

# 2017 ANNUAL LAND USE REPORT

## MEADOWBANK PRECIOUS METAL PROPERTY NUNAVUT, CANADA

Prepared for:  
**Western Atlas Resources Inc./**  
**5530 Nunavut Inc.**  
Suite 1700, Park Place, 666 Burrard Street  
Vancouver, BC V6C 2X8

Prepared by:  
  
110, 8429 24 Street NW  
Edmonton, AB T6P 1L3

**December 31, 2017**

## Contents

|      |  |    |
|------|--|----|
| 1    | Project Location and Description .....             | 3  |
| 2    | Land and Water Use Authorizations .....            | 3  |
| 3    | 2017 Exploration Program .....                     | 3  |
| 3.1  | Airborne Magnetic Survey .....                     | 3  |
| 3.2  | Prospecting and Rock Sampling .....                | 5  |
| 3.3  | Infrastructure .....                               | 5  |
| 3.4  | Fuel Caches .....                                  | 5  |
| 3.5  | Water Use .....                                    | 12 |
| 3.6  | Aircraft Landing Sites .....                       | 12 |
| 3.7  | Wildlife Sightings .....                           | 12 |
| 3.8  | Spills.....  | 13 |
| 3.9  | Archaeological and Palaeontological Resources..... | 13 |
| 3.10 | Environmental Studies .....                        | 13 |
| 3.11 | Northern Hires/Contracts.....                      | 13 |
| 4    | 2018 Exploration Program .....                     | 14 |

## Tables

|           |  |    |
|-----------|--|----|
| Table 2.1 | Meadowbank Precious Metal Project Land and Water Use Authorizations..... | 3  |
| Table 3.1 | Meadowbank Precious Metal Project 2017 Helicopter Landing Sites.....     | 12 |
| Table 3.2 | Northern Businesses Contracted for the 2017 Exploration Program.....     | 13 |

## Figures

|          |  |    |
|----------|--|----|
| Figure 1 | Meadowbank Precious Metal Project Location.....              | 4  |
| Figure 2 | Claim Block A Airborne Geophysical Survey Flight Lines ..... | 6  |
| Figure 3 | Claim Block B Airborne Geophysical Survey Flight Lines ..... | 7  |
| Figure 4 | Claim Block C Airborne Geophysical Survey Flight Lines ..... | 8  |
| Figure 5 | Claim Block A Rock Sample Locations .....                    | 9  |
| Figure 6 | Claim Block B Rock Sample Locations .....                    | 10 |
| Figure 7 | Claim Block C Rock Sample Locations .....                    | 11 |

## Appendices

|            |   |    |
|------------|---|----|
| Appendix 1 | Meadowbank Precious Metal Project 2017 Wildlife Sighting Record ..... | 15 |
|------------|---|----|

## 1 Project Location and Description

The Meadowbank Precious Metal Project (the “Project”) is located in the eastern part of the District of Kivalliq, Nunavut Territory, within 1:50,000 scale NTS map sheets 56D/12 (Whitehills Lake), 66A/09 (Halfway Hills), 66A/16 (Amarulik Lake), and 66H/01 (unnamed). The Project consists of three non-contiguous claim blocks located on Crown Lands, approximately 29 km to 106 km north of the settlement of Baker Lake and 280 km northwest of the town of Rankin Inlet (Figure 1).

All claim blocks comprising the Project are accessible by the Agnico Eagle Mines Limited (“Agnico”) All Weather Access Road (“AWAR”) linking Baker Lake to Agnico’s Eagle’s Meadowbank Mine and Amaruq deposit. Permission is required from Agnico to use the AWAR. Fixed-wing and helicopter charters may be arranged either from Rankin Inlet, Nunavut, or from Yellowknife, Northwest Territories. To date, authorization to use the AWAR has not been requested or obtained by 5530 Nunavut Inc. and therefore the road has not been utilized.

## 2 Land and Water Use Authorizations

All land and water use authorizations are in the name of 5530 Nunavut Inc., a wholly owned subsidiary of Western Atlas Resources Inc.

