



ANNUAL REPORT 2017

Baffin Gold Property

QIA Land Use Licence Number: Q17L3020

INAC Land Use Permit Number: N2017C0010

Nunavut Impact Review Board File Number: 04EN022



Submitted to: QIA, INAC, NIRB

Prepared by: Andrew Berry, Chief Operating Officer

Kivalliq Energy Corporation

December 21, 2017

Table of Contents

CORPORATE BACKGROUND AND GENERAL INFORMATION	1
PROPERTY DESCRIPTION AND LOCATION	1
2017 WORK COMPLETED	3
Till Sampling	4
Rock Sampling	5
Drone Surveying.....	6
Dewar Lakes Camp Infrastructure – Commander Resources Ltd.	7
WILDLIFE OBSERVATIONAL LOG	7
ENVIRONMENTAL CONSIDERATIONS	9
MITIGATION MEASURES	9
Caribou, Muskoxen and Other Wildlife	10
Bear and other Carnivores	10
Breeding and Nesting Birds.....	10
WASTE MANAGEMENT	10
FUEL INVENTORY	10
FLIGHT SUMMARY	11
RECLAMATION AND REMEDIATION.....	11
SOCIO-ECONOMIC IMPACTS AND BENEFITS.....	11
COMMUNITY CONSULTATION	11
ARCHAEOLOGICAL, TRADITIONAL KNOWLEDGE	12

List of Figures

Figure 1: Baffin Gold Property Location.....	2
Figure 2: Baffin Gold Property Land Tenure	3

List of Tables

Table 1: 2017 Kivalliq Energy Corp’s Land Use Permits and Licences.....	2
Table 2: Wildlife Observation Log	7

Appendices

Appendix A: 2017 Land Tenure

Appendix B: 2017 Annual Report for the Dewar Lakes Camp - Commander Resources

Appendix C: 2017 Contractor Services

Appendix D: 2017 Community Consultation Log

CORPORATE BACKGROUND AND GENERAL INFORMATION

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 408,982.6 hectares.

As part of the consolidation of mineral tenure that comprises the Baffin Gold Property, Kivalliq Energy has 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 Land.

Kivalliq Energy Corporation's management has extensive background working in Canada's north and Nunavut. Jim Paterson is the Chief Executive Officer and Chairman of the Company's board of directors, 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.

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 (**Appendix A**). Surface IOL BI-34 and a portion of surface IOL BI-36 cover prospecting permits on the east side of the property. The property is 260 kilometres southwest of Clyde River and 360 kilometres northwest of Qikiqtarjuaq (Figure 1). It measures approximately 160 kilometres in an east-west direction by approximately 30 kilometres north-south and comprises a total area of 408,982.6 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).

Land use permits enabling exploration work to be conducted on the property have been issued by the Qikiqtani Inuit Association (QIA) for parts of the property covering Inuit Owned Lands (IOL) and by Indigenous and Northern Affairs Canada (INAC) for Crown Lands. 2017 was the first year that Kivalliq Energy operated on the lands described in this report. See Table 1 for a list of active permits and licences issued for lands that comprise the Baffin Gold Property.

Kivalliq Energy did not require a Nunavut Water Board (NWB) licence as no water was required for activities conducted in 2017. During the 2017 exploration program, Kivalliq utilized Commander Resources Ltd.'s existing Dewar Lakes Camp adjacent to the North Warning System Fox-3 Airstrip (on Crown land). Activities at the Dewar Lakes are authorized under Commander's NWB licence 2BE-NAD1722 and INAC land use licence N2017J0014.

The project proposal was submitted to NPC for a conformity determination on May 11, 2017. The project was deemed conformable with the Nunavut Land Use Plan and exempt from a NIRB screening because the scope of the project activities are consistent with the activities originally permitted by Commander in 2004.

Table 1: 2017 Kivalliq Energy Corp's Land Use Permits and Licences

Issuing/Screening Agency	Date Issued	File Number
QIA	June 1, 2017	Q17L3020
NIRB	April 1, 2004	04EN022
INAC	July 5, 2017	N2017C0010

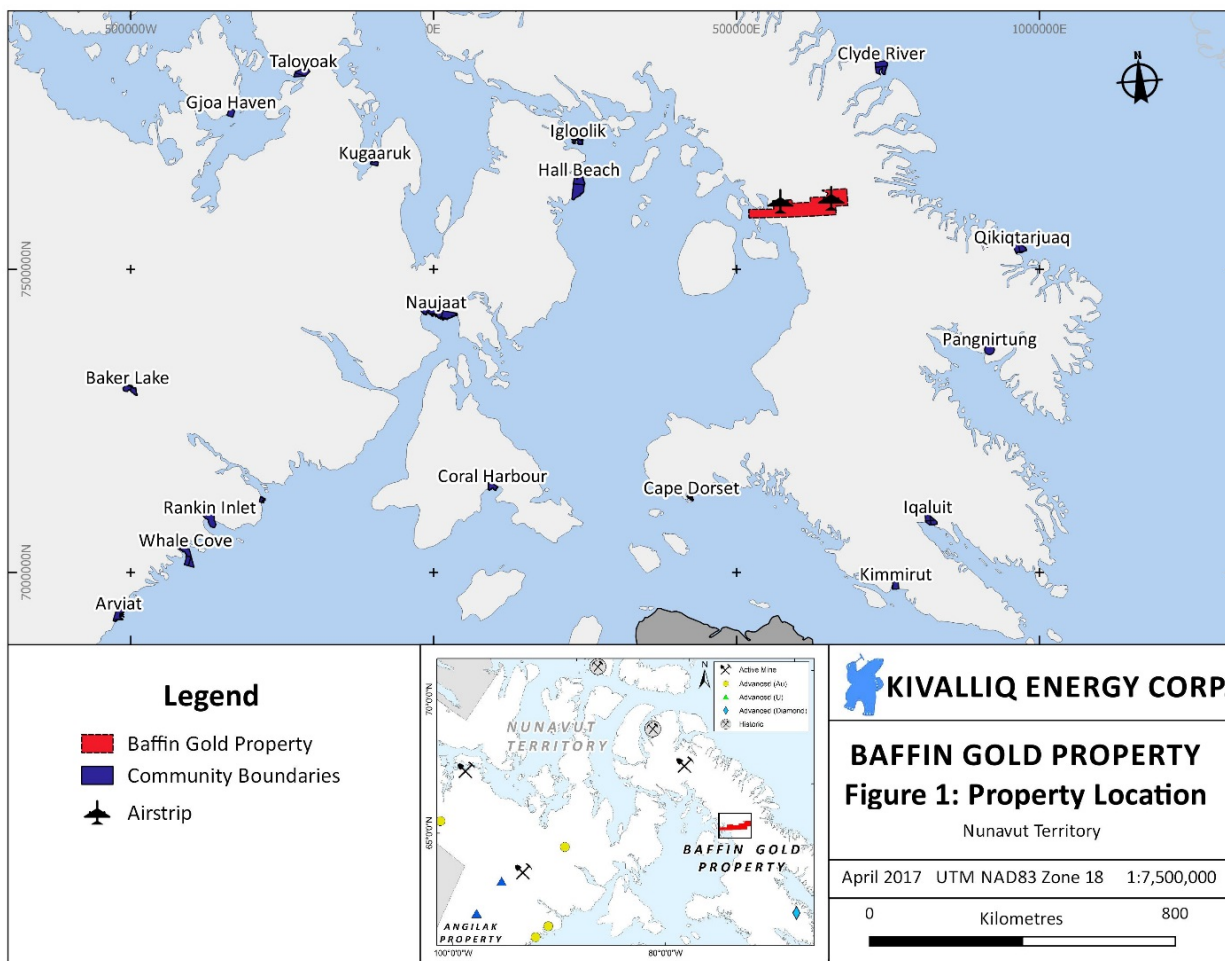


Figure 1: Baffin Gold Property Location

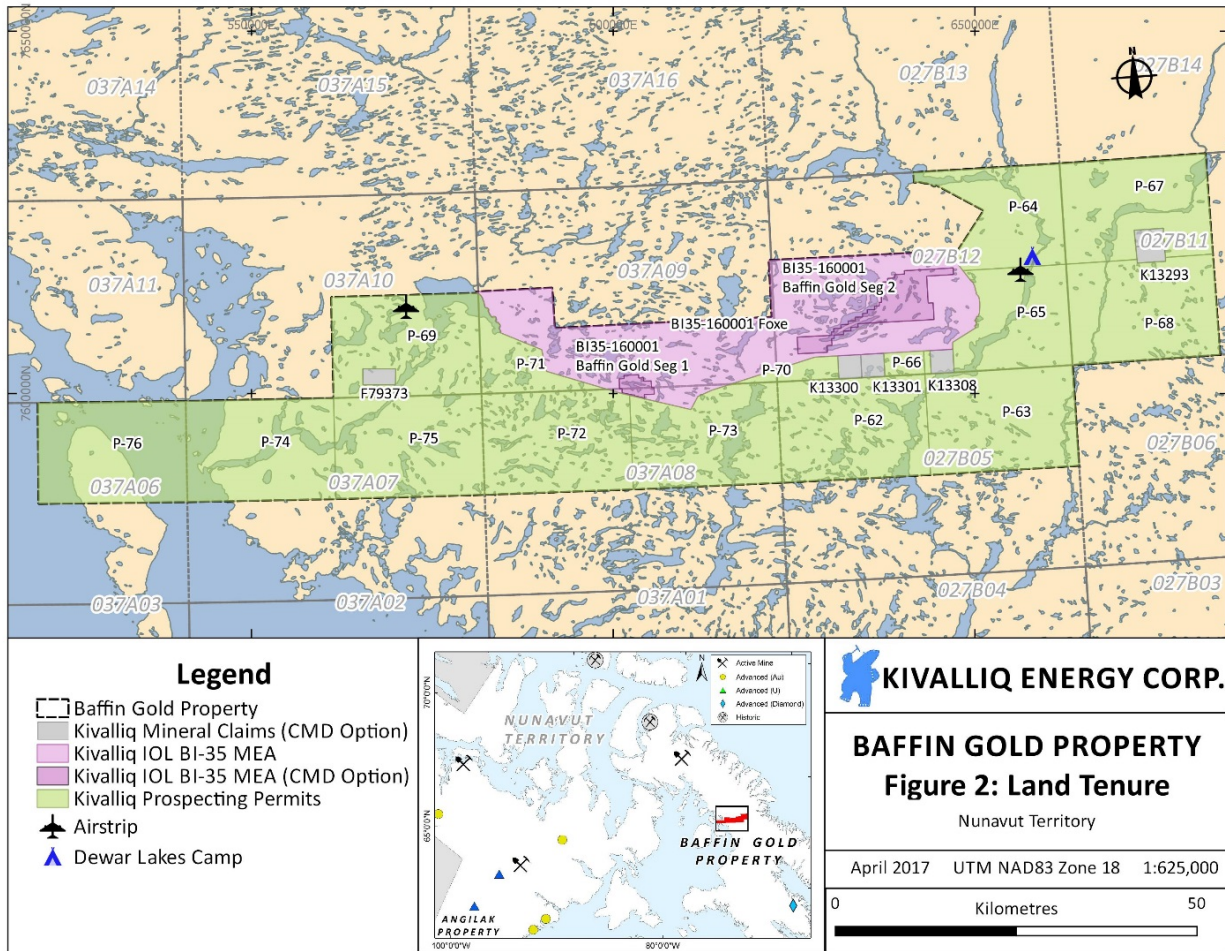


Figure 2: Baffin Gold Property Land Tenure

2017 WORK COMPLETED

Exploration work in 2017 on the Baffin Gold Property included soil sampling, rock sampling, prospecting and drone surveying. From July 23 to August 20, 2017, 11 personnel plus a helicopter pilot and helicopter engineer conducted camp rehabilitation and exploration activities.

