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# PROJECT DESCRIPTION & WORK PLAN BAFFIN GOLD PROPERTY KIVALLIQ ENERGY CORPORATION

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Prepared by: Andrew Berry, Chief Operating Officer

Date: May 11, 2017

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## 1 Introduction

Kivalliq Energy Corporation (Kivalliq Energy) is a Vancouver-based exploration company that has been operating in Nunavut since 2008. Its flagship project is the Angilak Property in the Kivalliq region.

The Baffin Gold Property on Baffin Island in the Qikiqtani Region of Nunavut was acquired by Kivalliq Energy in early 2017. It comprises 15 prospecting permits (P-64 to P-76) issued by Indigenous and Northern Affairs Canada (INAC) on February 1, 2017, 6 mineral claims, Mineral Exploration Agreement (MEA) BI-35 16-0001 BAFFIN ISLAND (Segments 1 and 2) and MEA BI-35 16-0001 FOXE on Inuit Owned Land Parcel BI-35. The Baffin Gold Property totals 408,981.6 hectares.

As part of the consolidation of mineral tenure that comprises the Baffin Gold Property, Kivalliq Energy has, subject to receipt of all necessary approvals, acquired an option from Commander Resource Ltd (Commander) to earn a 100% interest in mineral rights held by Commander that includes 6 mineral claims (5,948 hectares) and MEA BI-35 16-0001 BAFFIN ISLAND (Segments 1 and 2) on Inuit Owned Lands Parcel BI-35 (8,105 hectares).

Kivalliq Energy intends to utilize Commander Resources Ltd.'s existing Dewar Lakes Camp adjacent to the North Warning System Fox-3 Airstrip (on Crown land) to facilitate exploration work on the property. The camp is located at 68°37'59" North Latitude and 71°06'38" West Longitude. Commander operated the camp seasonally from 2003 to 2011 but it has been unoccupied since 2013. Activities at the Dewar Lakes Camp are authorized (pending) under permits, licences and management plans that are administered by Commander. Refer to Commander's NIRB Application for information on the Dewar Lakes Camp.

The exploration program planned and proposed for 2017 will consist of low impact activities including: prospecting, geological mapping, rock, channel and soil/till sampling, airborne geophysics, ground geophysics, drone surveying and baseline environmental monitoring.

The program is designed to be in accordance with the North Baffin Regional Land Use Plan (NBRLUP), the NBRLUP Code of Good Conduct for Land Users and the DIAND Caribou Protection Measures.

Due to the size of the property and in addition to the use of Commander's Dewar Lakes Camp, Kivalliq Energy is permitting two temporary fly camps to accommodate workers and provide effective daily access to and from priority target areas that are remote from the Dewar Lakes location. The proposed Malrok Fly Camp (68°30'06" N, 72°27'08" W) is located on IOL BI-35 and the Tuktu Fly Camp (68°37'10" N, 73°12'45" W) on Crown Lands administered by INAC. A QIA Land Use Licence application has been prepared to cover exploration activities on the IOL and water use for the Malrok Camp. An INAC Land Use permit application will cover exploration activities on Crown Lands and the NWB water licence application will cover the Tuktu Fly Camp on Crown lands.

Land Use and Water Use Licence and Permit Applications are awaiting an NPC conformity determination and NIRB screening decision before being submitted to the Qikiqtani Inuit Association (QIA), Indigenous and Northern Affairs Canada (INAC) and the Nunavut Water Board (NWB).

Kivalliq Energy Corporation's management has extensive background working in Canada's north and Nunavut. John Robins is Chairman of the Company's board of directors, Jim Paterson is the Chief Executive Officer, Jeff Ward serves as President and Andrew Berry is Chief Operating Officer. The group is committed to the social and economic development of the north while maintaining a level of excellence in minimizing environmental impacts.

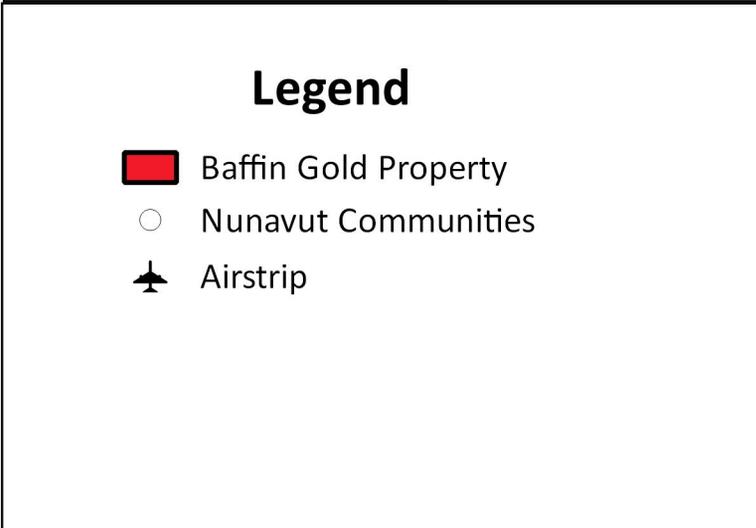
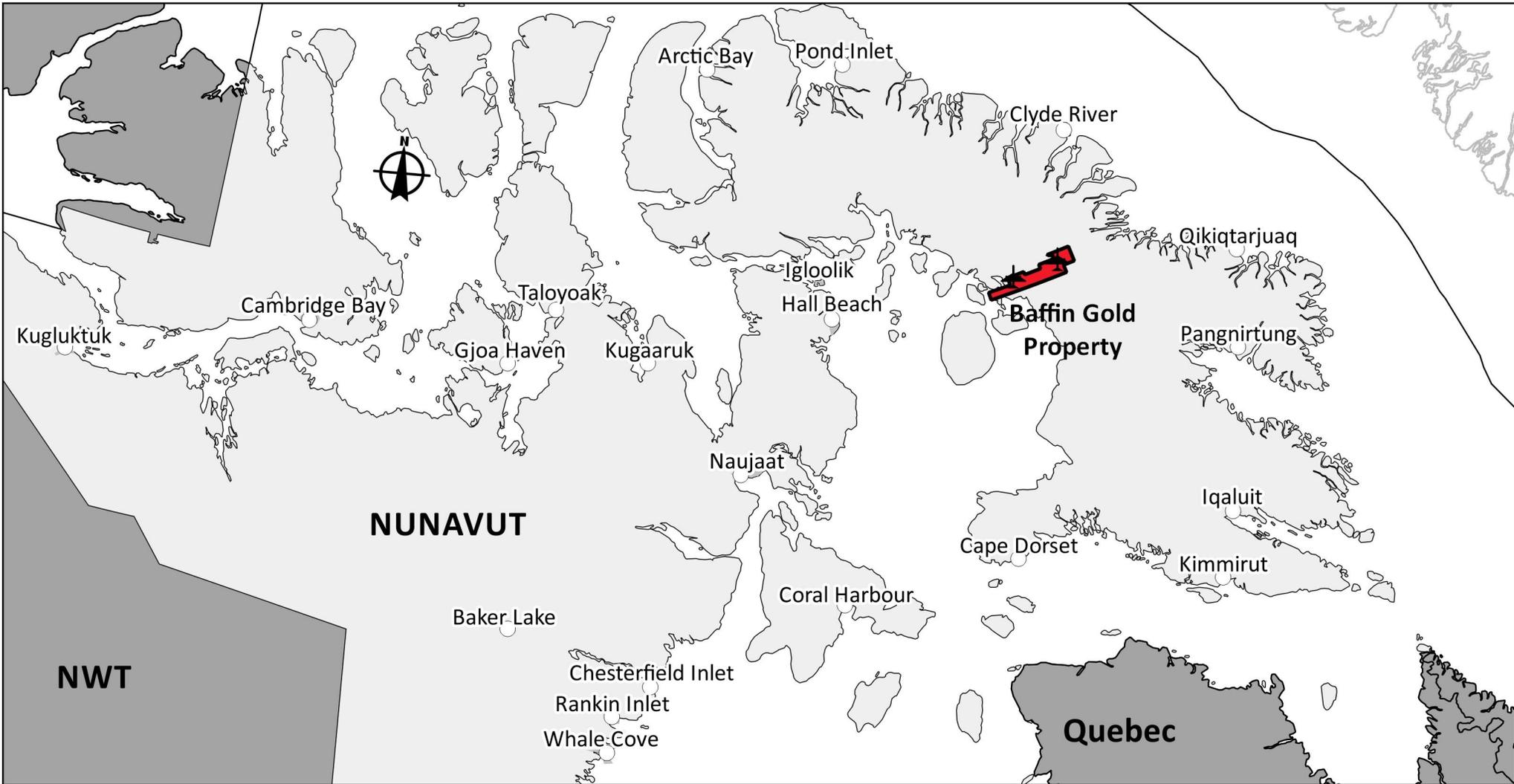
## **2 Property Description and Location**