Table 2.1 details the land and water use authorizations associated with the Meadowbank Precious Metal Project.

Table 2.1 Meadowbank Precious Metal Project Land and Water Use Authorizations

| <u>Organization</u>                             | <u>Authorization</u>     | <u>Authorization Number</u> | <u>Expiration Date</u> |
|---|--------------------------|-----------------------------|------------------------|
| Nunavut Planning Commission (“NPC”)             | Conformity Determination | 148482                      | N/A                    |
| Nunavut Impact Review Board (NIRB)              | Screening Decision       | 17EN020                     | N/A                    |
| Indigenous and Northern Affairs Canada (“INAC”) | Land Use Permit          | N2017C0005                  | March 7, 2022          |
| Nunavut Water Board (“NWB”)                     | Water Licence            | 2BE-MPM1722                 | July 27, 2022          |

## 3 2017 Exploration Program

The 2017 exploration program on the Meadowbank Precious Metal Project included a detailed helicopter-borne, high resolution magnetic survey, prospecting and rock geochemical sampling.

### 3.1 Airborne Magnetic Survey

5530 Nunavut Inc. contracted Precision GeoSurveys Inc. (“Precision”) of Langley, B.C., to complete a detailed helicopter-borne, high resolution magnetic survey over all three Meadowbank Project claim blocks. Precision used a stinger-mounted cesium vapour