On July 23, 2017 a two-man Discovery Mining Services (DMS) crew mobilized to camp to begin the camp rehabilitation and prepare for the exploration crews arrival. An additional seven crew members arrived over the next five days to assist in the camp clean-up. Between July 23 and July 31, all camp residents were dedicated to the rehabilitation efforts.

Kivalliq Energy started the exploration program on August 1 at which point the majority of personnel in camp moved to exploration activities. One DMS employee and one Kivalliq Energy employee ran daily camp operations and continued clean-up efforts.

Till Sampling

During the 2017 summer field season, seven Kivalliq Energy employees and two Apex Geoscience employess conducted a helicopter-supported till sampling program between August 10, 2017 and August 15, 2017. A total of 492 till samples were collected over seven grids. Sample locations can be seen in Figure 3.

The goal of the till geochemical survey was to follow-up and build upon gold in till and gold in soil anomalies that had been identified by historic work program conducted by previous operators. .

All till samples collected were sent to ALS Laboratories Ltd. (ALS) in Sudbury, Ontario for Au-CN44 cyanide extraction and 33-element ICP Analysis.

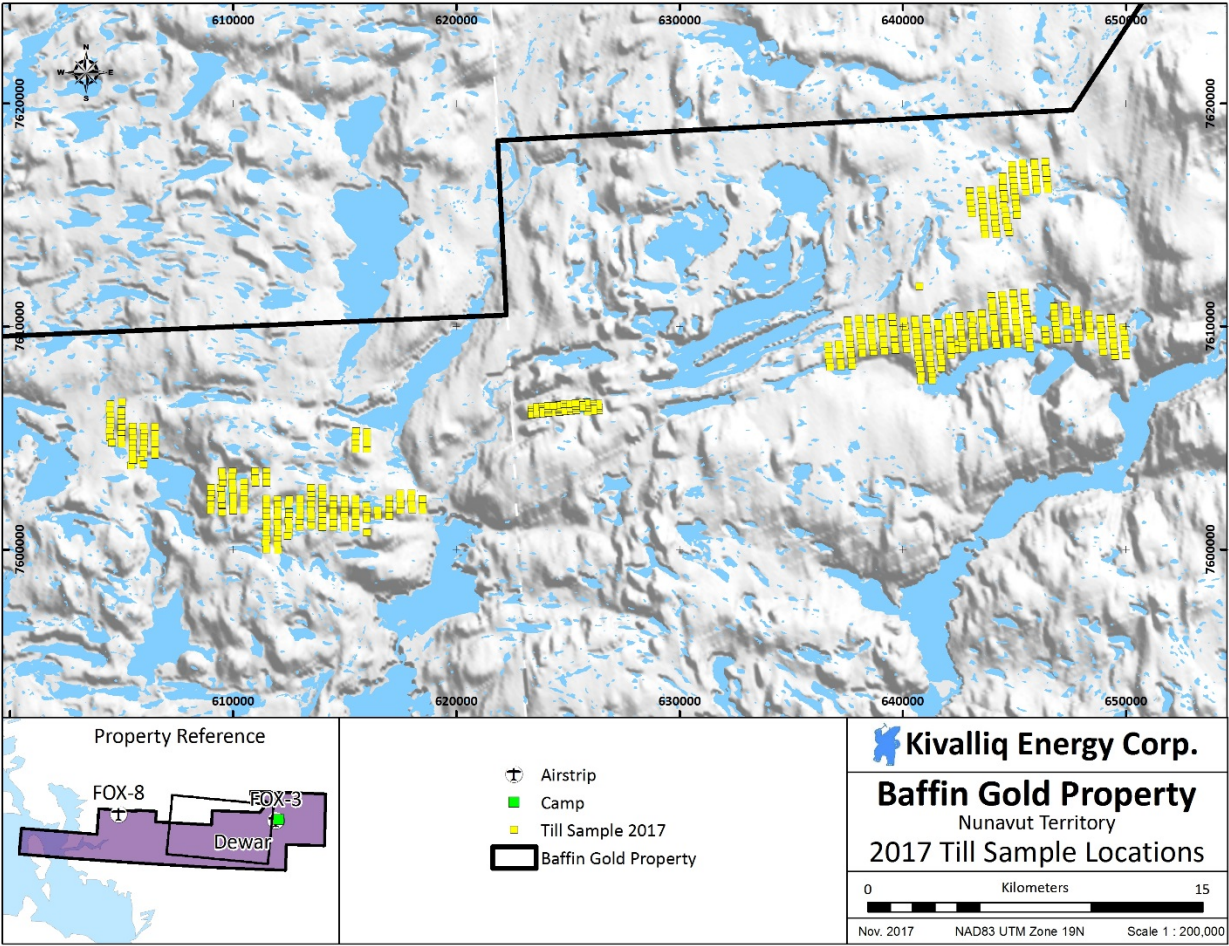


Figure 3: 2017 Till Sample Locations

Rock Sampling

A total of 424 rock samples were collected during the 2017 exploration program. The helicopter supported program was conducted between August 1 and August 16, 2017 and ran concurrently with the soil sampling program. The rock sample locations are shown on Figure 4.

Rock samples were shipped to ALS in Sudbury, ON for multi-element geochemical analysis and gold analysis by fire assay.

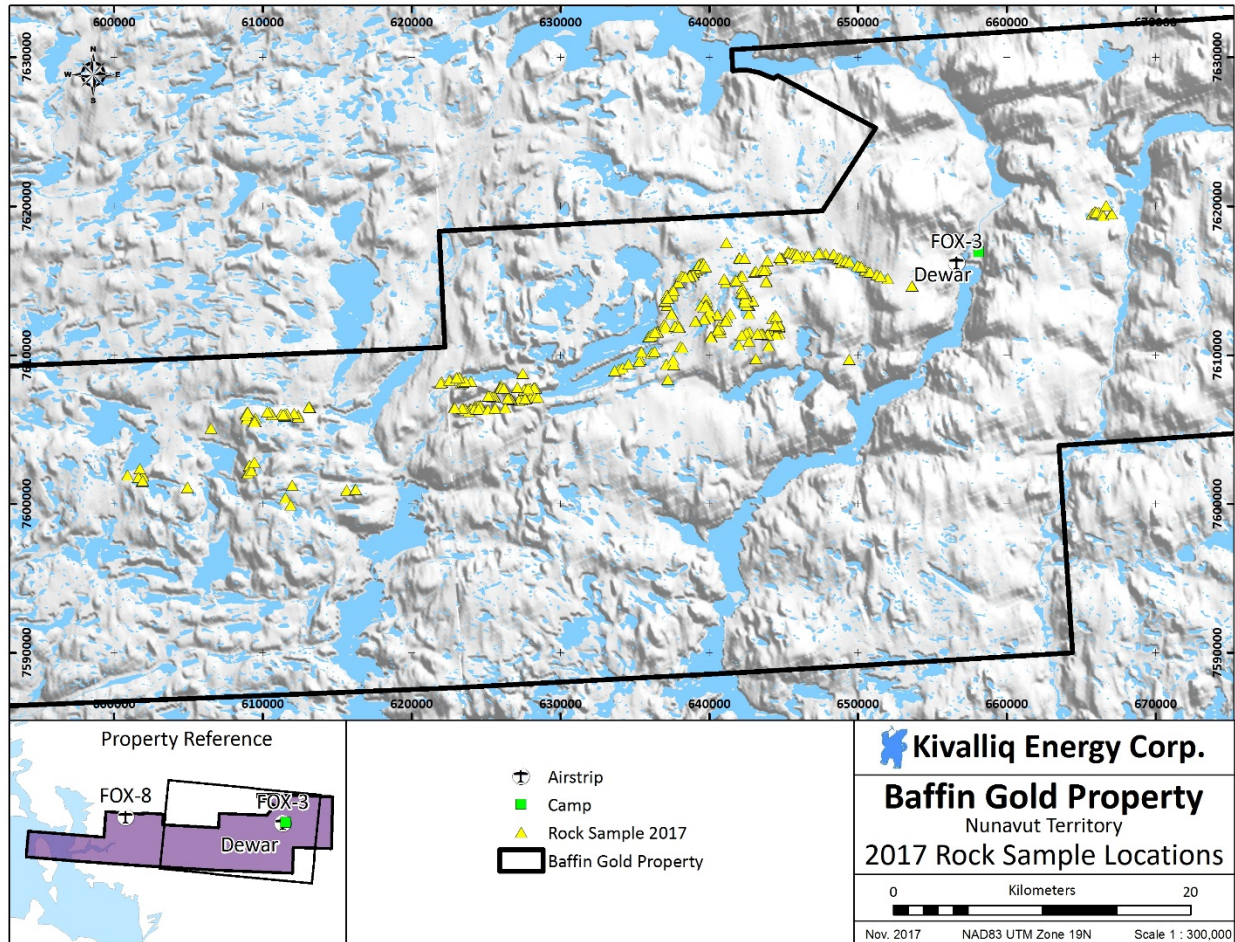


Figure 4: 2017 Rock Sample Locations

Drone Surveying

The 2017 exploration program included a drone survey conducted by two Apex Geoscience personnel. For 10 days between August 1 to August 16, Apex collected 65 km² of high-resolution imagery over two separate grid areas on the Baffin Gold Property (Figure 5). The purpose of the drone survey was to obtain high-resolution air photos over areas of interest on the property and create digital surface models from those images.