The Baffin Gold Property on Baffin Island in the Qikiqtani Region of Nunavut consists of 15 prospecting permits, 6 mineral claims and two Mineral Exploration Agreements (MEA's) with Nunavut Tunngavik Inc. (NTI) on Inuit Owned Land Parcel BI-35 (Table 1). It is 260 kilometres southwest of Clyde River and 360 kilometres northwest of Qikiqtarjuaq (Figure 1). The property measures approximately 160 kilometres in an east-west direction by approximately 30 kilometres north-south and comprises a total area of 408,981.6 hectares (Figure 2).

All prospecting permits, mineral claims and the MEA's are contiguous and extend north, south, east and west between Latitudes 68.375° and 68.75° North and Longitudes 70.5° and 74.5° West in NTS map areas 027 B/05, 027 B/12, 027 B/11, 037 A/06, 037 A/07, 037 A/08, 037 A/09 and 037 A/10 (UTM coordinates: 7,584,000mN to 7,615,000mN and 520,500mE to 622,500mE, NAD83, Zone 18 and 7,586,000mN to 7,628,500mN and 377,500mE to 439,500mE Zone 19).

Table 1: Land Tenure

Permit/Claim Number	Claim Name	NTS Map Sheet	Hectares	Recorded Date	Anniversary Date	Zone	Owner
BI-35-16001-FOXE		037A09, 027B12	64,533.05	01-Jan-17	01-Jan-18	18/19	Kivalliq Energy Corp.
BI-35-16001-BAFFIN GOLD		037A09, 027B12	8,104.93	01-Jan-17	01-Jan-18	18/19	Commander Resources Ltd.
K13300	BG 10	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-17	19	Commander Resources Ltd.
K13301	BG 11	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-19	19	Commander Resources Ltd.
K13308	BG 18	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-19	19	Commander Resources Ltd.
F79373	TUK 5	037A10	1,045.10	25-Oct-05	25-Oct-14	18	Commander Resources Ltd.
K13292	BG 2	027B11	919.69	28-Sep-09	28-Sep-17	19	Commander Resources Ltd.
K13293	BG 3	027B11	910.54	28-Sep-09	28-Sep-17	19	Commander Resources Ltd.
P-62		027B05	28,322.45	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-63		027B05	28,322.45	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-64		027B12	20,171.01	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-65		027B12	19,775.21	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-66		027B12	3,967.33	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-67		027B11	26,422.80	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-68		027B11	27,984.43	01-Feb-17	01-Feb-19	19	Kivalliq Energy Corp.
P-69		037A10	27,140.65	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-70		037A09	532.75	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-71		037A09	8,615.97	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-72		037A08	28,171.44	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-73		037A08	26,001.81	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-74		037A07	28,322.45	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-75		037A07	28,322.45	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
P-76		037A06	28,322.45	01-Feb-17	01-Feb-19	18	Kivalliq Energy Corp.
<b>Total</b>			<b>408,981.56</b>				



**Legend**

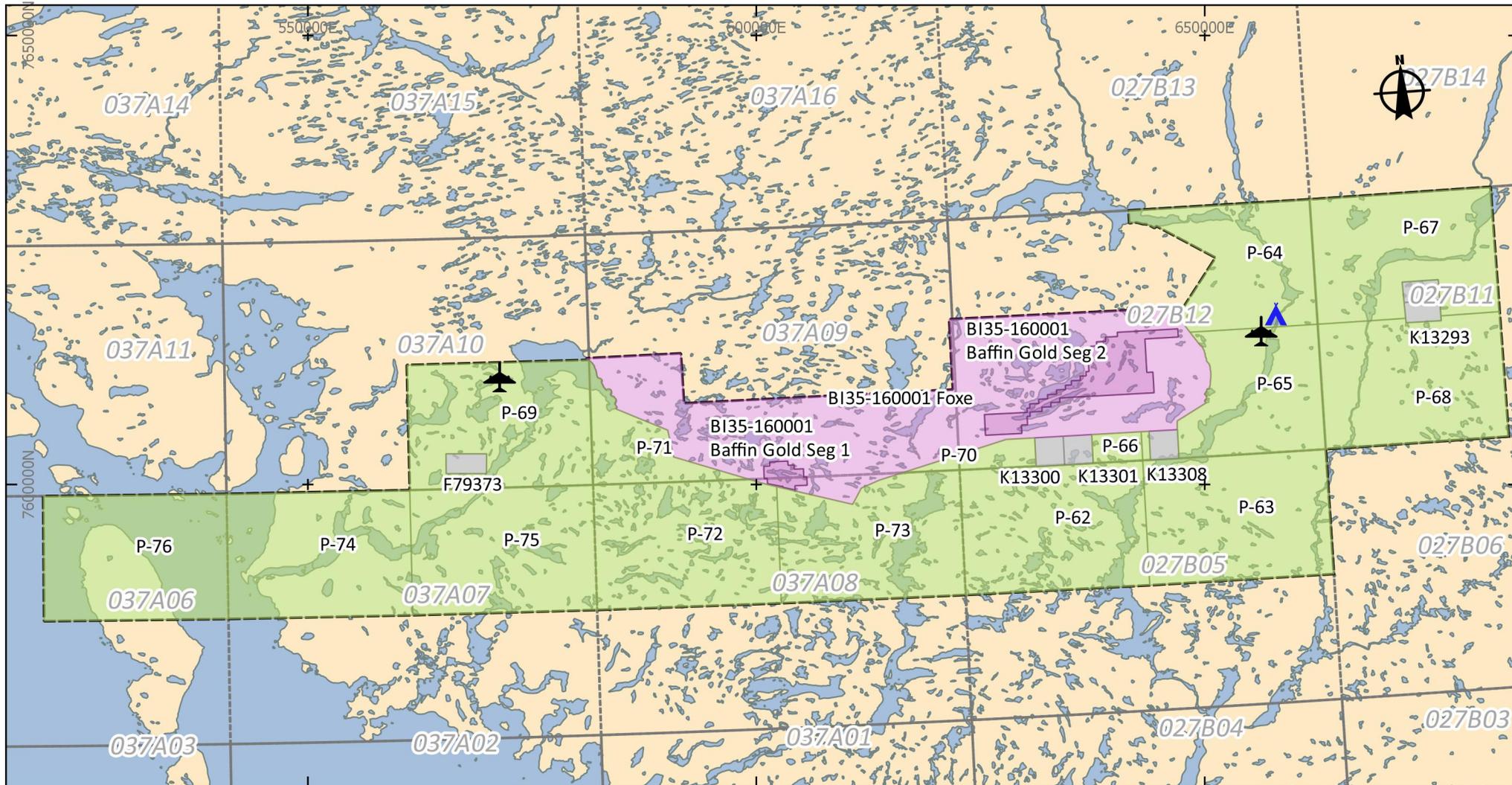
- Baffin Gold Property
- Nunavut Communities
- Airstrip