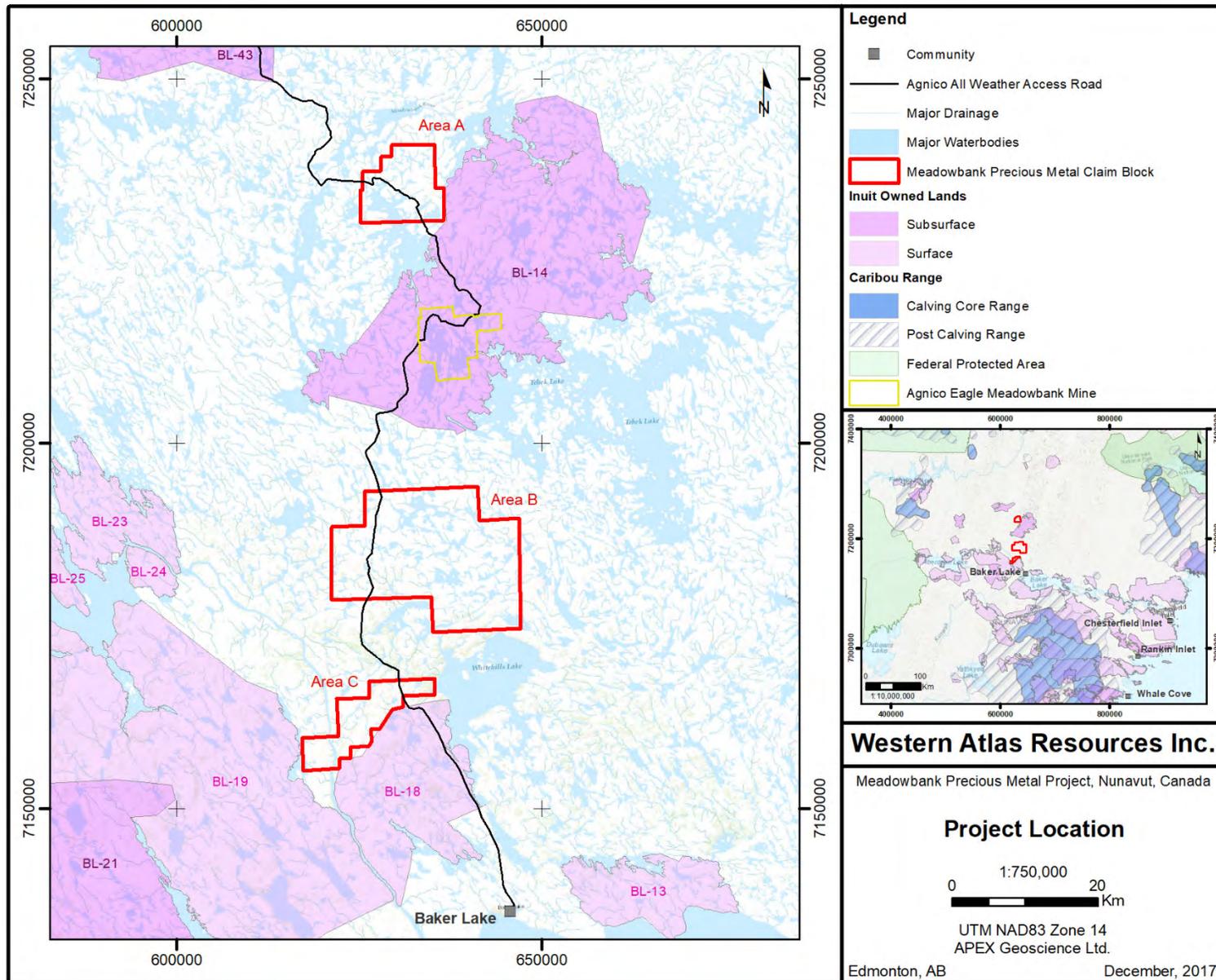


Figure 1 Meadowbank Precious Metal Project Location

Scintrex CS-3 magnetometer installed on a Bell 206B Jet Ranger (C-GTVL) temporarily based out of Baker Lake to complete the survey from May 15 to May 20, 2017.

A total of 3,819 line-km consisting of 367 survey lines and 62 tie lines were flown. Survey lines and tie lines were flown at 150 m and 750 m line spacings, respectively. Survey lines on claim blocks “A” and “C” were flown at 135°/315° orientation while survey lines on claim block “B” were flown at 160°/340° orientation. Two base station magnetometers were established in order to correct for diurnal variation. The survey lines for each of the claim blocks are illustrated in figures 2, 3 and 4.

### **3.2 Prospecting and Rock Sampling**

From July 18 to August 4, 5530 Nunavut Inc. completed a helicopter-supported rock sampling program meant to evaluate specific target areas within each of the three claim blocks which were identified from a geological compilation completed earlier in the year and data acquired from the high resolution magnetic survey referred to above. Field work was conducted within the Woodburn Lake Group and concentrated on iron formation hosted gold style deposits. VMS type mineralization and diamond potential were also evaluated. In total, 140 grab, composite grab, and chip samples were taken, exclusive of QA/QC samples during the summer program. Then from October 11 to 15, 5530 Nunavut Inc. returned to the Project and collected another 40 samples exclusively on Block B. Both the summer and fall programs were based out of Baker Lake with transportation provided by a Bell 206L Long Ranger supplied by Custom Helicopters Limited from Thompson, Manitoba.

Prospecting at 1:20,000 scale within the claim blocks was focused on airborne magnetic anomalies related to known iron formations discovered by previous operators, proximity to known mineral showings and other geophysical anomalies. Emphasis was placed on sampling iron formation occurrences that were proximal to geophysically inferred cross-cutting structural features, known thrust faults, areas of enhanced sulphide content, and quartz veined/flooded and altered areas. Figures 5,6 and 7 illustrate the locations of the samples taken on each claim block.

### **3.3 Infrastructure**

No camp was constructed for the 2017 exploration program as the activities were based out of Baker Lake.

All transport of personnel and equipment was via aircraft and therefore the Agnico Eagle all-weather road was not utilized.

### **3.4 Fuel Caches**

For both the summer and fall programs, the helicopter refuelled in Baker Lake and therefore there were no fuel caches required.