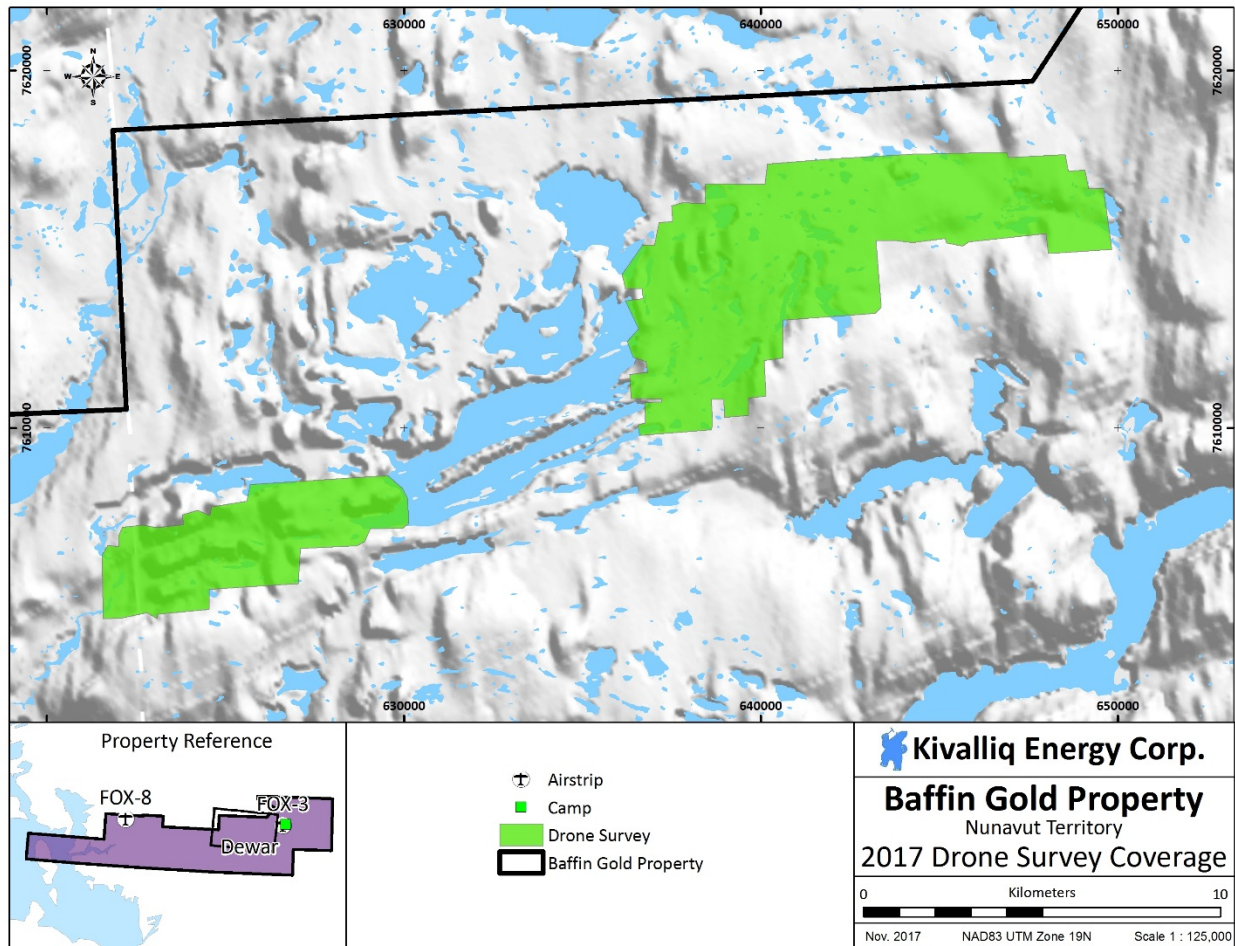


Figure 5: 2017 Drone Survey Coverage

Dewar Lakes Camp Infrastructure – Commander Resources Ltd.

Kivalliq Energy utilized 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. On July 23 2017, a Discovery Mining Services crew was mobilized to rehabilitate the camp and prepare it for the 2017 exploration program. Kivalliq Energy assisted in the camp rehabilitation and proactive remediation.

The Dewar Lakes Camp is authorized by INAC permit N2017J0014 and Nunavut Water Board licence 2BE-NAD1722. Camp management plans are administered by Commander. These plans are consistent with those of Kivalliq Energy. Commander's Annual Report on activities at the Dewar Lakes Camp is attached in **Appendix B**

WILDLIFE OBSERVATIONAL LOG

The 2017 wildlife program consisted 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.

A summary of the wildlife incidental observations reported in 2017 is as follows:

Table 2: Wildlife Observation Log

Date	Time	Species	Number	Observations / Description	Location
1-Aug	10:00	Duck	100	Flock flying north.	Dewar Lakes Camp
1-Aug	17:00	Arctic Hare	1	Running on the tundra.	382405mE 7607369mN Z19
2-Aug	16:00	Ptarmigan	1	Sitting in the rocks.	379725mE 7606405mN Z19
2-Aug	16:00	Falcon	1	Flying by.	379725mE 7606405mN Z19
3-Aug	12:00	Arctic Bunting	1	Sitting on a rock then flew away.	378510mE 7606054mN Z19
3-Aug	16:30	Arctic Hare	1	Running across the tundra.	381270mE 7607630mN Z19
4-Aug	14:00	Seagull	1	Flying down river.	Dewar Lakes Camp
5-Aug	8:00	Caribou	1	Observed walking on the DEW Line Road	DEW Line Road
4-Aug	15:00	Ptarmigan	1	Running across the tundra before it flew away.	608971mE 7605813mN Z18
5-Aug	13:15	Caribou	1	Saw from afar standing on top of a hill.	402716mE 7613342mN Z19
5-Aug	16:30	Arctic Hare	1	Emerged from rock hide and sat motionless.	404677mE 7614054mN Z19
6-Aug	15:45	Falcon	1	Seen flying East.	394638mE 7613750mN Z19
6-Aug	19:00	Caribou	1	Buck seen beside the Fox 3 Airstrip.	Fox 3 Airstrip

Date	Time	Species	Number	Observations / Description	Location
6-Aug	16:30	Caribou	1	Young Buck seen running around.	393185mE 7611283mN Z19
7-Aug	15:15	Caribou	2	Cow and calf were observing the ground crew. They trotted around to get downwind then ran away.	398914mE 7610463mN Z19
7-Aug	15:30	Ptarmigan	8	Seen flying to the top of the ridge.	381014mE 7606951mN Z19
7-Aug	10:30	Arctic Hare	1	Took off down the slope and hid.	383234mE 7606597mN Z19
6-Aug	9:00	Loon	5	Sitting on the lake.	391537mE 7609899mN Z19
8-Aug	16:30	Ptarmigan	7	1 mother and 6 young seen walking across the tundra.	391604mE 7609540mN Z19
9-Aug	17:00	Caribou	1	Seen walking near the Fox 3 Airstrip	Fox 3 Airstrip
10-Aug	9:30	Snow Geese	100	Several small flocks observed sitting on lakes.	Qim 5 Area
11-Aug	10:00	Caribou	1	Observed from afar walking across tundra.	615493mE 7601193mN Z18
11-Aug	11:00	Falcon	2	Flying over a cliff face.	611495mE 7599993mN Z18
12-Aug	14:00	Caribou	4	Observed from afar running across the tundra.	400337mE 7614423mN Z19
12-Aug	13:30	Caribou	1	Single bull observed by ground crews during traverse.	401507mE 7614739mN Z19
14-Aug	13:00	Snow Geese	500-600	Multiple flocks of ~100 seen flying west.	Dewar Lakes Camp
15-Aug	7:00	Erming	1	Sitting on the core boxes.	Dewar Lakes Camp
16-Aug	12:30	Jaeger	1	Observed flying around.	422953mE 7617092mN Z19

ENVIRONMENTAL CONSIDERATIONS

All employees and contractors working for Kivalliq Energy are made aware of the company's internal policies and procedures and are made familiar with the Terms and Conditions of the project's operational licences and permits. Every person arriving at the Baffin Gold Property undergoes an orientation which includes information on health, safety and environmental responsibilities and stewardship. In addition to operational licences and permits, all safety manuals, internal guidelines and management plans are on file with the Project Supervisor and posted at the Dewar Lakes Camp. These include:

- Field Safety Manual
- Emergency Response Plan
- Spill Contingency Plan
- Fuel Management Plan
- Environmental and Wildlife Management Plan
- Abandonment and Restoration Plan

These documents are updated on an annual basis and are available upon request.

Orientation and training at site includes but is not limited to: spill response, bear safety, environmental policies (including waste management), wildlife mitigation measures and the caribou protection measures. Employees, contractors and visitors are asked to review printed materials from the orientation and acknowledge that they have received the orientation, reviewed the information materials and that they understand their individual responsibilities.

Wildlife sightings are recorded in the field and at camp. All employees and contractors are required to report sightings to a designated employee who records them daily. Information is provided to field staff to recognize high profile VECs and species at risk that could potentially occur within the project area.

Wildlife incidents, when they occur, are reported immediately to the QIA and to the GN Wildlife Conservation Officers. Contact information for emergency situations are hung on the wall of the office and provided in Kivalliq Energy's Environmental and Wildlife Management Plan. There were no wildlife incidents reported in 2017.

Regulatory Inspections and Reporting

Notification of program commencement and program completion was provided to INAC, QIA, WSCC and NIRB. One regulatory inspection of the Dewar Lakes Camp was conducted in 2017:

August 14, 2017 INAC/NWB Water Resource Officer Justin Hack

No issues were noted during inspection. The full inspection report can be found in Commander's Annual Report in **Appendix B**.

MITIGATION MEASURES

No caribou migrations were encountered during the exploration program and only rare, isolated wildlife were observed. All mitigation measures were followed.

Caribou, Muskoxen and Other Wildlife

Flights - Helicopter flights maintain a >300 metre altitude whenever possible. In areas where wildlife is observed helicopters are to maintain a minimum of altitude of 610 metres. Absolutely no landings are allowed in areas where there are migrating caribou, caribou cows and/or calves and/or muskox nurse groups present. Helicopter and aircraft pilots are instructed to avoid caribou calving grounds on their way to or from the project area.

Crossings – Between May 15 and September 1, no fuel cache is to be established, and no blasting is to occur within 10 kilometres of a “designated caribou crossing”. No drilling is to be conducted within five kilometres of crossings. Absolutely no activities are to act as a block or in any way cause a diversion to migration of caribou. There are no designated caribou crossings on the Baffin Gold Property or in areas currently being worked by Kivalliq Energy.

Bear and other Carnivores

Known carnivore dens are to be avoided. Any new dens discovered are to be reported to the regional wildlife biologist and the QIA and avoided. No dens were discovered in 2017.

If bears are present in the area, work is to cease until the bears have moved safely out of the area. All human-bear interactions or incidents are to be reported immediately to the QIA and to the GN Wildlife Biologist. There were no bear or carnivore sightings on the property in 2017. There were no wildlife incidents in 2017.

Breeding and Nesting Birds

No eggs or nests are to be disturbed by any activities. If any employee or contractor comes across any active nests, they are to cease all activities immediately to ensure that the nest is not disturbed. Coordinates are to be recorded on the wildlife incidental observation log and these coordinates are to be reported to Environment Canada. Moving or disturbing the nest of a migratory bird is in contravention of the Migratory Birds Convention Act.