**BAFFIN GOLD PROPERTY**  
**Figure 1: Property Location**  
 Nunavut Territory

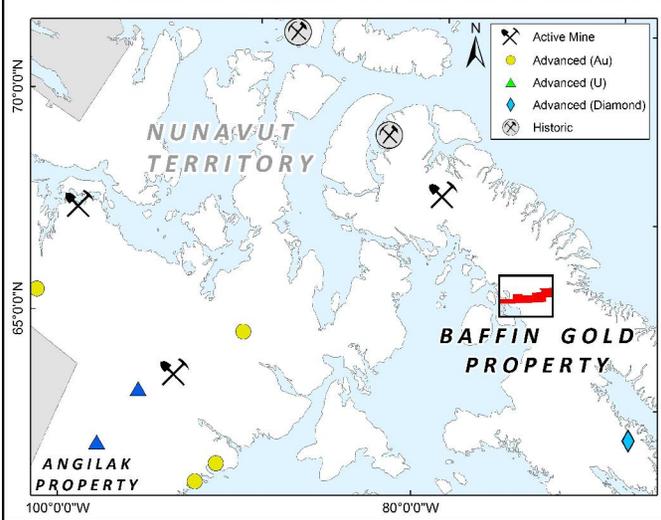
April 2017 UTM NAD83 Zone 18 1:10,000,000





### Legend

- Baffin Gold Property
- Kivalliq Mineral Claims (CMD Option)
- Kivalliq IOL BI-35 MEA
- Kivalliq IOL BI-35 MEA (CMD Option)
- Kivalliq Prospecting Permits
- Airstrip
- Dewar Lakes Camp



## BAFFIN GOLD PROPERTY

### Figure 2: Land Tenure

Nunavut Territory

April 2017 UTM NAD83 Zone 18 1:625,000



### 3 Contact Information

Kivalliq Energy Corporation  
Suite 1020- 800 West Pender Street  
Vancouver, British Columbia, V6C 2V6  
Tel: (604) 646-4527  
Fax: (604) 646-4526  
[www.kivalliqenergy.com](http://www.kivalliqenergy.com)

#### Main Contact List

Jim Paterson (CEO)	(778) 773-9882
Jeff Ward (President)	(604) 763-8723
Andrew Berry (COO)	(604) 765-1892
Emily McNie (Project Geologist)	(604) 646-8352
FIELD CAMP MAIN CONTACT	<b>TBD</b>

### 4 Work Completed to Date

No work has been conducted by Kivalliq Energy Corp. on the Baffin Property to date.

Recent exploration work in the area was conducted by Commander Resources Ltd. who completed eight exploration programs between 2003 and 2010 that included rock sampling, soil sampling and geophysical surveying. A total of 19,083 metres in 158 diamond drill holes were completed during this period. The existing Dewar Lakes Camp was the base of operations for exploration work conducted by Commander since 2003.

The table below outlines the historic work done in the area.

**Table 2: Work Completed to Date**

<b>Company</b>	<b>Years</b>	<b>Type of Work Conducted</b>
GSC	Mid 1970s	Regional and reconnaissance mapping
Cominco	1976	Prospecting, silt sampling
Cominco	1981	Re-examined area as a result of GSC lake geochemical anomalies.
Petro-Canada	1985	Detailed lake geochemical sampling, ground prospecting, rock-chip sampling
Comaplex, Agnico-Eagle	1991	Lithochemical sampling
Savanna Resources	1994	Prospecting and geological mapping
International Capri	1995	Follow-up sampling

BHP, Falconbridge	2000-2002	Heavy mineral concentrate sampling, rock-chip sampling. Regional till sampling, geological traversing, gossan prospecting, airborne hyperspectral survey, airborne EM/mag survey
GSC	2000-2003	Geological mapping
Commander	2003-2011	Diamond drilling, airborne electromagnetic/magnetic survey, property scale till sampling, channel sampling, detailed mapping and prospecting, ground EM/mag and resistivity/IP surveying

## 5 2017 Exploration Program

The purpose of this project is to evaluate the potential for economic gold occurrences on the Baffin Gold Property. The exploration planned and proposed for 2017 will consist of low impact activities including: prospecting, geological mapping, rock, channel and soil/till sampling, airborne geophysics, ground geophysics, drone surveying and baseline environmental monitoring. Exploration targets for the 2017 are shown below in Figure 3. The exact extent of the program will depend on market conditions and funding. The program will be conducted from June 1, 2017 to September 30, 2017. Exploration activities will be supported from Commander Resource Ltd.'s existing Dewar Lakes Camp or from temporary fly camp's established proximal to target areas (see section 6.1/6.2). Commander has an application for a land use permit pending for the Dewar Lakes Camp.

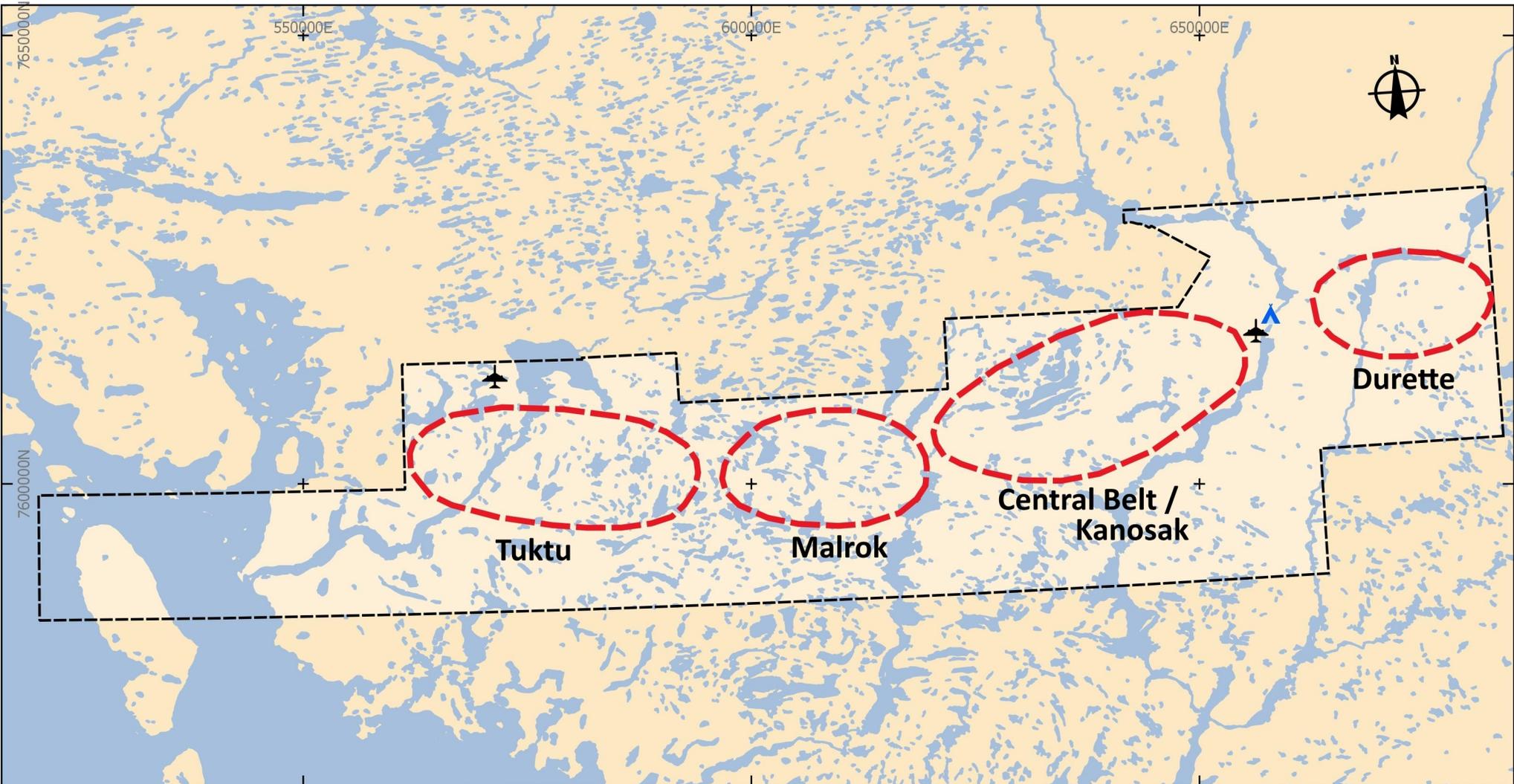
The Baffin Gold Property is located above the tree line; therefore, line cutting is not required for exploration activities.