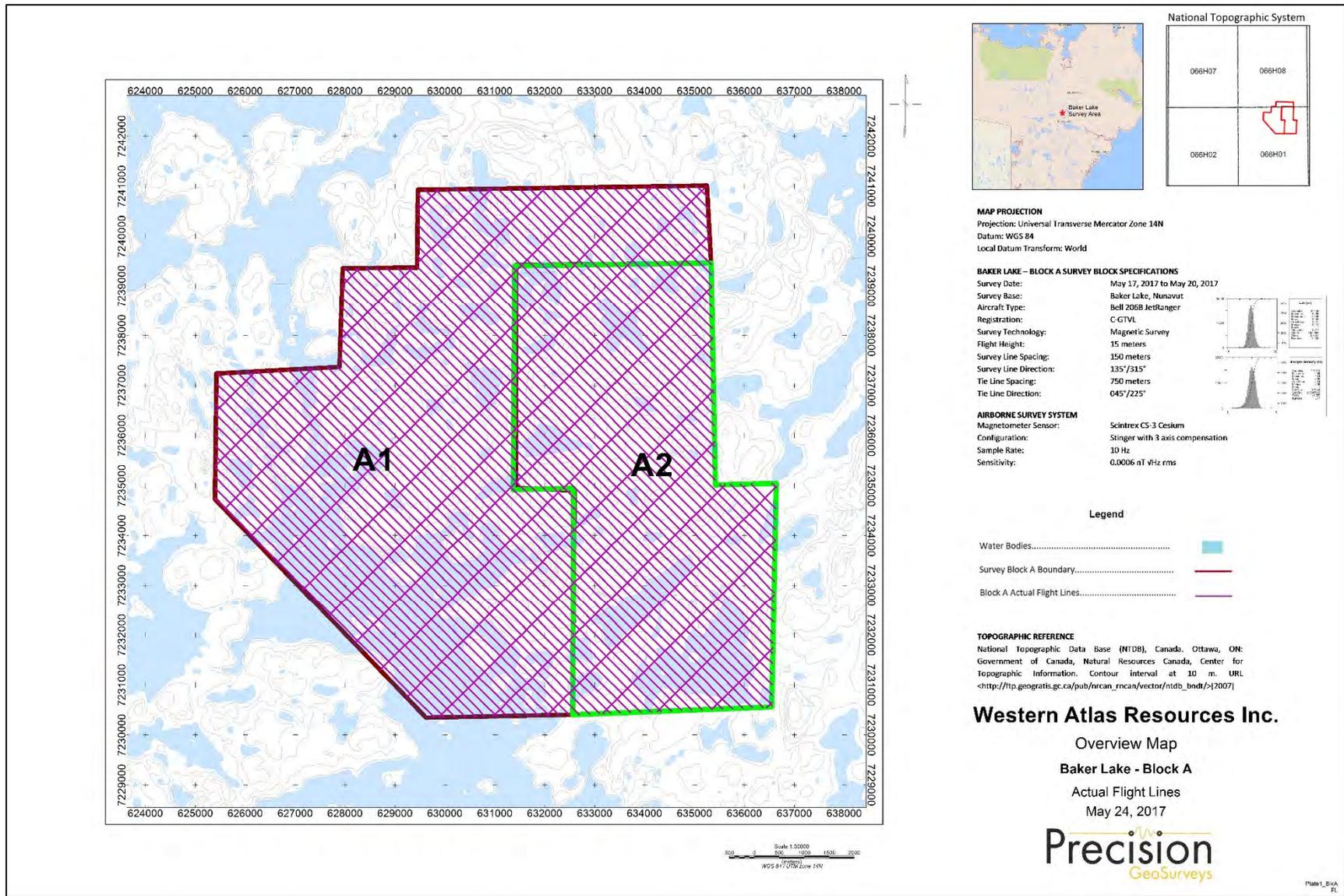


Figure 2 Claim Block A Airborne Geophysical Survey Flight Lines

Meadowbank Precious Metal