The peregrine falcon has been identified as species of Special Concern by COSEWIC. If any nests are found, a buffer must be maintained. A 1.5 kilometre buffer is recommended for the peregrine falcon. Any nests discovered will be recorded on the wildlife incidental observation log and the GPS coordinates provided to the applicable regulatory authorities and interested parties.

WASTE MANAGEMENT

Please refer to Commander’s Annual Report in **Appendix B** for waste management summary at the Dewar Lakes Camp.

FUEL INVENTORY

Please refer to Commander’s Annual Report in **Appendix B** for a fuel inventory at the Dewar Lakes Camp.

FLIGHT SUMMARY

Exploration at Baffin Gold Property relies upon aircraft support. Kenn Borek Air Ltd. based out of Iqaluit, Nunavut provided fixed wing flights from Iqaluit to the Fox-3 North Warning System Airstrip (68°39'02" N Lat., 71°13'58" W Long.) for the project mobilization and during operations. Summit Air out of Yellowknife provided fixed wing flights from Iqaluit for the demobilization of camp.

A total of 15 flights ferried employees, food, supplies, equipment and fuel into the Baffin Gold Property between July 23 and August 20, 2017. All flights utilized the North Warning System Fox-3 Site Airstrip adjacent to the Dewar Lakes Camp site.

A Bell Long Ranger helicopter contracted from Great Slave Helicopters out of Yellowknife, Northwest Territories, was used to support Kivalliq Energy's 2017 exploration program. The Great Slave helicopter arrived in camp on July 23 and remained on site until closure on August 19, 2017. The helicopter flew a total of 99.5 hours. The helicopter flew primarily between the Dewar Lakes Camp and sampling grids on the Baffin Gold Property (Figure #). A tracking system on the helicopter records locational coordinates at 2 minute intervals (A digital record of these is available upon request).

RECLAMATION AND REMEDIATION

In 2017, Kivalliq Energy assisted Commander Resources with camp rehabilitation and proactive remediation. Refer to Commander's Annual Report attached as **Appendix B** for photos showing the Dewar Lakes Camp before and after rehabilitation.

SOCIO-ECONOMIC IMPACTS AND BENEFITS

This is the first year Kivalliq Energy has conducted an exploration program on the Baffin Gold Property. The company and its management have demonstrated a strong commitment to Nunavut with the Angilak Property in the Kivalliq region and will extend that commitment to the Baffin Gold Property. Kivalliq Energy hires locally whenever possible. Accordingly, to assist with the 2017 Baffin Gold Property exploration program, Kivalliq hired two community members from Qikiqtarjuaq and one local prospector from Iqaluit (originally from Qikiqtarjuaq). Kivalliq Energy utilizes northern businesses and services wherever available. A list of contractors whose services were utilized in 2017 is provided in **Appendix C**.

COMMUNITY CONSULTATION

Kivalliq Energy is committed to the Nunavut and Nunavummiut. On July 26 and July 27, 2017 the company visited communities adjacent to the property prior to the start of the exploration program to discuss available Inuit Qaujimajatuqangit, the proposed exploration program and any potential concerns the communities may have. Jeff Ward, President of Kivalliq Energy and Andrew Berry, Chief Operating Officer met with community members of Clyde River on the evening of July 26. The following day they met with the Nangmautaq (Clyde River) Hunters and Trappers Organization (HTO) and the Clyde River Community Lands and Resources Committee (CLARC). From there they travelled to Qikiqtarjuaq and met with the Qikiqtarjuaq CLARC and also conducted a community meeting to introduce the company and the program

to interested community members. Kivalliq Energy's community consultation log is provided in **Appendix D**.

ARCHAEOLOGICAL, TRADITIONAL KNOWLEDGE

This is the first year Kivalliq Energy conducted exploration activities on the Baffin Gold Property. Work conducted was at reconnaissance level to get regional assessment of the property. 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. No archaeological sites were identified in 2017 and no archaeological investigations were undertaken in 2017.

APPENDIX A
2017 LAND TENURE

Permit/Claim Number	Claim Name	NTS Map Sheet	Hectares	Recorded Date	Anniversary Date	Zone	Owner
BI-35-16002		037A09, 027B12	64,534	01-Apr-17	01-Apr-18	18/19	Kivalliq Energy Corp.
BI-35-16001		037A09, 027B12	8,105	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.
Total			408,982.58				

APPENDIX B
2017 ANNUAL REPORT ON THE DEWAR LAKES CAMP
COMMANDER RESOURCES LTD.

ANNUAL REPORT

**DEWAR LAKES CAMP
QIKIQTANI REGION, NUNAVUT, CANADA**



Prepared by:



Contents

1	Introduction	4
1.1	Contact Details	4
1.2	Camp Description and History	4
2	2017 Work Completed	5
2.1	Dewar Lakes Camp Rehabilitation	5
2.2	Dewar Lakes Camp Photographs.....	5
3	Detailed Infrastructure.....	11
3.1	Camp.....	11
3.1.1	Structures	11
3.1.2	Other Camp Infrastructure and Equipment	11
3.1.3	Vehicles	12
4	Wildlife Observational Log	12
5	Regulatory Inspections	12
6	Seasonal Shut down	12
6.1	Inspection and Documentation	12
6.2	Buildings, Content, and Fuel	12
6.3	Waste Management	14
6.4	Water Use	15
7	Flight Summary.....	15

Tables

Table 1: 2017 Wildlife Observational Log.....	12
Table 2: Total Fuel Consumed and Remaining in 2017	13
Table 3: 2017 Incinerator Summary	15
Table 4: 2017 Dewar Lakes Camp Water Use Summary.....	15

Photographs

Photo 1: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking NE	5
Photo 2: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking NNE	6
Photo 3: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking SW.....	6
Photo 4: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking SE.....	7
Photo 5: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 – looking SW.....	7
Photo 6: Dewar Lakes Camp after rehabilitation – Aug 10, 2017 – looking SE	8
Photo 7: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 – looking N.....	8
Photo 8: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 - looking NE	9
Photo 9: Dewar Lakes Camp after closure - Aug 19, 2017 – looking SW	9
Photo 10: Dewar Lakes Camp after closure – Aug 19, 2017 – looking NNE	10
Photo 11: Dewar Lakes Camp after closure - Aug 19, 2017 – looking S.....	10
Photo 12: Dewar Lakes Camp fuel berm.....	14

Appendices

Appendix 1: Figures	17
Appendix 2: Backhaul Log.....	19
Appendix 3: Water Use Inspection Report – Justin Hack.....	20
Appendix 4: Seasonal Camp Shutdown Inspection Record	21
Appendix 5: Camp Inventory Record.....	23
Appendix 6: Incinerator Log	24
Appendix 7: Nunatta Environmental Services Waste Disposal Summary	25
Appendix 8: Water Use Log	26

1 Introduction

This Annual Report applies to activities carried out at the Commander Resources Ltd. (“Commander” or “the Company”) Dewar Lakes Camp (the “Camp”), Nunavut, Canada.

1.1 Contact Details

Commander Resources Ltd.

11th Floor, 1111 Melville Street
Vancouver, BC V6E 3V6

Tel: (604) 646-8352

Fax: (604) 646-4526

info@commanderresources.com

www.commanderresources.com

APEX Geoscience Ltd.

110-8429-24 Street NW
Edmonton, AB T6P 1L3

Tel: (780) 467-3532

Fax: (780) 467-4025

info@apexgeoscience.com

www.apexgeoscience.com

1.2 Camp Description and History

The Dewar Lakes Camp is located on Crown Land beside Dewar Lakes, adjacent to the North Warning System Fox-3 airstrip in the Qikiqtaaluk (Qikiqtani) Region of Nunavut (Figure 1 in Appendix 1). The approximate location of the camp is 68°37'59" N and 71°6'38" W (or 414199E/7614919N UTM Nad83 Zone 19) and is located within the 1:50,000 National Topographic System (“NTS”) map sheet 27B12.

The Dewar Lakes Camp has been used as an operating base by Commander since 2003. The camp was utilized by Commander to support exploration activities in 2011. The site was occupied in 2013 by Biogenie personnel, on behalf of Commander, to clean up and secure the site after an episode of vandalism damaged camp structures. The vandalism resulted in significant damage and exposure of building contents to outdoor conditions, wind dispersion and wildlife. The site was subsequently cleaned-up and secured by Biogenie upon request by Commander.

The Dewar Lakes Camp Site was inspected in the summer of 2016 by an Indigenous and Northern Affairs Canada (“INAC”) Water Resources Officer and found to be vandalized and damaged once again.

Upon arrival in camp on July 23, 2017 the damage by vandalism was found to be more extensive than previously documented. Everything of value was gone or destroyed, all tents were shredded, berms were cut and the incinerator had been damaged beyond use. The only usable, undamaged items remaining were the tent floors which were used for the 2017 program.

The 2017 program included a cleanup and rebuild of the Dewar Lakes Camp as well as use of the camp to support exploration activities. The exploration activities supported by the Dewar Lakes Camp were conducted by Kivalliq Energy Corporation (“Kivalliq”).

Kivalliq Energy has separate permits, licences and management plans for exploration activities from the Camp. The 2017 program commenced on July 23 and was completed on August 20, 2017. The camp is anticipated to be used for the next several years to support ongoing exploration activities.

2 2017 Work Completed

2.1 Dewar Lakes Camp Rehabilitation

On July 23, 2017 a two-man Discovery Mining Services (DMS) crew mobilized to camp to begin the camp rehabilitation and prepare for the exploration crews arrival. An additional seven crew members arrived over the next five days to assist in the camp clean-up. Between July 23 and July 31, all camp residents were dedicated to the rehabilitation efforts.

Kivalliq Energy started their program on August 1 at which point the majority of personnel in camp moved to exploration activities. One DMS employee and one Kivalliq Energy employee ran daily camp operations and continued clean-up efforts.

Over the course of the program, 134 empty drums and 50 mega bags of garbage were backhauled off the property to Nunatta Environmental Services Inc. in Iqaluit for proper sorting and disposal. The backhaul log is attached in Appendix 2.

2.2 Dewar Lakes Camp Photographs

The following photographs show the Dewar Lakes Camp before rehabilitation, after the rehabilitation and after closure.



Photo 1: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking NE



Photo 2: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking NNE



Photo 3: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking SW



Photo 4: Dewar Lakes Camp before rehabilitation - July 26, 2017 – looking SE



Photo 5: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 – looking SW



Photo 6: Dewar Lakes Camp after rehabilitation – Aug 10, 2017 – looking SE



Photo 7: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 – looking N



Photo 8: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 - looking NE



Photo 9: Dewar Lakes Camp after closure - Aug 19, 2017 - looking SW



Photo 10: Dewar Lakes Camp after closure – Aug 19, 2017 – looking NNE



Photo 11: Dewar Lakes Camp after closure - Aug 19, 2017 – looking S

3 Detailed Infrastructure

3.1 Camp

The following is a list which details the structures, equipment and vehicles that were on site during 2017 operations. Canvas tents, certain appliances, the generator, medical supplies, the ATV and trailer were all removed from camp at the end of the season.