### 5.1 Airborne Geophysical Survey/Drone Survey

The proposed 2017 exploration work plan includes 5,000 line kilometres of airborne electromagnetic (EM) geophysical surveying. To mitigate impact of surveys, Kivalliq Energy will be looking into drone technology to assist airborne surveys. The drone survey would include collecting high-resolution air photos of the project area. The airborne geophysical survey will commence after July 15 and weather dependent, the program will run for an estimated 16 to 21 day period. The work performed will consist of fixed wing or helicopter borne EM surveying over selected target areas within the Baffin Property.

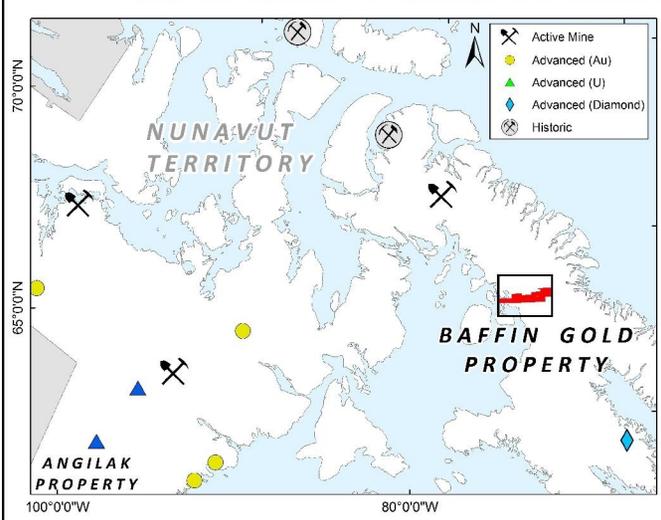
The proposed survey grids are shown below in Figure 4. Airborne geophysical surveys to acquire high-resolution data require flights at low altitudes. The survey will be flown at a mean altitude of 60 metres above ground level. The survey will commence after July 15<sup>th</sup> as per the DIAND Caribou Protection Measures. If wildlife are present in the area, the survey will cease until they have moved a safe distance away (at least 1 kilometre).

The airborne survey will be designed to avoid interference with caribou migration and ensure the survey does not disturb wildlife or people (NBRLUP, Code of Good Conduct). Airborne surveys will only take place after the appropriate consultation with communities has taken place. Kivalliq Energy will avoid low altitude flights whenever possible in areas where wildlife may be present.



### Legend

-  Baffin Gold Property
-  Airstrip
-  Dewar Lakes Camp
-  2017 Exploration Targets



## BAFFIN GOLD PROPERTY

### Figure 3: 2017 Exploration Targets

Nunavut Territory

May 2017 UTM NAD83 Zone 18 1:625,000



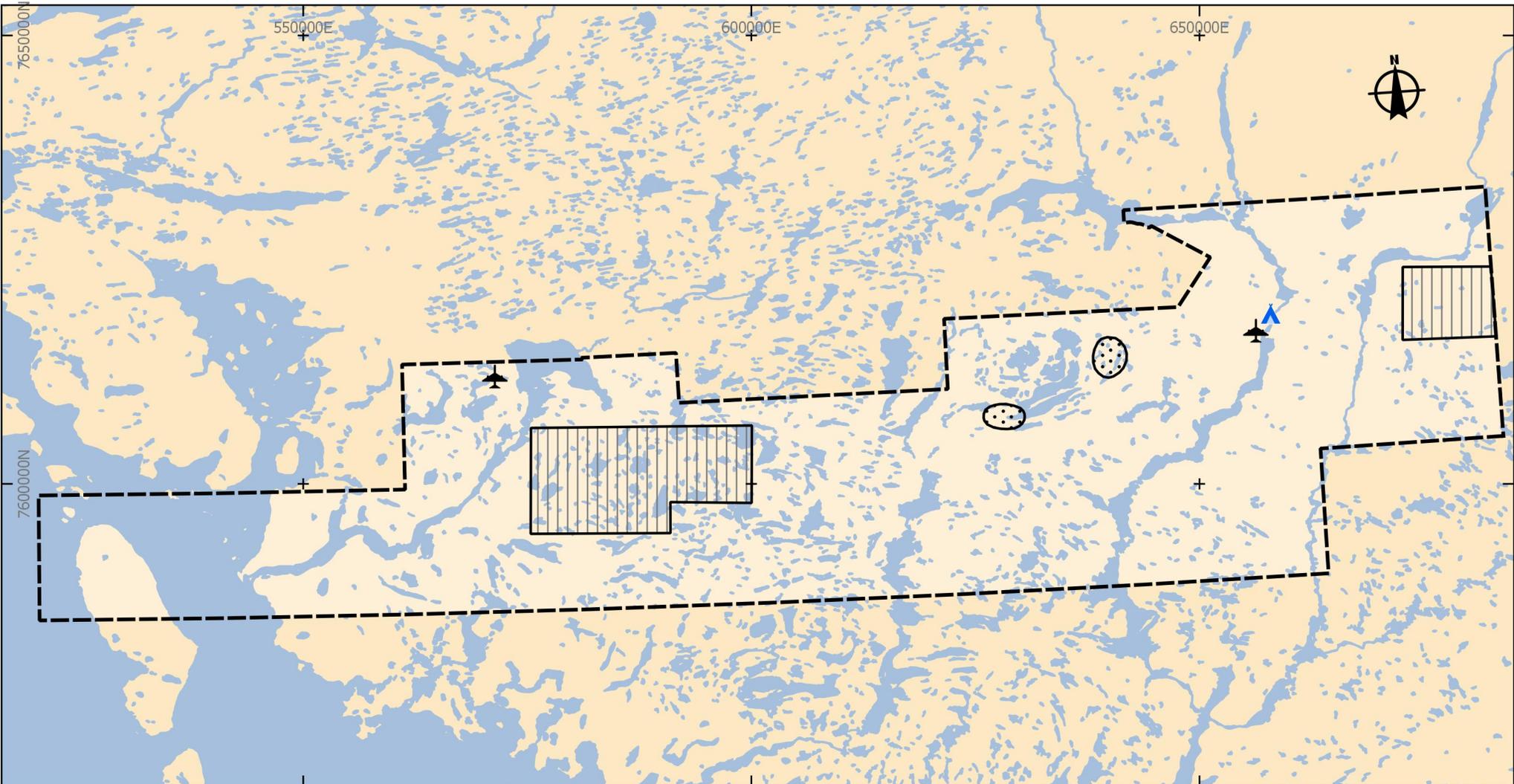
There are no designated Caribou Protection Areas or caribou calving or post-calving grounds within the property area. In the event that caribou cows calve outside of designated Caribou Protection Areas, airborne surveying at any altitude of less than 300 metres above ground level will be suspended between May 15<sup>th</sup> and July 15<sup>th</sup>, as per the DIAND Caribou Protection Measures. If caribou and/or muskox are seen in the area, the geophysical survey are not to be flown until they have moved a safe distance (at least 1 kilometre) from the area to be surveyed.

