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# 2018 WORK PLAN BAFFIN GOLD PROPERTY KIVALLIQ ENERGY CORPORATION

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Submitted to: QIA, INAC, NIRB

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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 408,982.6 hectares.

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

In 2017 Kivalliq Energy utilized Commander Resources Ltd.'s 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 and was used by Kivalliq as a base of operations for the 2017 exploration program. Activities at the Dewar Lakes Camp are authorized under permits, licences and management plans that are administered by Commander.

Exploration activities on the Baffin Gold Property are authorized by Indigenous and Northern Affairs Canada (INAC) Land Use Permit N2017C0010 and Qikiqtani Inuit Association (QIA) Land Use Licence Q17L3020.

The exploration program planned and proposed for 2018 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.

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.

## 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). 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).

**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	64,534	01-Jan-17	01-Jan-18	18/19	Kivalliq Energy Corp.
BI-35-16001-BAFFIN GOLD		037A09, 027B12	8,105	01-Jan-17	01-Jan-18	18/19	Commander
K13300	BG 10	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-17	19	Commander
K13301	BG 11	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-19	19	Commander
K13308	BG 18	027B12, 027B05	1,024.20	28-Sep-09	28-Sep-19	19	Commander
F79373	TUK 5	037A10	1,045.10	25-Oct-05	25-Oct-14	18	Commander
K13292	BG 2	027B11	919.69	28-Sep-09	28-Sep-17	19	Commander
K13293	BG 3	027B11	910.54	28-Sep-09	28-Sep-17	19	Commander
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.







### 3 Contact Information

Kivalliq Energy Corporation  
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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

#### 4.1 Kivalliq Energy Corp.

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.

From August 1 and August 16, the prospecting and rock sampling program collected 424 samples over the Baffin Gold Property. The till sampling program was conducted between August 10 and August 15 and ran concurrently with the rock sampling program. A total of 492 samples were collected from seven separate grid areas on the property. 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. Additionally, two personnel contracted from Apex Geosciences collected 65 km<sup>2</sup> of high resolution airborne drone imagery that will be used to develop digital surface models and aid structural interpretation.

Full details outlining the 2017 Exploration Program are included in the 2017 Annual Report to INAC, QIA and NIRB.

## 4.2 Commander Resources Ltd.

Between 2003 and 2010 Commander Resources Ltd. completed eight exploration programs over the property area that included rock sampling, soil sampling and geophysical surveying. Drilling by Commander comprised a total of 19,083 metres of drill core from 158 diamond drill holes completed during the period. The existing Dewar Lakes Camp was used as the base of operations for the Commander exploration work. A temporary fly camp at Malrok Lake supported work programs in the Malrok area.

## 4.3 Historic

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	Lithogeochemical 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 2018 Exploration Program

The purpose of the 2018 exploration program is to evaluate the potential for economic gold occurrences on the Baffin Gold Property. Exploration activities planned and proposed for 2018 consist of: prospecting, geological mapping, rock, channel and soil/till sampling, airborne geophysics, ground geophysics, drone surveying and baseline environmental monitoring. Mineral exploration activities are authorized by INAC Land Use Permit N2017C0010 and QIA Land Use Licence Q17L3020. Exploration targets for 2018 are shown below in Figure 3. The extent of the program will depend on market conditions and funding. The program will be conducted from June 1, 2018 to September 30, 2018.

Exploration activities will be supported from Commander Resource Ltd.'s existing Dewar Lakes Camp. Camp operations at the Dewar Lakes Camp are permitted by Commander Resources.



The following sections 5.1 to 5.5 elaborate on the company's plan for exploration activities to be undertaken in the 2018 exploration program.