3.1.1 Structures

- 3 12'x14' Ancient Mariners canvas tents on plywood flooring to serve as sleeper tents and First Aid. Includes plywood beds, tables, chairs, heaters etc.
- 3 14'x16' Ancient Mariners canvas tents on plywood flooring to serve as a sleeper tents. Includes plywood beds, tables, chairs, heaters etc.
- 1 14'x14' Ancient Mariners canvas tent on plywood flooring to serve as an office. Includes plywood tables, chairs, etc.
- 1 14'x16' Ancient Mariners canvas tents on plywood flooring to serve as a kitchen. Includes plywood kitchen counters, sink, plumbing, tables, chairs, heaters, etc.
- 1 12'x14' Ancient Mariners canvas tent on plywood flooring to serve as a dry. Includes shower stalls, sink, plumbing, heaters etc.
- 1 10'x12' plywood generator shack. Includes exhaust piping, etc.
- 1 14'x16' plywood tool shed.
- 1 14'x16' canvas tents that was previously used for core logging.
- 1 12'x20' plywood latrine shack. Includes 3 Pacto toilets.
- 1 Metal silo for storage

3.1.2 Other Camp Infrastructure and Equipment

- 2 500gal Water tanks (1 for kitchen and 1 for dry)
- 2 Hot water tanks
- 2 Water pumps with fish screens and hose line
- 1 Refrigerator
- 1 Chest freezer
- 1 Cooking stove
- 1 Washing machine
- 1 Dryers
- 1 Camp fuel cache, with Insta-Berm (or similar) secondary containment.
- Various lumber (stacked)

Various office, camp and medical supplies and spill kits

3.1.3 Vehicles

- 1 Helicopter (Bell 206 Long Ranger)
- 1 All-Terrain Vehicle + trailer

4 Wildlife Observational Log

The 2017 wildlife program consisted 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. There were no wildlife incidents reported in 2017.

A summary of the wildlife incidental observations reported in the vicinity of the Dewar Lakes Camp in 2017 is as follows:

Table 1: 2017 Wildlife Observational Log

Date	Time	Species	Number	Observations / Description	Location
1-Aug	10:00	Duck	100	Flock flying north.	Dewar Lakes Camp
4-Aug	14:00	Seagull	1	Flying down river.	Dewar Lakes Camp
5-Aug	8:00	Caribou	1	Observed walking on the DEW Line Road	DEW Line Road
6-Aug	19:00	Caribou	1	Buck seen beside the Fox 3 Airstrip.	Fox 3 Airstrip
9-Aug	17:00	Caribou	1	Seen walking near the Fox 3 Airstrip	Fox 3 Airstrip
14-Aug	13:00	Snow Geese	500-600	Multiple flocks of ~100 seen flying west.	Dewar Lakes Camp
15-Aug	7:00	Ermine	1	Sitting on the core boxes.	Dewar Lakes Camp

5 Regulatory Inspections

Notification of camp and program commencement and closure was provided to INAC, QIA, WSCC and NIRB. One regulatory inspection of the Dewar Lakes Camp was conducted in 2017:

August 14, 2017 INAC/NWB Water Resource Officer Justin Hack

There were no concerns noted related to Commander's use of water or deposit of waste. The full inspection report can be seen in Appendix 3.

6 Seasonal Shut down

6.1 Inspection and Documentation

A complete inspection of all areas was conducted prior to seasonal shut down. Photographs were taken to document the condition of camp prior to leaving the site (see Section 2.2). The Seasonal Camp Inspection Record is attached in Appendix 4.

6.2 Buildings, Content, and Fuel

A full inventory of all structures, equipment, fuel, and other supplies was taken at end of the 2017 exploration season. The Camp Inventory Record is attached in Appendix 5.

All food, wastes and valuable or sensitive equipment was removed from site. Salvageable food items were donated to local hires that worked on the property. A few wooden structures were left at the camp. All structures left on site were winterized, closed off, and secured. All water tanks and pipes were drained at the end of the season. Pumps and hoses were drained and removed from camp. All mechanical equipment, including vehicles, and generators were removed from camp.

All storage, fueling and staging areas are bermed (such as helicopter refueling stations and generator refueling stations) and have readily available emergency spill kits. Spill trays were located under all fuel drums behind tents. Lengths of dimensional lumber were laid down upon the liner in a manner to support 4 rows of fuel drums stored horizontally. Within the berms, drums are positioned with bungs at 3 o'clock and 9 o'clock in two rows of two, running the full 60' length of the berms so the bungs are visible for inspection at all times.

Over the course of the program, Kenn Borek Ltd. brought in 66 drums of jet fuel, 10 drums of diesel, 2 drums of gasoline and 10 cylinders of propane. The majority of jet fuel was used by Kivalliq Energy to support the exploration program. Camp activities required diesel for the generator, incinerator and stoves. Propane was used for the dryer, kitchen stove and water heater. The ATV and water supply pump were gasoline powered. Fuel consumption for 2017 can be seen in Table 2 and was divided between Kivalliq Energy's exploration program and Commander's camp restoration program.

At the end of the 2017 program, the Dewar Lakes Camp fuel cache contained 1 drum of diesel, 23 drums of jet fuel and 7 propane cylinders. A total of 134 empty drums and 50 mega bags of garbage were removed from site to Nunatta Environmental Services Inc. in Iqaluit for proper disposal. Roughly 30 empty drums remain on site for removal during 2018.

Table 2: Total Fuel Consumed and Remaining in 2017

Fuel Type	Number Used During 2017 Program	Number of Containers Remaining – August 2017
Jet	43 drums	23
Diesel	9 drums	1
Gasoline	2 drums	0
Propane	3 cylinder	7



Photo 12: Dewar Lakes Camp fuel berm

6.3 Waste Management

Combustible Waste: Upon arrival to camp on July 23, 2017, the existing Inciner8 incinerator was found to be vandalized and unusable. A SmartAsh cyclonic portable incinerator was mobilized as a replacement. Additional parts and components for the Inciner8 will be brought in to get the incinerator in working condition for the 2018 program. All combustible waste was incinerated in accordance with the Nunavut Environmental Guideline for the Burning and Incineration of Solid Waste. Any residual waste (ash) was placed in sealed containers and once full will be backhauled for proper disposal. A summary of incinerated waste is provided in Table 3 below. The full incinerator log is attached as Appendix 6.

Table 3: 2017 Incinerator Summary

Month	Kitchen (Garbage Bags)	Garbage (Garbage Bags)	Pacto (Garbage Bags)
July	2	1	1
August	112	12	11
TOTAL	114	13	12

Non-Combustible Waste: 50 mega bags of non-combustible waste was collected and backhauled to Nunatta Environmental Services Inc. in Iqaluit for sorting and proper disposal. Refer to Appendix 7 for the Nunatta Environmental Services Waste Disposal Summary.

Sewage: The Dewar Lakes Camp utilized Pacto toilets and the waste was incinerated. Ash generated from sewage incineration is stored in sealed metal 205 L drums and will be removed from site for proper disposal. At the end of operations, the Pacto toilets were cleaned and removed from camp and the shack was secured for the winter.

Empty barrels/ fuel drums: 134 empty drums were transported to Nunatta Environmental Services Inc. in Iqaluit for proper disposal.

For more information on waste generation and management see the Dewar Lakes Camp "Waste Management Plan."

6.4 Water Use

Water use was recorded for the domestic camp usage. A summary of the water use by month is shown in Table 4. The complete water use data can be found in Appendix 8.

Table 4: 2017 Dewar Lakes Camp Water Use Summary

Month	Gallons	Cubic metres
July	500	1.89
August	3225	12.21
TOTAL	3725	14.10
Daily Average	162	0.61

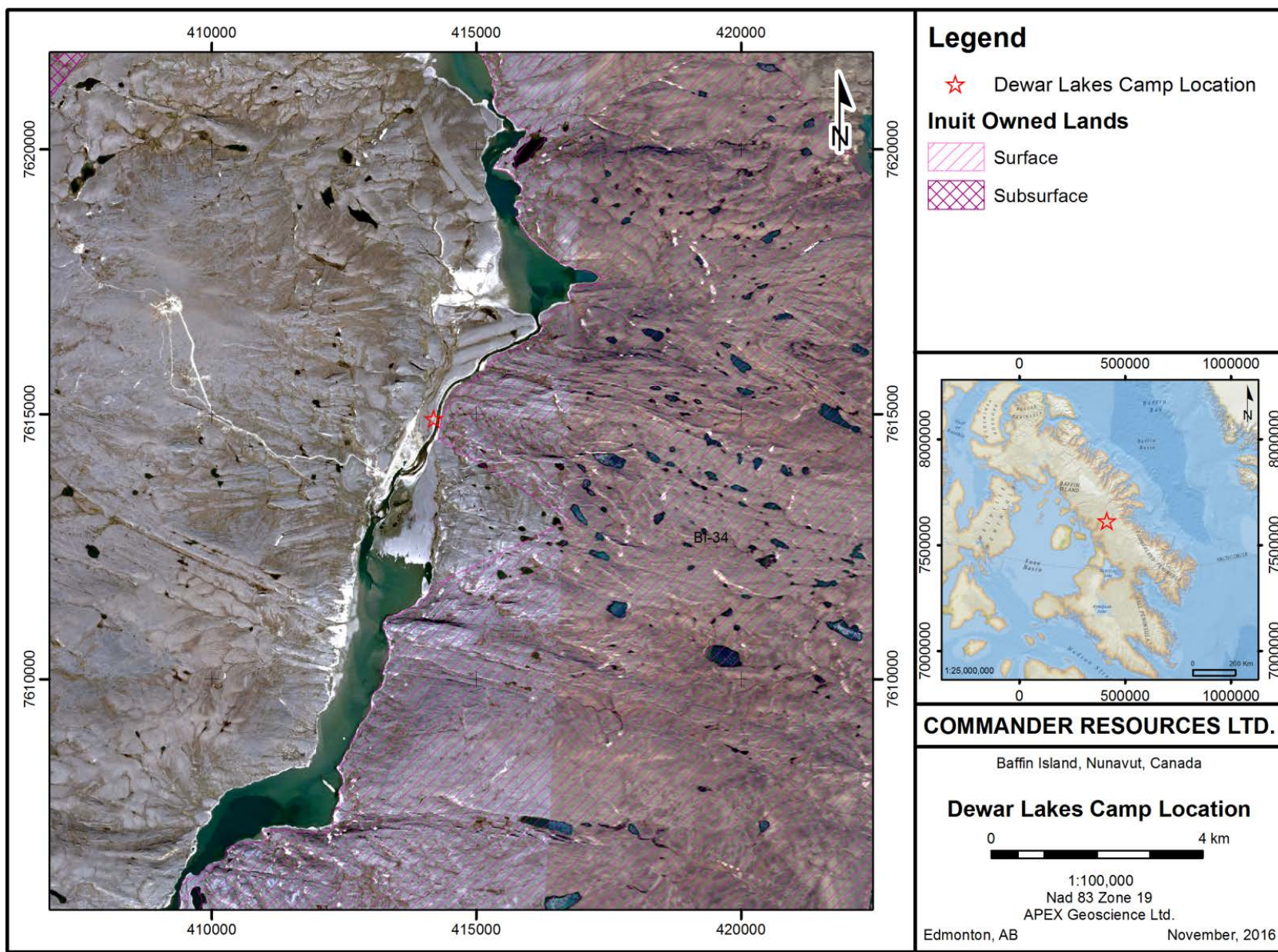
7 Flight Summary

Exploration at Baffin Gold Property relies upon aircraft support. Flights were split between Commander and Kivalliq Energy based on proportion of flights needed for the camp restoration vs Kivalliq's exploration program, respectively. Kenn Borek Air Ltd. based out of Iqaluit, Nunavut provided fixed wing flights from Iqaluit to the Fox-3 North Warning System Airstrip during operations. Summit Air out of Yellowknife provided fixed wing flights from Iqaluit for the demobilization of camp.