Based upon monitoring results, the company may intensify mitigation and monitoring during pre-calving, calving and post-calving seasons (May 15 to July 15) if cow-calf pairs or groups with calves are observed within proximity to the survey area.

The Fox-3 Airstrip or the heli-pad at the Dewar Lakes Camp will be the aircraft base, depending on fixed wing aircraft or helicopter borne. The majority of fuel will be supplied from the main fuel cache at the Dewar Lakes Camp. A small supply of less than nine drums will be located at a site central to the airborne geophysical survey to support exploration activities (section 6.2).

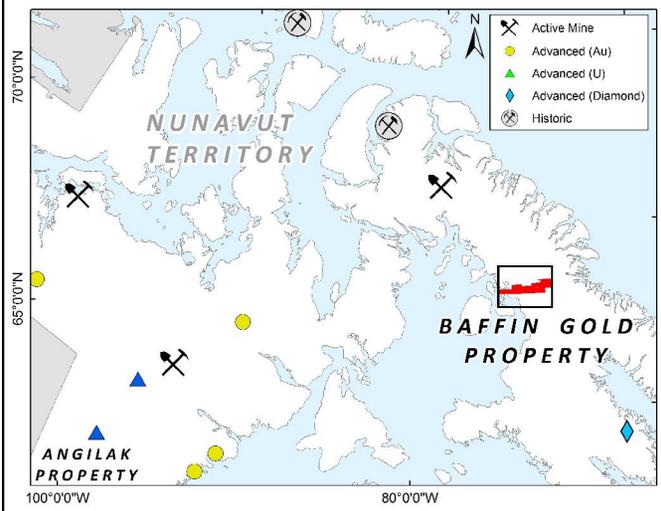
Prior to conducting any low-level airborne geophysical surveys, work plans outlining the dates, locations and duration of the surveys are sent to the Qikiqtani Inuit Association (QIA), Indigenous and Northern Affairs Canada (INAC) and Nunavut Impact Review Board (NIRB).

Kivalliq Energy will contact the CO, Environmental Wildlife Officer in Clyde River/ Iqaluit and Transport Canada for information on any flight restrictions prior to the start of any airborne geophysical surveying program.



### Legend

-  Baffin Gold Property
-  Airstrip
-  Dewar Lakes Camp
-  Proposed Geophysical Surveys
-  Proposed Drone Survey



## BAFFIN GOLD PROPERTY

### Figure 4: Proposed Geophysical Surveys

Nunavut Territory

May 2017 UTM NAD83 Zone 18 1:625,000



## 5.2 Ground Geophysical Survey

Summer ground geophysical surveys are proposed as part of the 2017 exploration program. This work will be conducted on foot and be helicopter and/or fly camp supported. The program is planned to cover roughly 500 line kilometres using four crew members between June and September. Geophysical methods that may be employed include magnetic/very low frequency electromagnetic surveying or gravity surveying. Due to the vegetation found on the property, line cutting is not required.

## 5.3 Prospecting, Geological Mapping and Rock Sampling

The 2017 prospecting and geological mapping program is planned for the summer months (July through September) and will be conducted by up to four crew members. Prospecting will run concurrent to the soil sampling program. The program will include up to 300 line kilometres of prospecting traverses and the collection of approximately 1000 rock samples. Types of rock sampling that may be employed includes; “grab” sampling and chip/channel sampling. A rock saw may be used to cut shallow, parallel lines into exposed rock roughly two inches apart to create a linear channel. Using rock chisels and sledge hammers, sample material is then broken or chipped out of the channel cut manually. Rock samples will be collected in poly bags, their locations will be marked using a GPS and field notes will be taken. Traverses will be conducted on foot. Crews will be working from fly camps where warranted or supported by helicopter on a daily basis from the Dewar Lakes Camp.

## 5.4 Soil Sampling

Soil sampling will be conducted as part of the 2017 exploration program. The work will be conducted by a two to six person crew with helicopter support. The soil sampling program will be undertaken between June and September, 2017.

Soil sampling will be conducted by up to four crew members. Kivalliq Energy plans to collect up to 5,000 samples for enzyme leach or conventional soil geochemical analysis. Sampling grids will be oriented using 50 metre sample intervals with lines spaced 100 metres to 400 metres apart. Using hand tools, either of a shovel or grub hoe, samplers excavate a small hole to the targeted soil horizon (A, B or C horizon) and collect a representative sample of approximately 250-500 grams of soil. All work will be conducted on foot and will be supported by helicopter.

The geochemical surveys will be used to classify and prioritize bedrock conductors for drilling by identifying those conductors which have associated surface geochemical anomalies.

## 5.5 Environmental Baseline Monitoring

Kivalliq Energy plans to implement an early stage baseline monitoring program that corresponds with the stage of current exploration, and allows for rapid expansion or downsizing of monitoring studies as the exploration program changes in scope and/or location from year to year. The program is designed to build an understanding of the local and regional environmental attributes in areas being worked that are of

legislative, cultural, economic and/or scientific importance. The attributes selected for study are also those that will benefit from the longest record of data collection.

Initially, the monitoring program will investigate three biophysical components:

- Water Quality
- Meteorology
- Non-invasive, Observational Based Wildlife Monitoring

Additional biophysical components may be added as the program size increases over the years.

The Baffin Gold Property baseline environmental monitoring study area is presented in Figure 5. In 2017, monitoring studies will focus on water quality, meteorology and wildlife as described below.