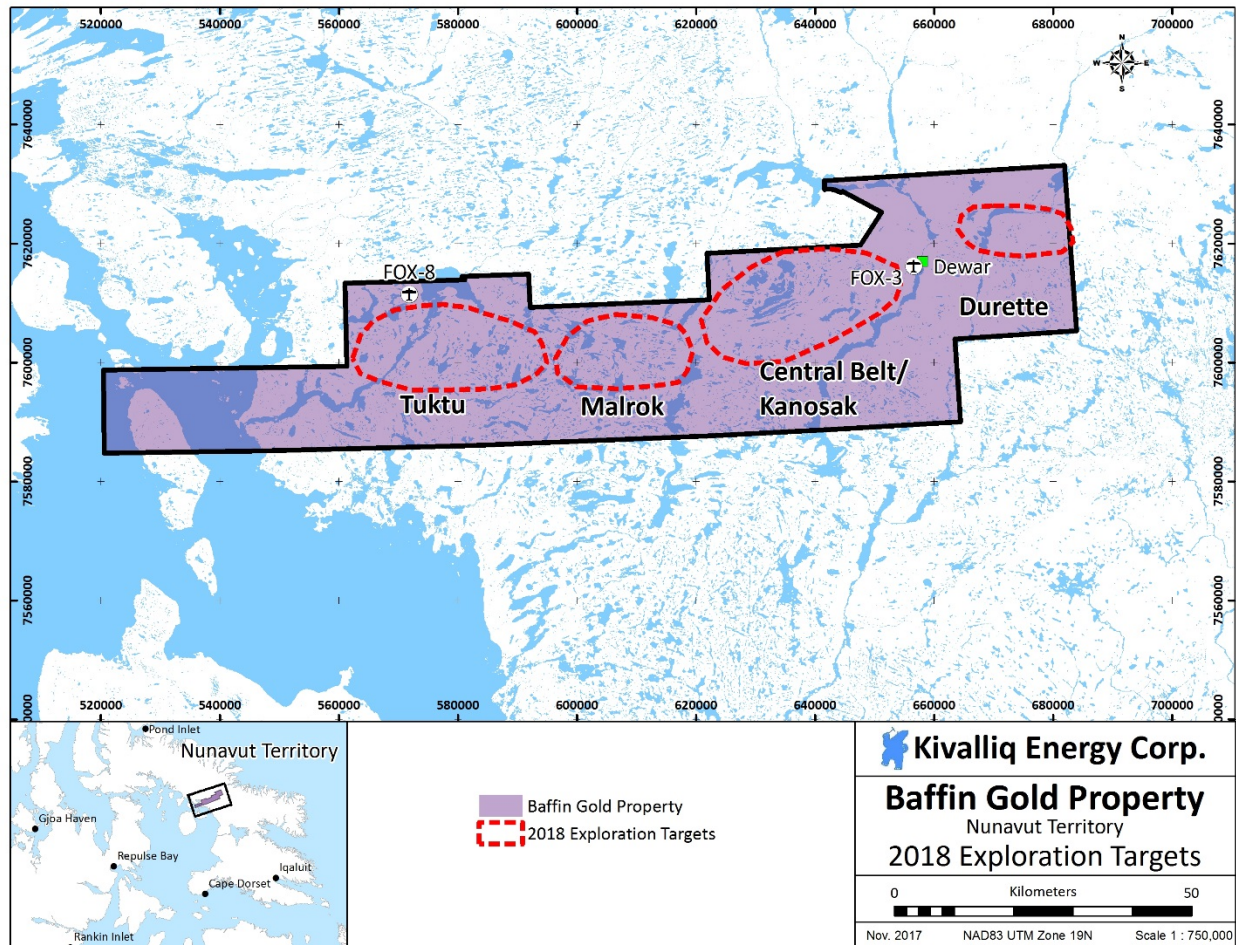
### 5.1 Airborne Geophysical Survey/Drone Survey

The proposed 2018 exploration work plan includes up to 20,000 line kilometres of airborne magnetic and or electromagnetic (EM) geophysical surveying. 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 Mag / EM surveying over target areas within the Baffin Property.