Property Spill Prevention and Response Plan

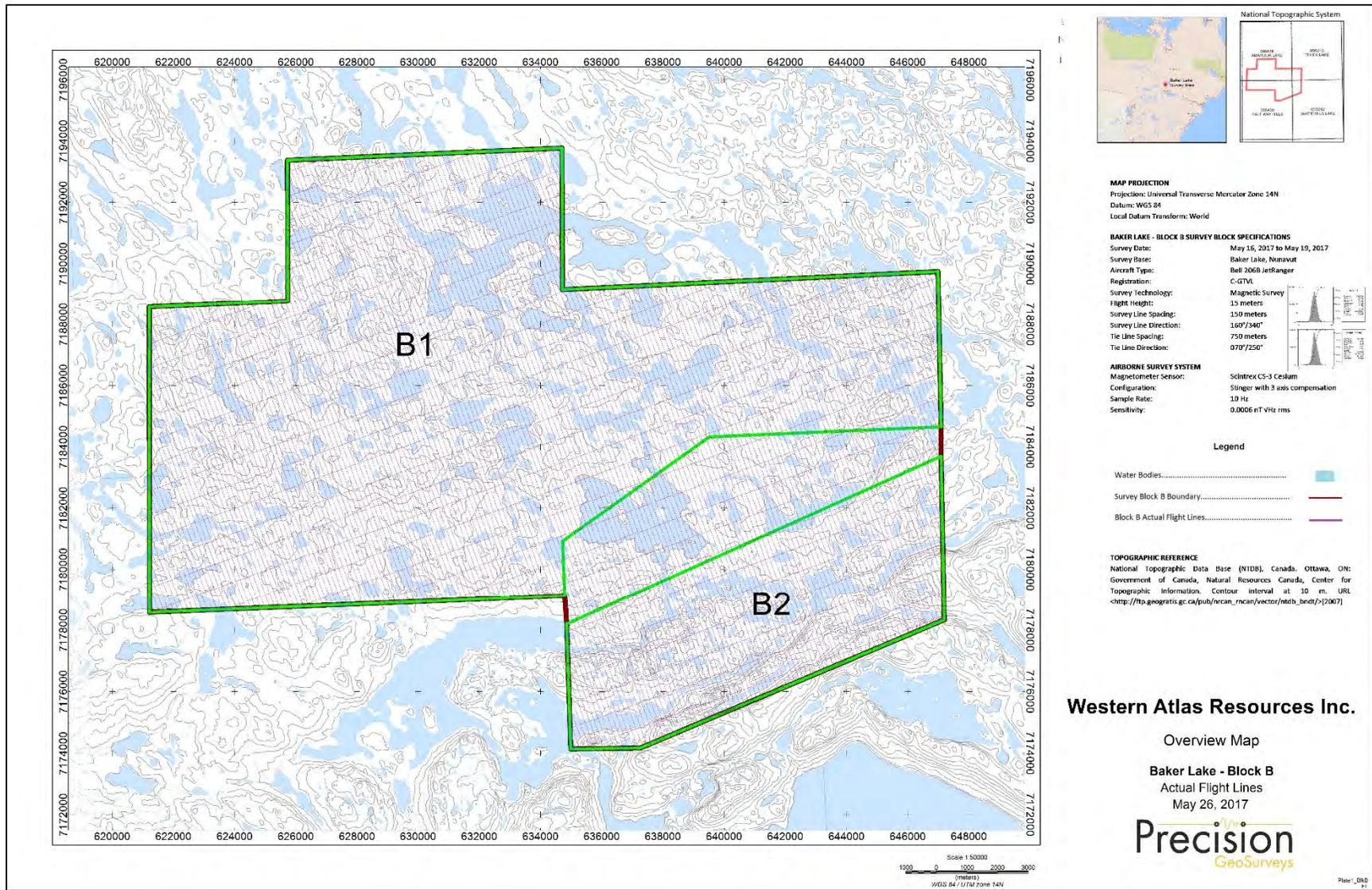


Figure 3 Claim Block B Airborne Geophysical