### **5.5.1 Water Quality**

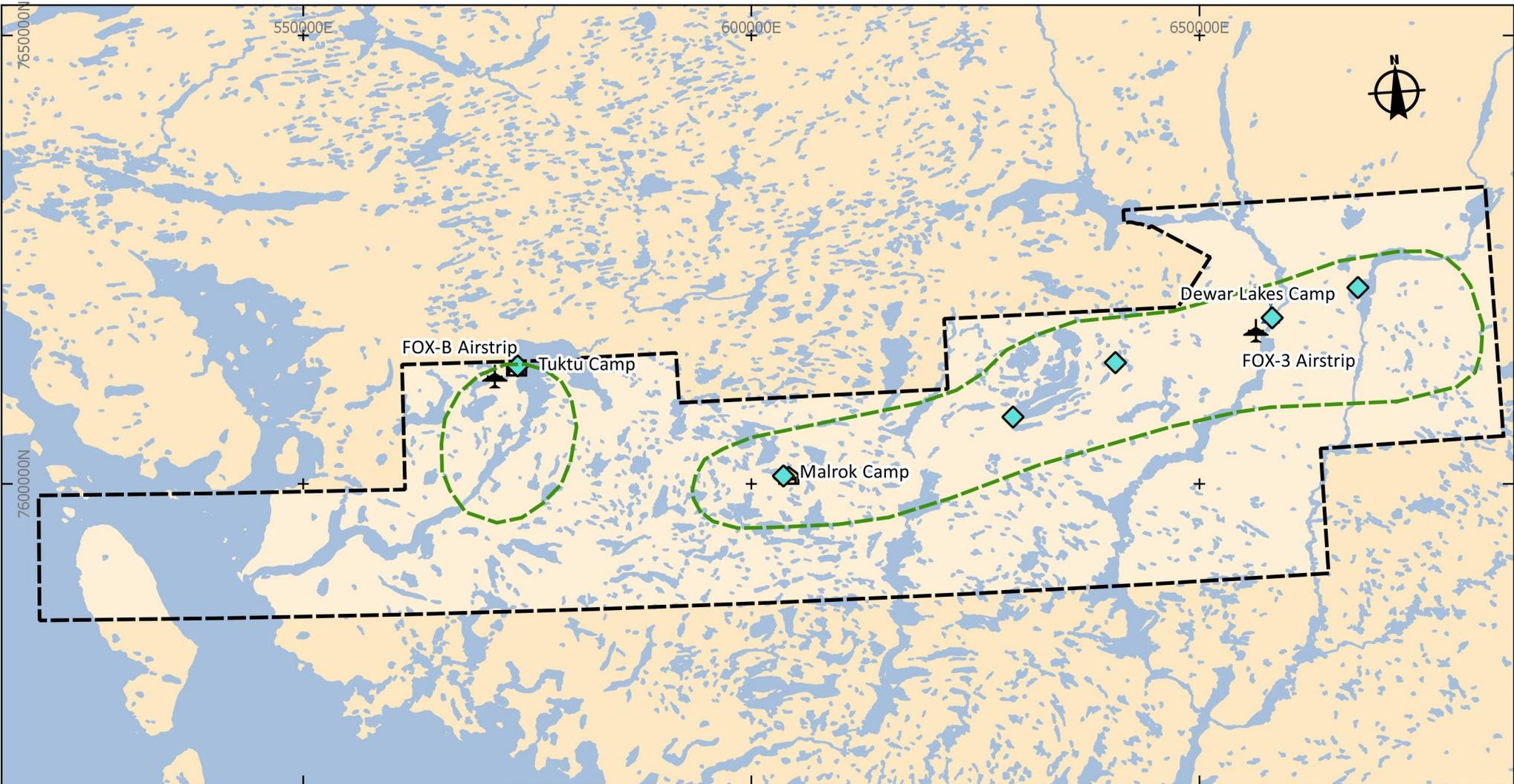
A water quality monitoring program will be established to generate baseline water quality data in areas of active exploration. Sample sites will be chosen on representative water bodies that focus on exploration targets and camp infrastructure locations. Water samples will be analyzed for hardness, metals, pH, total suspended solids, ammonia, nitrate, cyanide and alkalinity. Refer to Figure 5 for proposed water sample sites.

### **5.5.2 Meteorology**

Meteorological data including air temperature, precipitation, wind speed and direction will be recorded on a daily basis. An automated weather station may be installed on the property in future years.

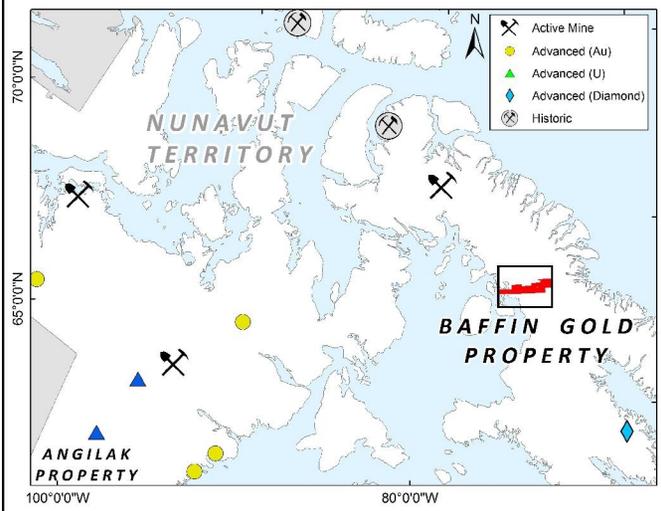
### **5.5.3 Wildlife Monitoring**

The objective of the wildlife monitoring is to describe wildlife use of the study area and produce coarse-scale population estimates for valued ecosystem components (VECs) occurring in the study area. The 2017 wildlife program will consist of logging incidental observations of all wildlife encountered by field staff and noting any listed species or high priority VEC known to occur in the study area. The wildlife incidental observations will be included in the Annual Report to QIA, INAC and NIRB.



### Legend

- Baffin Gold Property
- Airstrip
- Dewar Lakes Camp
- Environmental Monitoring Areas
- Proposed Water Sample Sites



**BAFFIN GOLD PROPERTY**  
**Figure 5: Baseline Environmental Monitoring Area and Proposed Water Sampling Sites**  
 Nunavut Territory

May 2017 UTM NAD83 Zone 18 1:625,000



## 6 Infrastructure, Equipment and Transportation

### 6.1 Dewar Lakes Camp - Commander Resources Ltd.

Kivalliq Energy will utilize Commander's Resources Ltd. Dewar Lakes Camp, adjacent to the North Warning System Fox-3 Airstrip, on crown lands administered by INAC. The camp is located at 68°37'59" N, 71°06'38" W (or 414199E/7614919N UTM Nad83 Zone 19) and has been unoccupied since 2013. In June 2017, Commander will mobilize a crew to rehabilitate the camp and prepare it for the exploration program. Kivalliq Energy will assist in camp rehabilitation and proactive remediation. The Dewar Lakes Camp is authorized (pending) by permits, licences and management plans that are administered by Commander.

### 6.2 Temporary Fly Camps - Kivalliq Energy Corp.

Due to the size of the property, permitting of up to two temporary fly camps is required to accommodate workers and provide effective daily access to and from priority target areas that are remote from the Dewar Lakes Camp. One temporary fly camp will operate at a time. The fly camps will operate seasonally from June through September in 2017 and as early as March in future years.

The temporary fly camps will accommodate up to 15 people and will be comprised of:

- 1- Kitchen Tent
- 1- Office Tent
- 1- Dry Tent
- 1- Utility Tent
- 1- Toilet Facility (Pactos or Latrines)
- 5- Crew Accommodations (1 tent will house the First Aid Attendant and First Aid Equipment)
- 1- Generator Shack
- 1- Portable fuel-fired incinerator

The structures will consist of a combination of WeatherPort vinyl tents, canvas prospectors' tents and small plywood sheds.

At the end of the 2017 field season, if further work from the temporary fly camp is deemed necessary, WeatherPort vinyl tents and plywood structures will be left standing for use in the 2018 field season. All canvas tent covers will be removed from tent frames. The fly camps will be fully closed and dismantled completely once exploration activities cease. The sites will then be reclaimed and restored to their original state.