The proposed survey grid areas 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.

In addition to the airborne magnetic and electromagnetic surveying, Kivalliq Energy will use light weight hand held drone technology to collect high-resolution air photos of high priority target areas.



**Figure 3: 2018 Exploration Targets**

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 610 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. The majority of fuel will be supplied from the main fuel cache at the Dewar Lakes Camp. Should a helicopter based airborne survey be undertaken small temporary fuel caches of less than nine drums will be located as necessary to support the airborne geophysical survey (section 6.2).

Prior to conducting any low-level airborne geophysical surveys, work plans outlining the dates, locations and duration of the surveys will be 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.

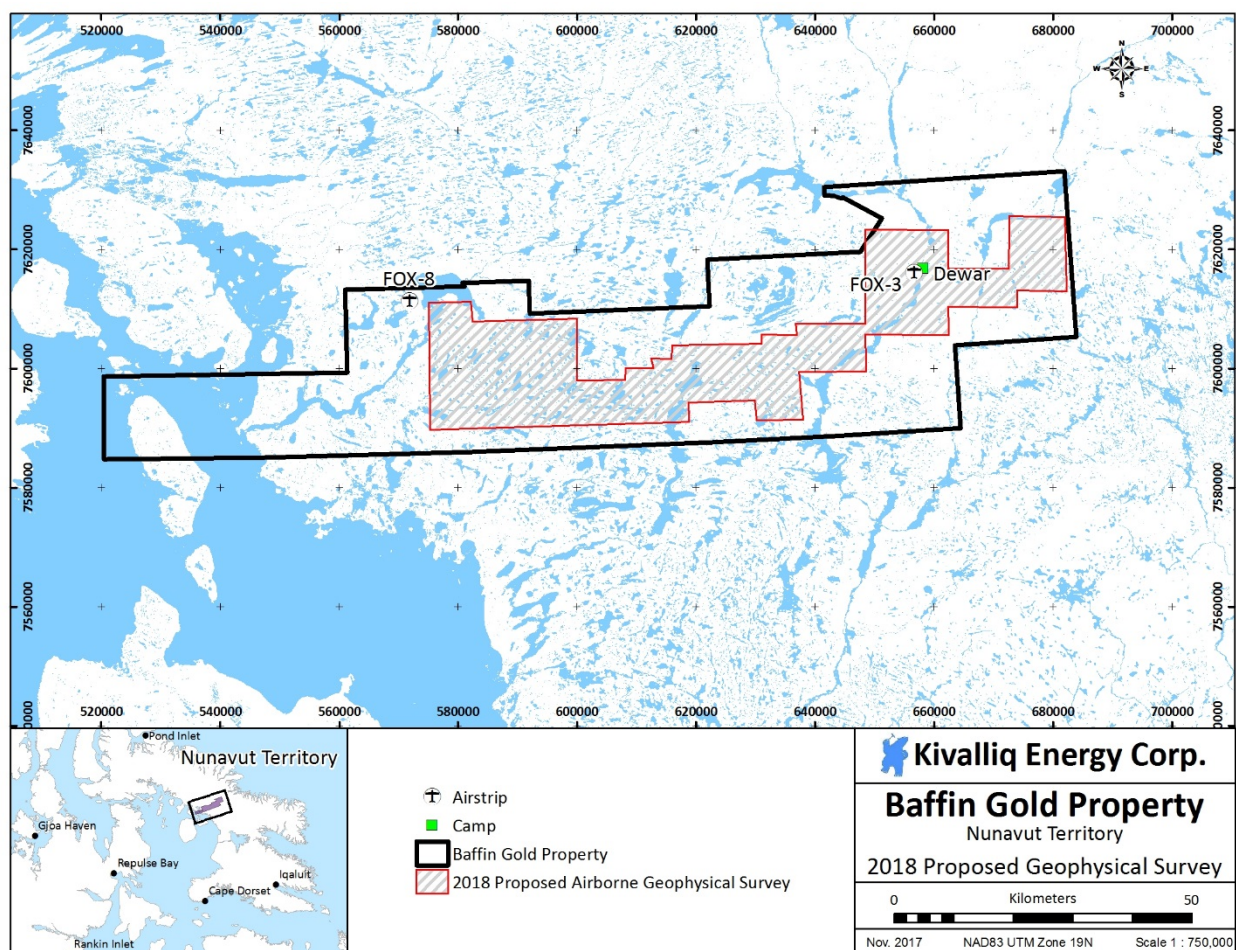


Figure 4: Proposed Geophysical Survey Grids



## 5.2 Ground Geophysical Survey

Summer ground geophysical surveys are proposed as part of the 2018 exploration program. This work will be conducted on foot and be helicopter 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 2018 prospecting and geological mapping program is planned for the summer months (July through September) and will be conducted by up to eight 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 manually broken or chipped out of the channel cut. 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 Till Sampling

Till geochemical sampling will be conducted as part of the 2018 exploration program. The program will be undertaken between June and September, 2018.

Till sampling will be conducted by up to eight crew members. Kivalliq Energy plans to collect up to 5,000 samples for CN44 (cyanide leach) till geochemical analysis. Sampling grids will be oriented using 50 metre to 250 metre sample intervals with lines spaced 100 metres to 1000 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 1000 to 2000 grams of glacial till. All work will be conducted on foot. The field crews will be supported by helicopter.

The goal of the 2018 till geochemical survey is to follow-up and build upon gold in till and gold in soil anomalies that have been identified by the historic work programs conducted by previous operators or by anomalous values confirmed by Kivalliq’s 2017 till sampling program.

## 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 #. In 2018, 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 prior to the initiation of any drilling program by Kivalliq Energy to generate baseline water quality data in areas of active and advanced 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 # 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 observe, monitor and describe wildlife use of the active work areas within the property and to produce coarse-scale population estimates for valued ecosystem components (VECs) occurring on the property and in the active work areas. The 2018 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.

