from adjacent creeks/ponds/lakes/streams. The water intakes for camp and drilling will be screened as per DFO requirements to prevent fish entrapment at the pumps. Disturbance to the water bodies, beds or banks will be minimized by placing temporary pump placement platforms. The water level of any source body of water will never be drawn down. Water Quality: Surface water quality may be affected by fuel and toxic material spills (including drill slurry) and grey water disposal. The measures noted in the Spill Prevention and Response Plan will mitigate for surface water quality impacts from spills. Sediment and drill fluids are also issues for surface water. Biodegradable drill additives will be used whenever possible. Any residual drill water, including cuttings and additives, will be contained in sumps. Sumps will be positioned down slope from the drill collar in such a manner that runoff flows into the sump. Sumps will be positioned a minimum of 31 metres from the normal high water mark of any water body. Activities that may result in sedimentation will be avoided. Climate Conditions: The proposed drilling program and the size and duration of use for the proposed camp, is not likely to cause any impact on climate conditions. Eskers and Other Unique or Fragile Landscapes: Transition Metals Corporation and Nunavut Resources Corporation consider all landscapes to be critical to the natural environment of the area and will treat with care and respect. Any seemingly unique and fragile landscapes will be avoided. Surface and Bedrock Geology: The proposed drilling program and the size and duration of use for the proposed camp, will not cause any impact on surface or bedrock geology. The exploration and diamond drilling programs will help to add new information about the geology of the area. Sediment and Soil Quality: Soil quality can be impacted from spills of fuel and other materials, waste discharge and drilling. Preventative measures include appropriate and approved storage locations and containers with secondary containment. The camp and all fuel, hazardous materials and drilling will be a minimum 31 metres away from any watercourses. Re-fueling will be done with precision and appropriate due-diligence will be taken. Drums and hoses will be inspected regularly for leaks and pans or absorbent pads will be placed below fuel transfer areas and stationary machinery. See the Spill and Response Plan attached for more information. Tidal Processes and Bathymetry: N/A Air Quality: Impacts on air quality can result from discharge of exhaust from helicopters, drilling operations and diesel generators, as well as emissions from incineration. Given the remote location with lack of air quality issues which currently exists within the project location, the short duration and small scope of activities are not expected to result in any measurable air quality impacts. An Environment Canada approved batch waste, controlled air, dual chamber incinerator will be selected to burn combustible waste, therefore reducing harmful emissions. Noise Levels: Noise can result from the use of helicopters and drills, and to a lesser degree from activities within the camp, which can disturb wildlife. Mitigation measures include, but are not limited to: helicopter avoidance of any birds' nests, bear and wolf dens, waterfowl and shorebird staging areas during critical seasons, and near large mammals. In addition, drill activities and associated work will cease if caribou cows and/or calves appear nearby. Vegetation and Wildlife Habitat: Vegetation can be disturbed by clearing/grading at camp, high traffic footpaths and drilling activities. During drilling, if any soil is required to be removed, it will be set aside and replaced at the completion of the drill hole. Any topsoil (if present) will also be stored and covered at the camp site for re-use later during reclamation at abandonment. See the permafrost section above for more vegetation disturbance mitigation measures. Wildlife, Birds and Aquatic Species (including habitat and migration patterns): Wildlife can be displaced through loss of habitat, disturbed by noise (helicopter, generators, drilling), or human interaction. Habitat loss can result in displacement of animals. Disturbance can cause stress-induced health problems and mortality. Physical fish habitat (stream beds) could be impacted from drill activity. Water extraction at the camp and drill site, as well as water quality impacts (resulting from fuel or other toxic materials) can ultimately affect fish populations. Mitigation procedures for reducing the impact of activities on wildlife will include, but not be limited to the following: - All personnel will be trained on wildlife-human interaction/encounters procedures. - Pre-drilling reconnaissance site visits prior to drilling activities will assist in identifying sensitive wildlife habitat. - Wildlife sightings will be recorded and this information will be passed on to other members of the crew; - Proper storage of hazardous materials, garbage, food and any other potential attractants will be ensured to avoid exposure to wildlife; - All personnel will be aware of, and will follow, wildlife deterrence techniques (including proper storage and disposal of food) to reduce the possibility of attracting wildlife to the camp and drill areas; - All personnel will have bear safety training and will be aware of the penalties for shooting polar bears, even in self defense. - Operations will be modified or suspended if there is a potential to affect seasonal migration or nesting activities. - Appropriate screens will be placed over all water intakes at camp and at the drill in order to reduce the potential for fish entrapment. - The amount of water used for the camp or drill from any source body of water will never cause a drawn down. See above comments in Noise Levels and Vegetation and Wildlife Habitat for additional information about wildlife disturbance mitigation measures. SOCIO-ECONOMIC Archaeological and cultural historic sites: Work in remote areas may help identify new archeological and/or paleontological sites. These important historic sites can be disturbed or destroyed if proper precautions are not taken. All staff and contractors will be properly trained in identification of potential sites and what do to when a site is located. If an archaeological or paleontological artifact or site is discovered at any stage of the program, work in the area will be immediately stopped and the territorial government and Department of Culture, Language, Elders and Youth will be notified. Nothing will be removed, disturbed, or displaced at any archaeological or paleontological site. Employment: Transition Metals Corporation and Nunavut Resources Corporation believe that it is essential to develop the project in cooperation with local communities. The proposed exploration program will provide seasonal employment and training opportunities for local Inuit in camp and as guides in the field whenever possible. Community wellness: Whenever possible, goods and services will be sourced from local businesses. Transition Metals Corporation and Nunavut Resources Corporation are committed to engaging communities in an open and honest manner and would appreciate and consider any and all knowledge, advice and input received. With proper mitigation, the project should not affect land and water use, traditional use or cultural resources. Human Health: As the project is located at a remote site removed from immediate interaction with local communities, no impact to local human health is expected. 3. See "Socio-Economic" portion of section 4. The project is not likely to cause any transboundary effects. 5. No adverse effects of the project are anticipated on species listed under the Species at Risk Act (SARA) and their critical habitats or residences. Transition Metals Corporation and Nunavut Resources Corporation recognize that with any project, there is a potential for activities to negatively affect wildlife, and of greatest concern, affect species at risk. Although all wildlife will be protected and treated with respect during all activities at the Arcadia Bay Property, special consideration will be given to species listed under the Species at Risk Act (SARA) and their critical habitats or residences. All observations of wildlife will be recorded and submitted to all interested parties, including the Department of Environment and Natural Resources, annually and any human-wildlife interaction will be reported immediately. 6. See comments in section "5. IDENTIFICATION OF IMPACTS AND PROPOSED MITIGATION MEASURES."

All potential environmental effects associated with the proposed Arcadia Bay Project are considered minor, localized effects that can be mitigated. No significant residual impacts to the environment are expected to occur as a result of the implementation of this program. While individually no significant effects are anticipated, consideration should be made to the combination of all existing or known planned activities within the vicinity of the project area. Some cumulative effects can be positive, such as the case with the establishment of the diamond mines in the NWT; more residents are finishing high school and earning higher salaries. Other positive cumulative effects can be increased employment rate, infrastructure and potential for investment in communities by government. Cumulative effects may also be negative and therefore attention should be given to the potential for these to occur in advance of project growth. Cumulative effects on the land might include changes to the number of wildlife, increases in non-native plants, or the melting of permafrost. Other potential or current projects in the area include MMC's proposed port in nearby Grays Bay, approximately 25 km to the east and their High Lake Deposit, approximately 40 km to the southeast.

Project Map