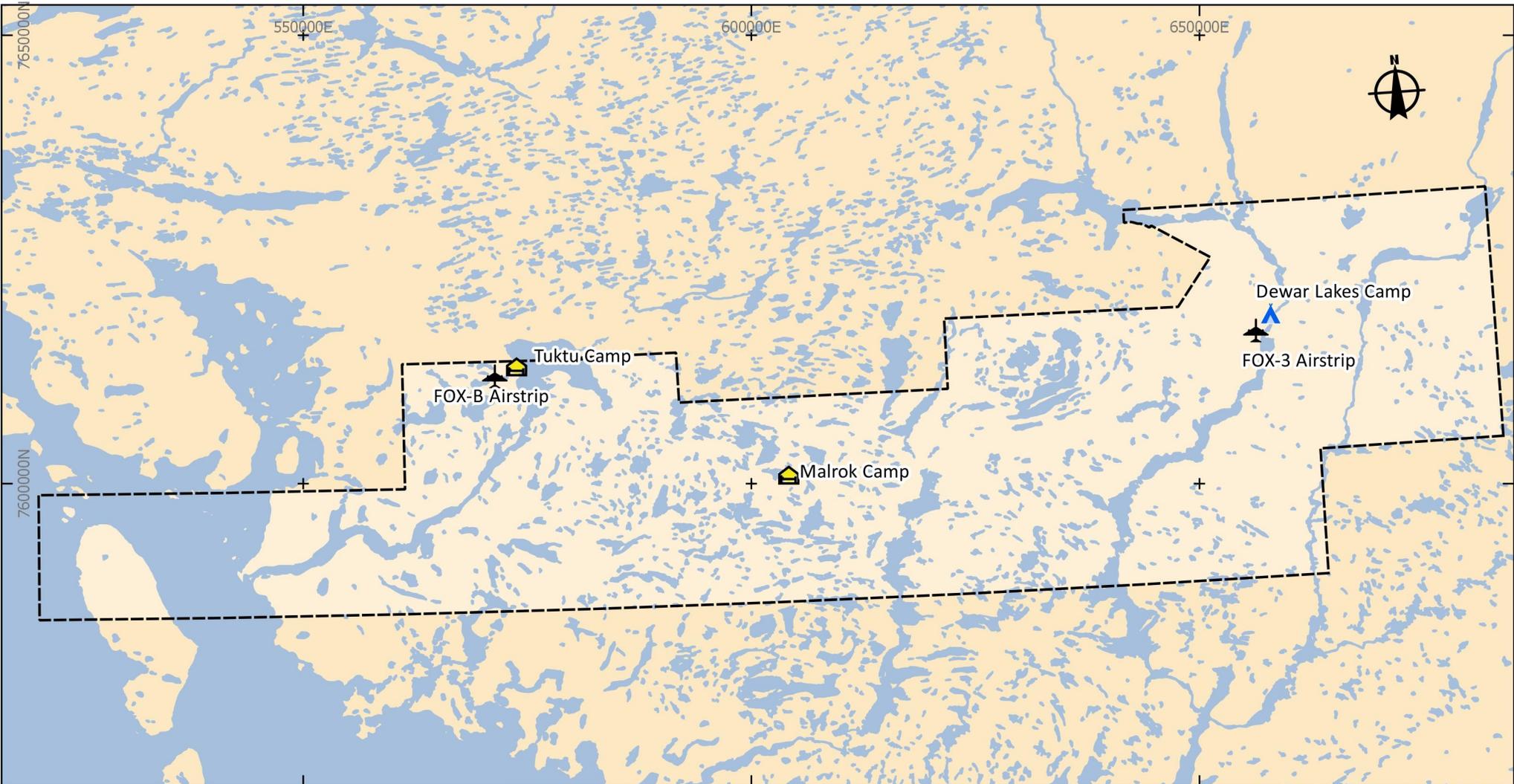
See Figures 6 and 7 for proposed fly camp locations and site plans. Coordinates for the fly camp locations are as:

Malrok Fly Camp: 68°30'06" N, 72°27'08" W

- At Malrok Lake, near the Malrok target area. (IOL BI-35 – Administered by QIA)

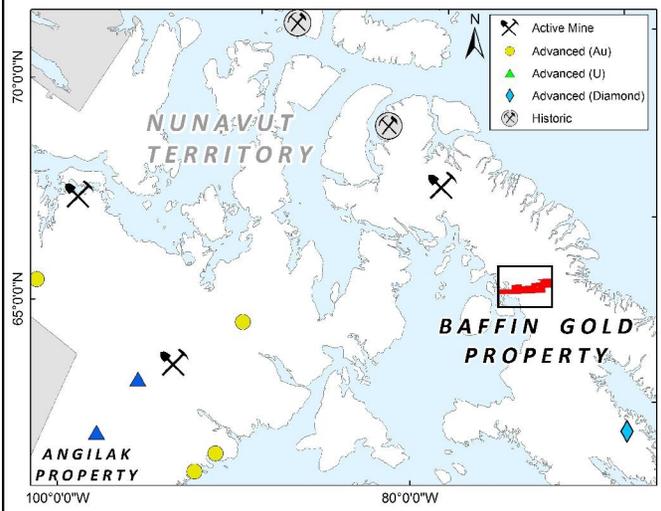
Tuktu Fly Camp: 68°37'10" N, 73°12'45" W

- Adjacent to the Fox-B North Warning System Airstrip near Nadluardjuk Lake.



### Legend

- Baffin Gold Property
- Dewar Lakes Camp (existing)
- Fly Camp (Proposed)
- Airstrip

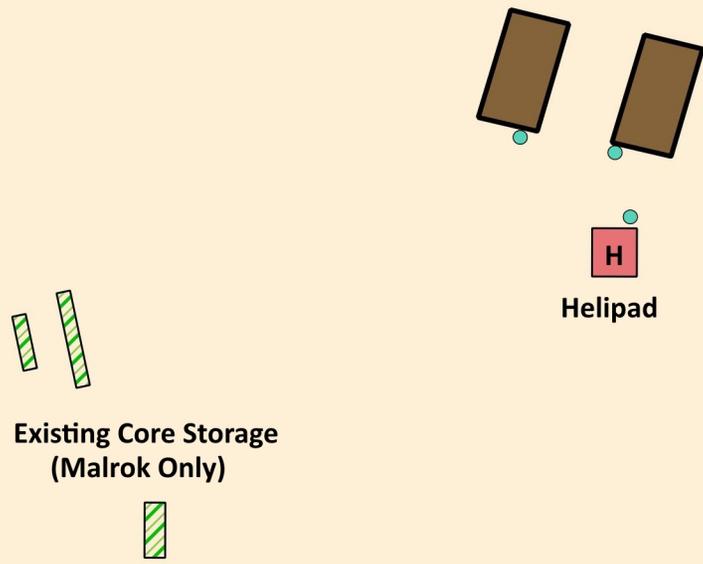


## BAFFIN GOLD PROPERTY Figure 6: Proposed Fly Camps

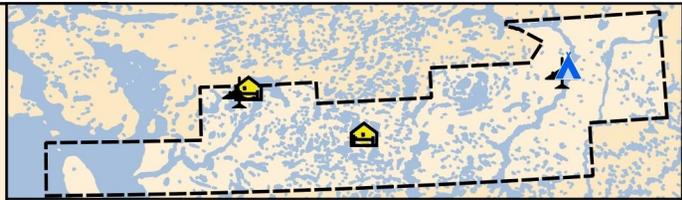
Nunavut Territory

May 2017 UTM NAD83 Zone 18 1:625,000



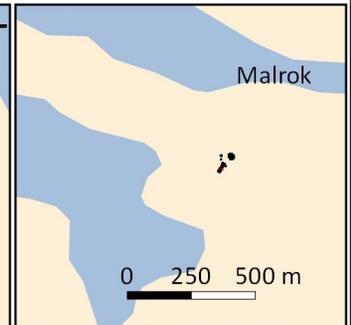
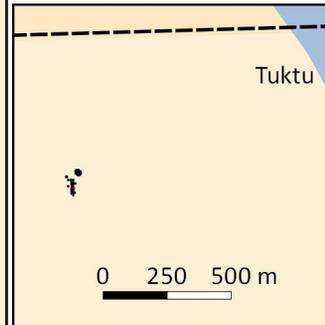


*Proposed Fly Camp layout for Malrok site. Tuktu site will have identical layout.*



### Legend

- |                        |                       |
|------------------------|-----------------------|
| Airstrip               | Generator Tent        |
| Dewar Lakes Camp       | Utility Tent          |
| Proposed Fly Camp      | Helicopter Pad        |
| <b>Fly Camp Layout</b> |                       |
| Kitchen                | Fuel Berm             |
| Dry                    | Toilet Facility       |
| Office                 | Existing Core Storage |
| Sleeper                | Spill Kits            |



**KIVALLIQ ENERGY CORP.**

**BAFFIN GOLD PROPERTY  
Figure 7: Proposed Fly Camp  
Layout**

Nunavut Territory

May 2017 UTM NAD83 Zone 18 1:500



The Malrok Fly Camp location was chosen based on proximity to the Malrok target area and it is the site of Commander's reclaimed Malrok Camp that was decommissioned and cleaned up in 2011.