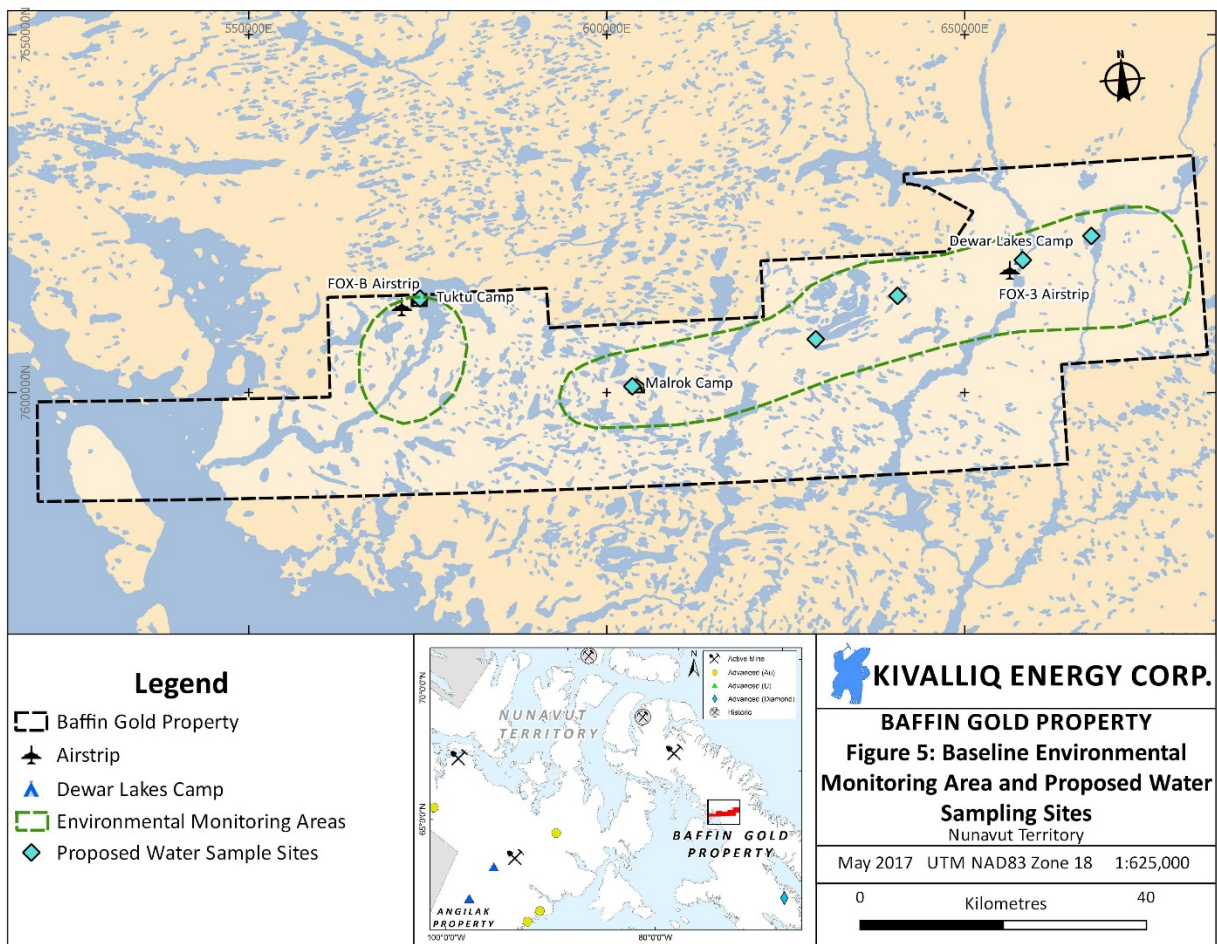


Figure 5: Baseline Environmental Monitoring Area and Proposed Water Sampling Sites

## 6 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 to support the proposed 2018 exploration program. The camp is located at 68°37'59" N, 71°06'38" W (or 414199E/7614919N UTM Nad83 Zone 19) and was used by Kivalliq Energy for the 2017 exploration program. The Dewar Lakes Camp is authorized by permits, licences and management plans that are administered by Commander.

## **7 Socio-Economic Benefit**

This is the second 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 hired two locals from Qikiqtarjuaq and one local prospector from Iqaluit (originally from Qikiqtarjuaq) for the 2017 program. Kivalliq Energy utilizes northern businesses and services wherever available.

## **8 Community Consultation**

Kivalliq Energy is committed to the Nunavut and Nunavummiut. The company plans to visit communities adjacent to the property (Clyde River, Qikiqtarjuaq) prior to the start of the 2018 exploration program to discuss available Inuit Qaujimajatuqangit, the work conducted to date, the proposed 2018 exploration program and any potential concerns the communities may have.

Prior to commencement of the 2017 exploration program, Andrew Berry, Chief Operating Officer and Jeff Ward, President of Kivalliq Energy met with the communities of Clyde River and Qikiqtarjuaq to present Kivalliq Energy's planned 2017 exploration program on the Baffin Gold Property. As part of the visit the company also met with the Nangmautaq (Clyde River) Hunters and Trappers Organization (HTO) and the Clyde River Community Lands and Resources Committee (CLARC). The company then met with the Qikiqtarjuaq CLARC and the community of Qikiqtarjuaq.

Kivalliq Energy's community consultation log is included in the Annual Report to INAC, QIA and NIRB.

## **9 Archaeological Investigation**

This is the second year Kivalliq Energy will be conducting exploration activities on the Baffin Property and exploration is in the early stage. 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.