A total of 15 flights ferried employees, food, supplies, equipment and fuel into the Baffin Gold Property between July 23 and August 20, 2017. All flights utilized the North Warning System Fox-3 Site Airstrip located at 68°39'02"N 071°13'58"W.

A Bell Long Ranger helicopter contracted from Great Slave Helicopters out of Yellowknife, Northwest Territories, was used to support Kivalliq Energy's 2017 exploration program. The Great Slave helicopter arrived in camp on July 23 and remained on site until closure on August 19, 2017. The helicopter flew a total of 99.5 hours. The helicopter flew primarily between the Dewar Lakes Camp and sampling grids on the Baffin Gold Property. A tracking system on the helicopter records locational coordinates at 2 minute intervals (A digital record of these is available upon request).

Appendix 1: Figures



Appendix 2: Backhaul Log

Baffin Property 2017 Backhaul Log														
Date	Charter Company	Returning to:	Reason / Cargo	IN						OUT				
				Passengers	Jet	P50	Gas	Propane	Freight	Passengers	Drums	Propane	Garbage	Freight
23-Jul-17	Kenn Borek DC3	Iqaluit	IN: Dave, Cliff, Propane, Camp Gear. OUT: Empty Drums, Megabag of Garbage	2				1	Y		20		1	
24-Jul-17	Kenn Borek DC3	Iqaluit	IN: Bill, Pierre, Solomonie OUT: Empty Drums, Megabag of Garbage	3	10			1			20		1	
24-Jul-17	Kenn Borek DC3	Iqaluit	IN: Jet Fuel, Diesel, jerry cans of Gasoline, Camp Gear. OUT: Empty Drums, 2 Megabags of Garbage		12	1			Y		10		2	
25-Jul-17	Kenn Borek DC3	Iqaluit	IN: Thomas, Jet Fuel, Gasoline. OUT: Empty Drums	1	14		1				31			
26-Jul-17	Kenn Borek DC3	Iqaluit	IN: Jet Fuel, Propane. OUT: Empty Drums, Megabag of Garbage		12			1	Y		33		1	
29-Jul-17	Kenn Borek DC3	Iqaluit	IN: Tyler, Jet Fuel, Propane. OUT: Pete, Empty Drums, 10 Megabags of Garbage	1	10	3		1	Y	1	20		10	
29-Jul-17	Kenn Borek DC3	Iqaluit	IN: Jet Fuel, Diesel. OUT: 10 Megabags of Garbage + Scrap Metal		4	2							10	
30-Jul-17	Kenn Borek DC3	Iqaluit	IN: Diesel, Propane, Freight. OUT: 20 Megabags of Garbage, Appliances, Stoves			2		2	Y				20	
31-Jul-17	Kenn Borek DC3	Iqaluit	IN: Emily, Cam, Danielle, Fernando, Jimmy, Peter, Groceries. OUT: Andy, Berm Material	6	4	2	1	2	Y	1			10	Y
9-Aug-17	Kenn Borek King Air	Iqaluit	IN: Groceries, Geology Supplies. OUT: Andy, Berm Material						Y	1				Y
17-Aug-17	Air Nunavut Super King Air	Iqaluit	IN: Helicopter parts. OUT: Jeff, Peter, Emily, Danielle, Fernando, Solomonie, Rock Samples							6				Y
19-Aug-17	Summit Air Dornier	Iqaluit	OUT: Bill, Pierre, Rock Samples, Soil Samples							2				Y
19-Aug-17	Summit Air Dornier	Iqaluit	OUT: Generator, Soil Samples, Tents, Camp Gear, Helicopter Gear, First Aid Equipment											Y
19-Aug-17	Summit Air Dornier	Iqaluit	OUT: Cam, Dave, Jimmy, Thomas, ATV, Camp Gear, Garbage							4			Y	Y
20-Aug-17	Summit Air Dornier	Yellowknife	OUT: Dave, Camp Gear, Communications, First Aid Equipment, Helicopter Gear							1				Y

Appendix 3: Water Use Inspection Report – Justin Hack



WATER USE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee		Licensee Representative	
Commander Resources Ltd		Robert Cameron/Tara Gunson	
Licence No. / Expiry		Representative's Title	
2BE-NAD1722			
Land / Other Authorizations		Land / Other Authorizations	
--		--	
Date of Inspection		Inspector	
August 14, 2017		Justin HACK	
Activities Inspected			
<input type="checkbox"/> Camp	<input type="checkbox"/> Drilling	<input type="checkbox"/> Mining	<input type="checkbox"/> Construction
<input type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Other:	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Fuel Storage
<input type="checkbox"/> Other:		<input type="checkbox"/> Other:	

Conditions:		A - Acceptable	C - Concern	U - Unacceptable	NA – Not Applicable	NI – Not Inspected					
Water Use		Condition	Comment	Site Conditions		Condition	Comment	Haz/Mat Management		Condition	Comment
Intake/Screen	A			Water Management Structures		NA		Storage		A	
Flow Measure. Device	A			Culverts / Bridges		NA		Spills		A	
Source:	A			Drainage		A		Spill Plan		A	
Water Use:	A			Erosion / Sediment		A					
Recirculation (y /n)	NA			Mitigation Measures		NA		Administrative			
				Reclamation Activities		NA		Records		A	
				Materials Storage		A		Reports		A	
Waste Disposal				Signage		NA		Plans		NI	
Waste Water	A							Notifications		NI	
Solid Waste	A			Monitoring				Other			
Hazardous Waste	NA			Sample Collection / Analysis		NA					
*The number in the comments field will correspond with specific comments provided below.											
Samples taken by Inspector:				Location(s):							
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No											

SECTION 1	<input checked="" type="checkbox"/> Comments (s.1)	<input type="checkbox"/> Non-Compliance with Act or Licence (s.__)	<input type="checkbox"/> Action Required (s.__)
Background			
Commander Resource Ltd has been issued a Type B Water Licence (2BE-NAD1722) for the use of 2m ³ per day of water and the deposit of waste during camp operations and related activities at the Baffin Island Project located at N68°37'59", W71°06'38" (see <i>Photo 1</i>). This licence is valid until July 17, 2022.			
Inspection Report			
Water Use			
1. The licensee was withdrawing water from the stream next to camp, as approved by the NWB.			
2. The pump was in secondary containment and water quantity was being recorded.			
3. No erosion to banks or sedimentation was occurring as observed related to this use of water.			
4. There was a screen attached to the pump hose (see <i>Photo 2</i>).			
Waste Disposal			
5. Greywater was being directed to a sump located greater than 31m from the stream (see <i>Photo 3</i>).			
6. Solid waste was not being stored in a way in which it would likely effect inland waters.			
7. Sewage wastes were being contained within Pacto toilets.			
Other notes:			
8. All fuel on site was contained within secondary containment or greater than 31m from the nearby river.			
9. The incinerator was active at the time of the inspection and is located greater than 31m from the river.			
10. No spills were noted.			
Click here to enter text.			
SECTION 2	<input type="checkbox"/> Comments (s._2_)	<input type="checkbox"/> Non-Compliance with Act or Licence, (s.__)	<input checked="" type="checkbox"/> Action Required (s.12)
There were no concerns noted related to this Licensee's use of water or deposit of waste			

Inspector's Name
Justin Hack
Signature



Date

September 26, 2017



Photo 1: Overview of camp.



Photo 2: Water pump with intake screen in blue.



Photo 3: Sump where greywater is discharged.

Appendix 4: Seasonal Camp Shutdown Inspection Record

Area	Complete	Comment	Inspected
<u>General Camp area</u>			
General camp area inspected for any waste, spills or contamination	✓	There were no spills in 2017	David Scott
General camp area secure for winter	✓		David Scott
All combustible and non-recyclable waste incinerated	✓		David Scott
All non-combustible waste prepared for removal	✓		David Scott
Any unnecessary or excessive vegetation damage	✓		David Scott
<u>Buildings and Content</u>			
All tents and building complexes secured for the winter and cleared of any debris	✓	Canvas tents set up in 2017 were removed from site for the winter. Remaining wooden structures were secured for the winter.	David Scott
All office equipment; furniture; kitchen equipment; recreational equipment and other mobile heavy equipment will be winterized and secured	✓	Office equipment secured in the tool shed. Plywood furniture neatly stacked on remaining tent floors.	David Scott
Any equipment not capable of withstanding the harsh winter conditions will be removed	✓	Kitchen equipment, propane stove, propane dryer and ATV were to Iqaluit for the winter.	David Scott
Area inspected for petroleum spills or contamination	✓	There were no spills in 2017	David Scott
<u>Water Supply System</u>			
Water pumps, filtering systems, water lines and any other equipment associated with the water supply system drained and winterized	✓	Water pump and supply hose sent to Iqaluit for the winter	David Scott
Water pump shed will be secured	✓		David Scott
Area inspected for petroleum spills or contamination	✓	There were no spills in 2017	David Scott
<u>Sewage System</u>			
Greywater system drained	✓		David Scott
Pacto units cleaned	✓		David Scott
Pacto shed cleaned and winterized	✓		David Scott
<u>Waste Incinerator</u>			
Incinerator fuel supply shut off using all valves	✓		David Scott
Incinerator fuel in appropriate and functional secondary containment	✓		David Scott
Area inspected for petroleum spills or contamination	✓	There were no spills in 2017	David Scott
Incinerator area cleared of any debris	✓		David Scott
<u>Electrical System</u>			
Generator shack and surrounding area inspected for signs of spills and remaining wastes such as oil and grease	✓	There were no spills in 2017	David Scott
Generator drained of fuel and removed from camp	✓	Generator returned to Discovery Mining Services in Yellowknife for the winter	David Scott
Generator shack secured for winter	✓		David Scott
All electrical wire, plugs and sockets which remain in their installed location are safe and secure	✓	Electrical panel with 100' cord was transported to Iqaluit for storage over the winter	David Scott
All electrical cords temporarily connected to a building or machinery unplugged, rolled and stored	✓		David Scott
<u>Camp Heating Systems</u>			
Each 205L fuel barrel attached to respective tent or building secured and within secondary containment	✓		David Scott
All remaining fuel lines will be burned out	✓		David Scott
Empty propane cylinders ready for transport for refilling or recycling	✓		David Scott
<u>Petroleum Products and Storage Facilities</u>			
All fuel stored in appropriate and functional secondary containment	✓	See section 5.2 for details. Wobble pumps moved to Iqaluit for storage over the winter.	David Scott
All fuel storage areas GPS location recorded	✓		David Scott
All fuel labelled properly	✓		David Scott
Area inspected for spills or contamination	✓	There were no spills in 2017	David Scott
Fuel storage area cleared of any debris	✓		David Scott
<u>Chemicals and Hazardous Waste</u>			
All chemicals stored in appropriate building or within functional secondary containment	✓		David Scott
All household cleaners properly secured and stored for winter	✓		David Scott
All remaining waste fuel, oil and grease stored in approved and labelled containers for reuse during summer operations	✓		David Scott
All hazardous waste that cannot be reused properly stored, sealed, labelled and prepared for removal	✓		David Scott
Area inspected for spills or contamination	✓	There were no spills in 2017	David Scott
Area cleared of any debris	✓		David Scott