Survey Flight Lines

Meadowbank Precious Metal Property Spill Prevention and Response Plan

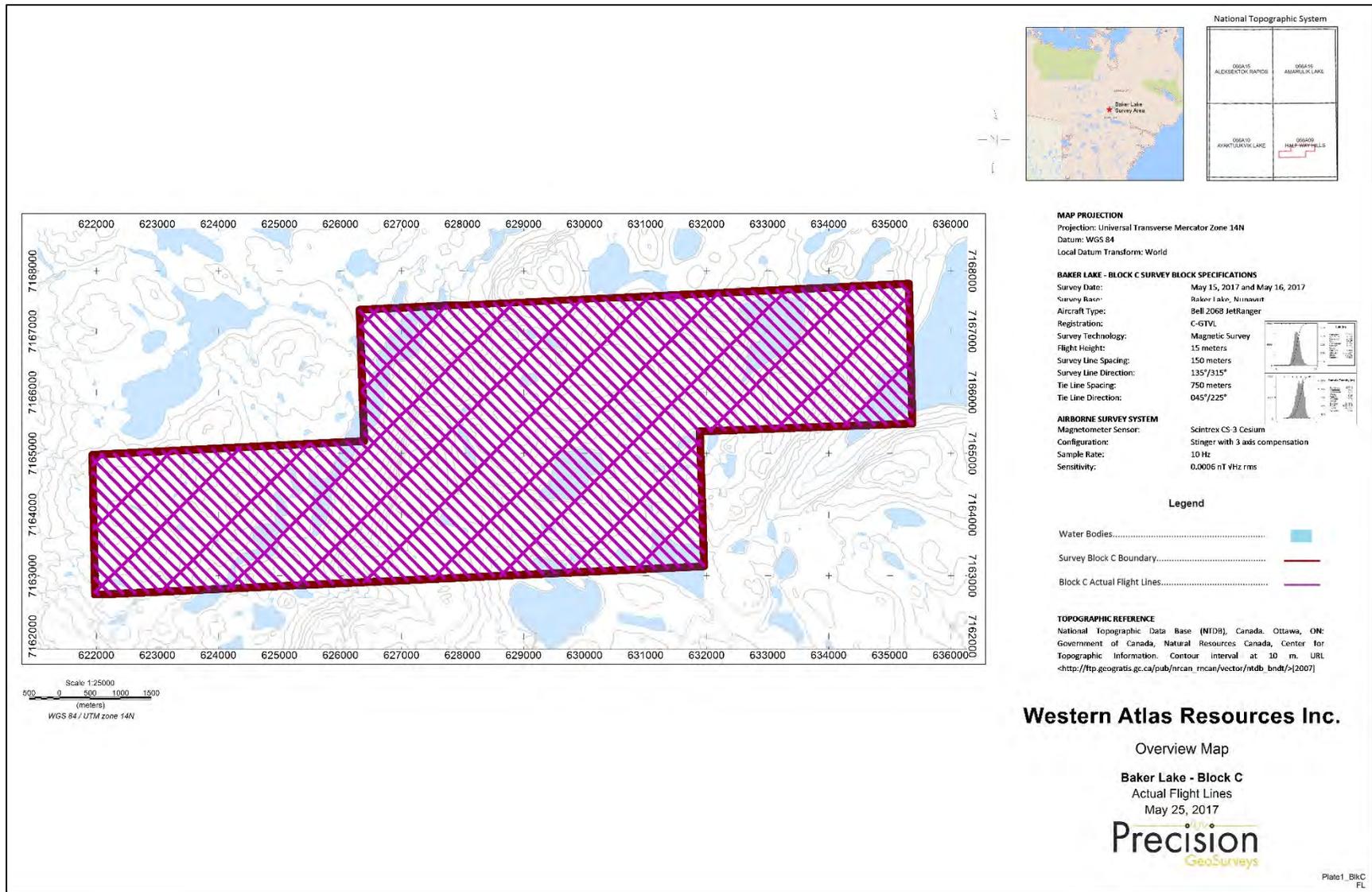