The Tuktu Fly Camp location was chosen because it is located near the Fox-B North Warning System airstrip which will facilitate the transportation of crews and equipment to the fly camp. The location is situated on the western side of the property which will allow for quicker access to certain exploration targets than travelling from Dewar Lakes Camp.

### 6.2.1 Camp Water and Sump

The temporary fly camps will use a portable gasoline powered supply pump to intake water. Water intake hoses will be equipped with a screen of appropriate mesh size to ensure that there is no entrapment of fish. Small lakes or streams will not be used for water intake. The supply pump will be placed in a secondary containment structure, of sufficient height and depth to hold any potential spill and capable of holding 110 percent of the volume of the largest fuel reservoir.

Water will be drawn intermittently during the exploration program which is scheduled to be conducted from June 1, 2017 to September 30, 2017. When operating the pump will be staged on a containment platform adjacent to the water source and will draw water using a 5 meter suction hose. It will be operational for approximately 15 minutes per day to pump water into the water tanks. When not in use, the pump will be placed a minimum of 31 metres from the ordinary high water mark of the water body. The operating capacity of the pump will be approximately 9480 gallons per hour.

Waterlines for domestic use will be properly placed to minimize disturbance to the shoreline/riparian zones and substrate. Water and aquatic life will be protected. Waterlines will be screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" prepared by the Department of Fisheries and Oceans. Water will be stored in two 250 gallon water tanks for use in the kitchen and in the dry tent for washing.

Waste water from fly camps will be discharged to a grey water sump. The discharge pipe will be inaccessible to wildlife. The waste water sump will be located at least 31 metres away from a water body. A grease trap and screens will be installed on kitchen drains to ensure food grease and solids do not enter the waste water sump. No contamination of the water supply is predicted.

Water consumption will be kept to an absolute minimum. Water will only be used for hygiene and food preparation purposes.

Water use or waste disposal facilities at the temporary fly camps will not affect water bodies or water courses.

### 6.2.2 Sewage

The fly camps will use either Pacto toilets or outhouse latrine facilities. Toilet facilities will be located at least 31 metres away from a water body. Refer to the "Waste Management Plan" for additional information.

### 6.2.3 Incinerator

Fly camps proposed for the Baffin Gold Property will utilize a portable, dual chamber, forced-air incinerator for the disposal of combustible solid wastes. Refer to the “Waste Management Plan” for additional information.

### 6.2.4 Fuel Caches & Chemical Storage

Kivalliq Energy has submitted an application to store up to 60 drums of fuel on the Baffin Gold Property.

This will include:

- 23 - 205 L drums of diesel
- 25- 205 L drums of Jet fuel
- 2 - 205 L drums of gasoline
- 10 - 100 lb. cylinders of propane

A main cache will be established at the temporary fly camp location. Temporary supply caches of less than nine drums may be located as required to service the airborne geophysical surveying or remote exploration activities.

All fuel and chemicals are to be stored in secondary containment berms equipped with Spilfyter RailMat 3 ply hydrocarbon absorbent fabric and Rain Drain hydrocarbon filters for water drainage. Fuel drums will be transported to camp via fixed wing aircraft. All drums, secondary containment berms and fuel caches will be located a minimum 31 meters from any water body and will be inspected regularly. All storage, fueling and staging areas have easily visible and readily available spill kits.

Chemicals and hazardous materials that may be located on the Baffin Gold Property include small amounts of hydrochloric acid, cleaners, batteries, electronics, fluorescent light bulbs/tubes, motor oil and hydraulic oil. Materials will be stored in their original containers. Refer to the “Waste Management Plan” for the types, quantities and method of storage.

Empty drums will be drained and stored in a designated area and will be removed from the property regularly to be transported south for recycling or disposal at an authorized facility. Kivalliq will endeavor to consume the majority of the cached fuel by the end of each season. Please refer to the “Fuel Management Plan” and “Spill Contingency Plan” for more information.

## 6.3 Equipment

Equipment that will be used on the Baffin Gold Property is included in Table 3 below.

**Table 3: Baffin Gold Property Equipment**

Type	Details	Purpose
Helicopter - 1	Long Ranger	Transportation-crews/equipment
Generator - 2	20 kW	Power generation for fly camps

Water Pumps - 2	Gasoline powered	Provide water for fly camps
Snowmobiles - 4	Small to mid-size	Transportation-crews/equipment
Rock Saw - 1	Handheld, gas powered	Cutting channel samples

## 6.4 Transportation

The North Warning System Fox-3 Site Airstrip is located at 68°39'02"N 071°13'58"W near the Dewar Lakes on the Baffin Gold Property. Personnel, fuel and equipment to supply camp will be flown via fixed-wing aircraft to the Fox-3 Airstrip from Iqaluit or Clyde River. Kivalliq Energy will contact Biogenie Ltd. managing the airstrip on behalf of the Department of National Defense to secure permission to use the Fox-3 Airstrip. The airstrip is located 325 metres southwest of the Dewar Lakes Camp.

Exploration activities and temporary fly camps on the property will be helicopter supported. Snowmobiles will be utilized during the winter to transport personnel and equipment from the airstrip to camp. The airstrip is situated on a sand and gravel esker and there is a pre-existing ATV trail from the airstrip to the Dewar Lakes Camp. Kivalliq Energy will not construct any roads. Refer to Commanders' permit/ licence applications for Dewar Lakes Camp information.

Another North Warning System airstrip is located at 68°37'10"N 073°12'45"W. The Fox-B Airstrip near Nadluardjuk Lake will be utilized to transport personnel and equipment to the proposed Tuktu Fly Camp.

## 6.5 Abandoned Sites

Commander Resources had a camp located near Malrok Lake at the site of one of Kivalliq Energy's proposed fly camps. The Malrok Camp at 68°30'06" N, 72°27'08" W was decommissioned and cleaned up in 2011. Before any new fly camps by are constructed at Malrok, the site will be checked by a Land Use Inspector.

## 7 Socio-Economic Benefit

This is the first year Kivalliq Energy will be conducting an exploration program on the Baffin Gold Property. The company and its management have demonstrated a strong commitment to Nunavut with the Angilak Property and will extend that commitment to the Baffin Gold Property. Kivalliq Energy will hire locally whenever possible and plans to hire locals from Qikiqtarjuaq for the 2017 program. Kivalliq Energy will utilize northern businesses and services wherever available.

## **8 Community Consultation**

Kivalliq Energy is committed to the Nunavut and Nunavummiut. The company has planned visits to communities adjacent to the property (Clyde River, Qikiqtarjuaq, Pangnirtung) prior to the start of the exploration program to discuss available Inuit Qaujimagatuqangit, the exploration program and any potential concerns the communities may have. Kivalliq Energy will record the visits in a community consultation log which will be included in the Annual Report to INAC, QIA and NIRB. Consultation logs will include; a transcript of all meetings, discussions with Elders and information collected from communities regarding historic and traditional land and water use.

Groups or organizations that may be affected by this project include: the Qikiqtani Inuit Association (QIA), the Nangmoutaq Hunters and Trappers Organization (HTO) and the Naativak HTO. A land use permit application has been prepared for submission to the QIA. The Naativak and Nangmoutaq Hunters and Trappers Organizations will be contacted to determine whether the project area coincides with hunting grounds and to discuss their potential concerns.

## **9 Archaeological Investigation**

This is the first year Kivalliq Energy will be conducting exploration activities on the Baffin Property and as such a regional assessment of the property is required. Once target areas are identified for the focus of future exploration, an archeological investigation will be conducted. Areas of potential disturbance will be examined to ensure archeological sites are identified, recorded and avoided.

Any archaeological sites identified during the course of exploration activities will be handled with the utmost care. Site coordinates will be recorded and designated off limits to all workers. Disturbance will be prohibited.