Area	Complete	Comment	Inspected
<u>Spill Response Kits</u>			
Spill kits not needed over winter relocated to secured building	✓		David Scott
Emergency Response	✓		David Scott
Fire extinguishers in working order and secure in all necessary locations	✓	Upon camp closure, all fire extinguishers were prepared for removal.	David Scott
Smoke/CO2 detectors in working order and secure in all necessary locations	✓	Smoke/CO2 detectors were moved to the metal silo for storage over the winter.	David Scott
Fire extinguishers moved to secure building for the winter	✓	Fire extinguishers moved to Iqaluit for the winter	David Scott
<u>Transportation</u>			
Transport areas including helipads and ATV trails inspected for spills or contamination	✓	There were no spills in 2017	David Scott
Vehicles prepared for transport offsite for the winter	✓	The ATV and trailer were transported off site for the winter	David Scott
<u>Documentation</u>			
Notification of all required authorities of seasonal shut down	✓	Sent September 15, 2017 to INAC and NWB by APEX on behalf of Commander	Tara Gunson
Inspections recorded	✓	INAC/NWB Inspection on August 14, 2017. Daily visual inspections were conducted by David Scott.	David Scott
Photos taken of camp and fuel cache	✓	Closure photos included in Section 2.2	Cam Barker, Patrick Robert
GPS coordinates recorded for camp, fuel storage area and wildlife sightings	✓		Emily McNie
Descriptions recorded for all wildlife sightings	✓	Wildlife Observational Log included in Section 4	Emily McNie
Year-end inventory of all equipment and buildings left on site	✓	Inventory included in Appendix 4	David Scott

Appendix 5: Camp Inventory Record

Camp Gear

Item	Quantity
showers	5
laundry sinks	2
pex	40'
1 1/2" abs	40'
2" abs	40'
grease trap	1
250 gallon water tanks	2
pacto	1
pacto bag refills	2
coffee maker (small)	1
kettle	1
fridge	1
washer	1
freezer	1
extension cords	15
fold out chairs	10
fold out tables	2
screws/nails	small amount
lightbulbs	20
6" chimneys	9+
drip pans	20
water supply hose	3
blue collapsible hose	3
core splitter	1
core saw	1
mega bags	80
electrical cable-various sizes	various lengths
berm	1
oil cloth	1/2 roll
floors	10
bathroom sinks	3
kitchen sinks	3
blue tarps	4
long handle shovels	3
short handle shovels	5
geotools	8+
rice bags	2 rolls

Office Supplies

Item	Quantity
Scribe	1
Chap Stick	6
Rite in the Rain - small	1
Rite in the Rain - large	1
Flagging Tape	23
Sun Screen	3
Bug Spray	11
Bug Vests	12
Zip Ties	5
Swing Magnet	2
Paper	1.5 packs
Avery Shipping Labels	20
Sticky Notes	11
Yellow Highlighter	6
Stapler	2
Pencils	17
Uni-Ball Pens (Black)	13
Highland Clear Tape	1
Small Binder Clip	2
Medium Binder Clip	1
Heavy Duty Staples	1
Standard Staples	2 boxes
Bick Pens (Blue)	8
Duct Tape	1
Push Pins	1 box
Black Bound Notebook	3
12W Wall Charger	1
Box Cutter	2
Scissors	2
Extension Cord	2
Soil Bags	1400
Poly Bags	250
Canon PIXMA MX492 Printer	1
HP Color Laser Jet PRO MFP M177fw Printer	1

Safety Gear

Safety Glasses	7
Safety Helmet	2
Safety Vest	3
Yellow Ear Buds	200
Gloves	7

Appendix 6: Incinerator Log

Date	Kitchen (Garbage Bags)	Garbage (Garbage Bags)	Pacto (Garbage Bags)	Employee
31-Jul-17	2	1	1	DS
01-Aug-17	4		1	DS
02-Aug-17	2	2		DS
03-Aug-17	6			DS
04-Aug-17	10			DS
05-Aug-17	8		2	DS
06-Aug-17	6			DS
07-Aug-17	4			DS
08-Aug-17	6	1	1	DS
09-Aug-17	6			DS
10-Aug-17	6	1	1	DS
11-Aug-17	7	1		DS
12-Aug-17	9	2	2	DS
13-Aug-17	5	1		DS
14-Aug-17	8	1		DS
15-Aug-17	8		2	DS
16-Aug-17	8	1		DS
17-Aug-17	9	2	2	DS
July	2	1	1	
August	112	12	11	
TOTAL	114	13	12	

Appendix 7: Nunatta Environmental Services Waste Disposal Summary

Nunatta Environmental Services Inc.



P.O Box 267
Iqaluit, NU, X0A 0H0
(867) 979-1488
nunatta@northwestel.net

Garbage Sorting and Waste Disposal Activities **Dewar Lakes Camp Trash** **Iqaluit, Nunavut**

FINAL REPORT

Prepared for:
Kivalliq Energy Corp.
1020-800 West Pender Corp Street
Vancouver, BC, Canada
V6C-2V6

Prepared by:
Nunatta Environmental Services Inc.
P.O Box 267
Iqaluit, Nunavut, X0A 0H0

Nunatta Environmental Services
2017

Garbage Sorting and Disposal from Dewar Lakes Exploration Camp

November 29, 2017

Nunatta was contacted by Martin Barbe to receive drums for crushing at the landfarm in Iqaluit. He told me the materials were from the Dewar Lakes camp site and that Andrew Berry from Kivalliq Energy Corp. would be calling with instructions for disposal and invoicing. Andrew Berry called from the cleanup location and introduced himself and who he worked for then gave me the address and phone numbers for invoicing.

We received 100 empty drums over the period of a few weeks, some of which contained small amounts of hydrocarbons. This was sucked out prior to crushing of the drums. Eleven drums arrived with noticeable amount of liquid and a few were full. When we consolidated these and added what was removed from the empty drums it came to 7 drums of product. This included used oil, old fuel, fuel and water mix. This was banded to skids and shipped south to be recycled and or disposed in an environmentally friendly manner.

The receiving recycler we use is
Global Recouperation,
1071 Principale, St-Pierre Baptiste,
QC G0P-1K0,
Phone 418-453-2424 or
www.globalrecouperation.com

Wood, cardboard and metals were all sorted and then taken to the city of Iqaluit landfill where each component is offloaded into its own area to be dealt with independently from the household waste. Metals are crushed and shipped out at the end of the shipping season to be recycled. Wood is shredded and used to cover the landfill garbage. Cardboard is baled and shipped out when enough has been gathered to warrant removing it. Burning as in the past has been stopped in Iqaluit. In all six trip to the dump were made by Nunatta staff.

6 X 100 lb Propane tanks have been stored in Nunatta Landfarm until next sealift when they will be sent south for reuse. Shipping company did not remove all waste this fall due to a large amount of scrap metal being shipped out.

The bulk bags were cleaned out and if in good shape Nunatta Environmental Services folded them and put away for future use.

James H. Wilson GM/VP
Nunatta Environmental Services Inc.

Appendix 8: Water Use Log

Date	Gallons/day	Cubic metres/day	Employee
28-Jul-17	250	0.95	DS
29-Jul-17	0	0.00	
30-Jul-17	0	0.00	
31-Jul-17	250	0.95	DS
01-Aug-17	125	0.47	DS
02-Aug-17	0	0.00	
03-Aug-17	250	0.95	DS
04-Aug-17	200	0.76	DS
05-Aug-17	200	0.76	DS
06-Aug-17	150	0.57	DS
07-Aug-17	200	0.76	DS
08-Aug-17	200	0.76	DS
09-Aug-17	250	0.95	DS
10-Aug-17	200	0.76	DS
11-Aug-17	200	0.76	DS
12-Aug-17	200	0.76	DS
13-Aug-17	200	0.76	DS
14-Aug-17	200	0.76	DS
15-Aug-17	200	0.76	DS
16-Aug-17	200	0.76	DS
17-Aug-17	250	0.95	DS
18-Aug-17	0	0.00	
19-Aug-17	0	0.00	
TOTAL	3725	14.10	
Daily Average	162	0.61	

APPENDIX C
2017 CONTRACTOR SERVICES

2017 Contractor Services

Qikiqtarjuaq, NU

Siku Hotel
Tulugak Co-op
Leelie Enterprises
Hamlet of Qikiqtarjuaq
Rosemary Metuq (Translator Services)

Clyde River, NU

Qammaq Hotel
Naujaaraaluit Hotel
Clyde River Aerodrome - Jet Fuel
Hamlet of Clyde River
Loseosie Paneak (Translator Services)

Iqaluit, NU

Hotel Arctic
Frobisher Inn
Discovery Lodge
North Mart
Sikitu Sales & Service Ltd.
Arctic Cat Sales
Nuna Link
Nunatta Environmental Services Inc.
Air Nunavut
Unaalik Aviation Inc. - Kenn Borek Air Ltd.
Frobisher Bay Touchdown Services
Nunavut Sealink and Supply (NSSI)
C3 Fuel Services
RL Hanson Construction

Yellowknife, NT

Auyuittuq Aviation - Great Slave Helicopters
Northern Communications
Summit Air
Discovery Mining Services
Medics North