Figure 4 Claim Block C Airborne Geophysical Survey Flight Lines

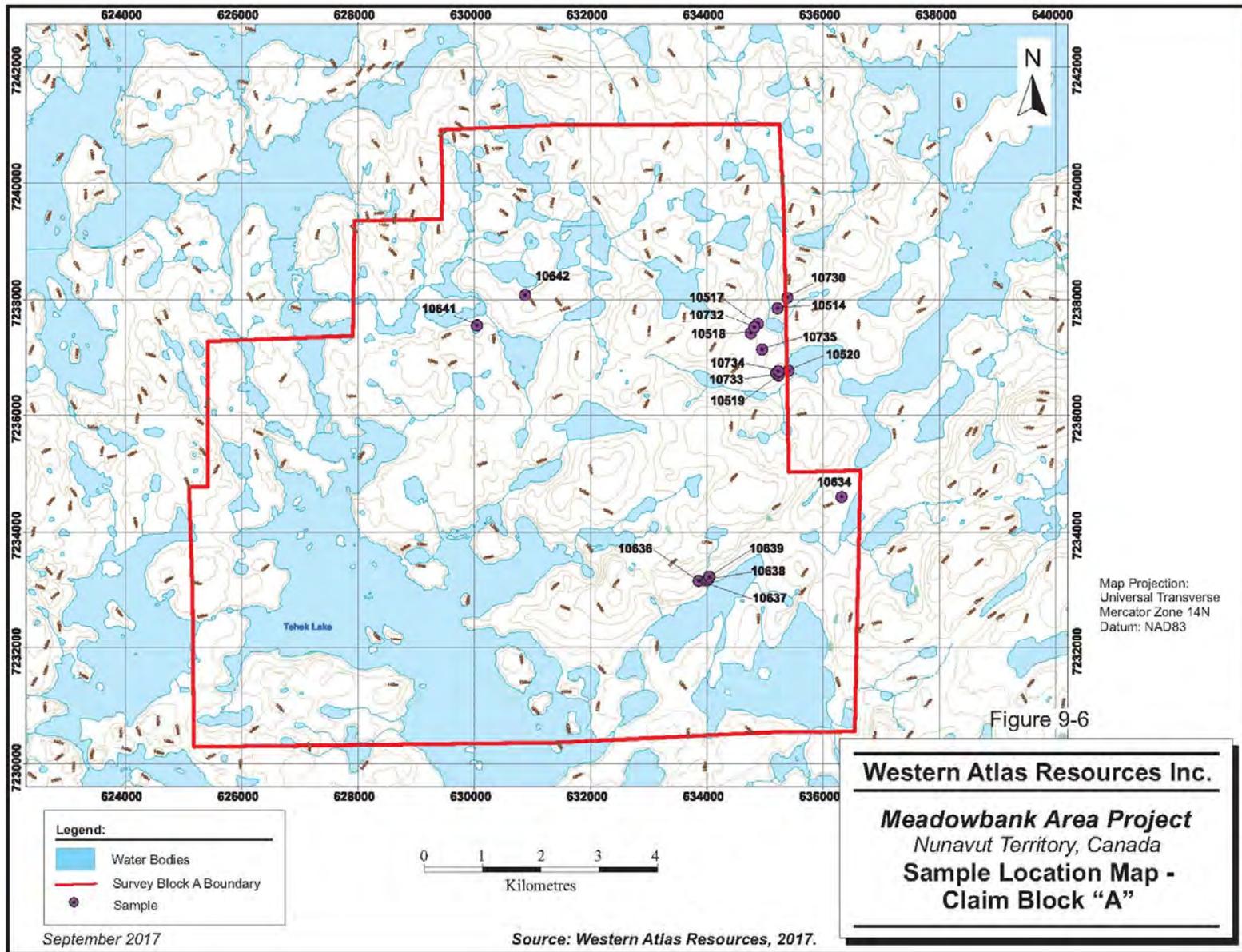


Figure 5 Claim Block