Quebec

First Air
Days Inn Airport Hotel

Ontario

ALS Laboratories

British Columbia

Raymac Environmental Services Inc.
Blender Media
Staples Business Depot Ltd.
BestBuy Canada

Alberta

Vision Travel

APPENDIX D

2017 COMMUNITY CONSULTATION LOG

Consultation Log - Baffin Gold Property

Last Updated: December 20, 2017 16:00 PST

Date	Time	Contact	Details
30-Nov-16		Carson Gillis, Director of Lands, NTI Joel Fortier, Acting Director of Lands and Resources, QIA	Expression of Interest sent from Kivalliq Energy to NTI on IOL parcel BI-35 on Baffin Island in the Qikiqtani region. Subsequent letter was sent from NTI to QIA for a declaration that the lands of interest are open to exploration and mining.
06-Mar-17		Joel Fortier, Acting Director of Lands and Resources, QIA (Iqaluit) Bruce J. McRae, QIA General Counsel	Two introductory meetings with QIA to discuss Expression of Interest to NTI on IOL BI-35, possible work programs, and regional/community concerns
23-Mar-17		Joel Fortier, Acting Director of Lands and Resources, QIA (Iqaluit)	Emails and phone calls re: NTI Expression of Interest on IOL BI-35. Provided QIA with NTI Assignment Approval, company and 2017 program summary and presentation for a CLARC meeting in Qikiqtarjuaq.
27-Mar-17		Joel Fortier, Acting Director of Lands and Resources, QIA (Iqaluit)	Emails re QIA CLARC meeting in Qikiqtarjuaq. QIA notice that approval was sent to NTI (Carson Gillis) that CLARC has indicated an openness to the project.
23-Apr-17		Joel Fortier, Acting Director of Lands and Resources, QIA (Iqaluit)	Update to QIA on status of MEA application, request for consent letter and initial plans for community visits, permitting and summer 2017 program.
01-May-17		Joel Fortier, Acting Director of Lands and Resources, QIA (Iqaluit) Navarana Beveridge, Executive Director, QIA	Phone calls, emails and receipt of QIA letter of consent from Navarana Beveridge Executive Director to NTI (Carson Gillis and James Arreak) to issue Kivalliq Energy a MEA for parcel BI-35.
04-May-17		Carson Gillis, Director of Lands, NTI	Signed Mineral Exploration Agreement BI-16-001 FOXE with NTI on BI-35, payment of annual fees, bonus payment and commitment to annual exploration expenditures on IOL BI-35. Local communities to benefit and which will be visited prior to 2017 program: Clyde River, Qikiqtarjuaq.
11-May-17		Andrew Berry, Andrew Nakushuk Chairperson NPC	Baffin Gold Property Project Proposal submitted to NPC
23-May-17	8:40AM	Goump Djalogue NPC to Andrew Berry, Salamonie Shoo QIA, Joel Fortier QIA, Tracey McCaie INAC, NWB, J Aitaok NTI, A Thompson Gov Nu	Kivalliq Energy Corporation received a conformity determination letter from NPC (File # 148563) that states Kivalliq Energy Corporation's Baffin Gold Property Project Proposal is exempt from screening by the NIRB. By way of the letter, the NPC forwarded the project proposal to the regulatory authorities for review
23-May-17	9:45AM	Jaida Ohokannoak NIRB to Andrew Berry	Kivalliq received an email from NIRB that states Kivalliq Energy Corporation's Baffin Gold Property Project Proposal is exempt from screening by the NIRB.
25-May-17	6:45PM	Andrew Berry, Joel Fortier, Acting Director of Lands, QIA (Iqaluit), Salamonie Shoo, Administrator, QIA (Iqaluit)	email submission to QIA of Kivalliq Energy's QIA Land Use Licence Application for Access to Inuit Owned Lands.
26-May-17	10:30AM	Andrew Berry, Salamonie Shoo, Administrator, QIA	Phone call with Salamonie Shoo to confirm QIA receipt of Land Use License Application and discuss QIA Consultation schedules with CLARC representatives in Qikiqtarjuaq and Clyde River.
08-Jun-17	2:45PM	Andrew Berry, Salamonie Shoo, Administrator, QIA	Email from A Berry requesting update on QIA Consultation with Qikiqtarjuaq CLARC and Clyde River CLARC so as to plan Kivalliq community meetings. QIA CLARC meetings were delayed.
20-Jun-17	10:00am	Andrew Berry, Oolana Nuqingaq	Phone call to Oolana to arrange schedules and venues for a proposed Kivalliq Energy community visit in July to meet with Qikiqtarjuaq CLARC, members of the HTO and community members.

21-Jun-17	1:15PM	Andrew Berry, Joel Fortier, Salamonie Shoo	Email from A Berry with Summary of Proposed Activities for Baffin Gold Property in 2018 for QIA to reference during pending conference calls to Qikiqtarjuaq CLARC and Clyde River CLARC.
22-Jun-17	7:40AM	Andrew Berry, Joel Fortier, Salamonie Shoo	Email from A Berry to QIA clarifying proposed fuel volumes in temporary storage on Baffin Gold Property
26-Jun-17	12:15PM	Salamonie Shoo, Joel Fortier, Andrew Berry, Jeff Ward	Update from QIA re: QIA conference call with the Qikiqtarjuaq and Clyde River CLARCs. The discussions were very positive and the application received general support from both committees.
07-Jul-17	1:00PM	Salamonie Shoo, Joel Fortier, Andrew Berry, Jeff Ward	Receipt of QIA Land Use Licence Q17L3020 authorizing work on IOL lands within the Baffin Gold Property
10-Jul-17		Nina Qillaq, Andrew Berry	Phone call to Nina to arrange schedules and venues for a proposed Kivalliq Energy community visit in July to meet with Clyde River CLARC, members of the HTO and community members.
18-Jul-17		Oolana Nuqingaq, Nina Qillaq, Andrew Berry	Final Arrangements for July 26 and July 27 Community Consultation Meetings in Qikiqtarjuaq and Clyde River
20-Jul-17	12:30PM	Oolana Nuqingaq, Nina Qillaq, Andrew Berry	Public Meeting Notice's - Project Summaries in English and Inuktitut send to QIA Community Liaison Officers in Qikiqtarjuaq and Clyde River to be posted in Hamlet Office, Community Hall and Northern Store.
21-Jul-17		Kivalliq Energy, INAC, QIA, WSCC and NWB	Commencement of Operations Letters sent to INAC, QIA, WSCC and NWB notifying regulators that Kivalliq Energy's 2017 Exploration Program Operations would commence on or about July 23, 2017
26-Jul-17	8:00PM	Inutiq Iqaqrialu, Joamie Apak, Eli Qiluaq, Kasalie Joanasie, Benjamin, Saipoorah, Jackson Iqaqrialu, Eenai, Tuja, Tpavi Paneak, Alex Paneak, Mases Iqaluksjuak, Julina Kakee, Rosie Sivasat, Levi Panipak, Terry Killiktee, Dionn Jaypooly, Kathy Kakkik, Annie Kakee, Mosa Palituq, Daniel P., Matthew Tassugat, Sam Iqqaqsaq, Esa Sangaya	Clyde River Community Meeting in Community Hall with Loseosie Paneak providing Interpretation services. Up to 30 community members present. Kivalliq Energy introduced the Company and the Baffin Gold Project to the community. Topics of discussion included the plans of Kivalliq going forward, potential employment for community members with Kivalliq Energy Corp., the past activities undertaken by the previous property operator Commander Resources Ltd and the condition of the Dewar Lakes Field Camp. Questions from the community dealt with a potential employment opportunities and how the camp clean up would be undertaken. One community member classified herself as an activist, but seeking employment, expressed displeasure with employment levels from earlier work programs undertaken by the previous operators. No other concerns were raised.
27-Jul-17	9:00AM	Clyde River CLARC - members of the HTO and Hamlet Nina Qillaq (QIA), Loseosie Paneak (Interpreter),	Andrew Berry COO and Jeff Ward President Kivalliq Energy met with the Clyde River CLARC including members of the Clyde River HTO and the Hamlet at the Hamlet Office. The meeting was arranged by Nina Qillaq QIA Community Liaison Officer with Loseosie Paneak providing interpretation services. The company introduced itself and the project to the CLARC members. Plans for 2017 and future programs were discussed. CLARC Chairperson expressed a desire to cooperate and a need for employment opportunities for younger generations. Members of the HTO were familiar with the status of the existing Dewar Lake Camp site and recognized that substantial efforts would be required to remediate.
27-Jul-17	4:00PM	Oolana Nuqingaq (QIA), Qikiqtarjuaq CLARC - members of the HTO and Hamlet Andrew Berry, Jeff Ward Rosemary Metuq (Interpreter)	Meetings with members of the CLARC and the Hamlet in the Qikiqtarjuaq Hamlet office. The company introduced itself and the Baffin Gold Project to the CLARC and Hamlet members in attendance. Employment opportunities were discussed. Kivalliq conveyed that there was currently two community workers employed on the project with the potential for additional hires.
27-Jul-17	8:00PM	Oolana Nuqingaq, 17 community members of Qikiqtarjuaq Rosemary Metuq (Interpreter)	Qikiqtarjuaq Community Meeting in Community Centre with Rosemary Metuq providing interpretation services. Andrew Berry introduced the company and the project to community members. Several community members inquired about potential employment opportunities. An Elder who had spent many years working at various DEW line sites across the region conveyed to the company the poor working relationship that DEW line managers had with respect to Inuit employees and thanked the company for taking the time to come to community to discuss the project with community members.

10-Aug-17	11:00AM	Andrew Berry, Joel Fortier, Acting Director of Lands, QIA (Iqaluit), Salamonie Shoo, Administrator, QIA (Iqaluit)	Andrew Berry met with Joel Fortier Acting Director of Lands QIA and Salamonie Shoo Administrator at QIA's office in Iqaluit to discuss project activities undertaken to date and the status of the Dewar Lakes Camp clean up. The QIA was pleased to learn the camp clean up had been initiated, that good progress had been made and that the project was employing 3 local hires. No issues were raised.
10-Aug-17	12:00PM	Kivalliq to INAC QIA WSCC and NWB	Project closure notification letters sent to QIA INAC NWB and WSCC notifying that the 2017 Exploration Program on the Baffin Gold Property had been completed and that the Dewar Lakes Camp had been dismantled and closed for the winter season.

Acronyms:

NTI	Nunavut Tunngavik Incorp.
CLARC	Community Lands and Resources Committee
CLO	Community Liaison Officer
SAO	Senior Administrative Officer
GN	Government of Nunavut
HTO	Hunters and Trappers Association
MLA	Member of the Legislative Assembly
CEDO	Community Economic Development Officer
QIA	Qikiqtani Inuit Association
INAC	Indigenous and Northern Affairs Canada
NWB	Nunavut Water Board
NIRB	Nunavut Impact Review Board
NPC	Nunavut Planning Commission
IOL	Inuit Owned Land