A Rock Sample Locations

December 31, 2017

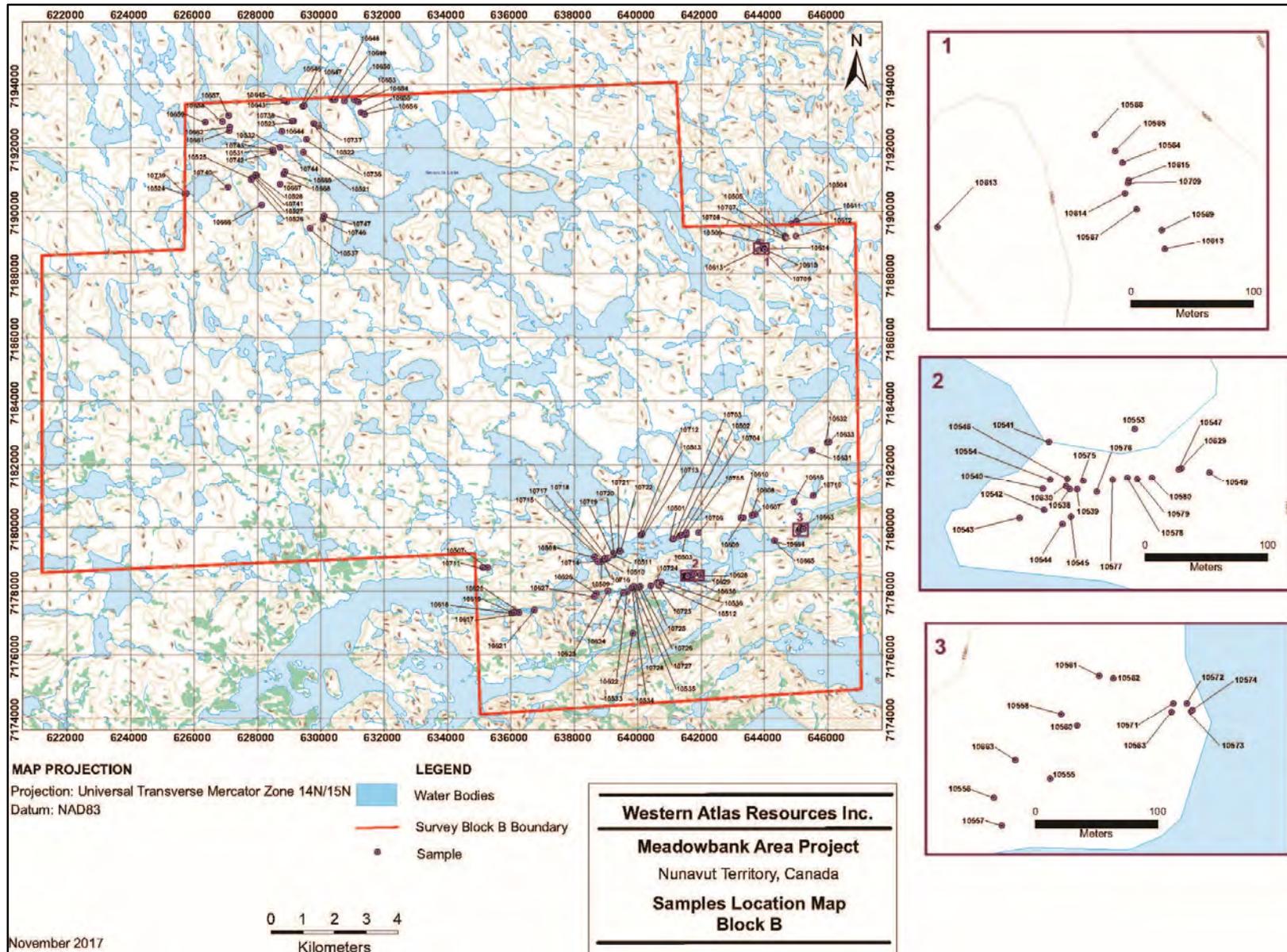


Figure 6 Claim Block B Rock Sample Locations

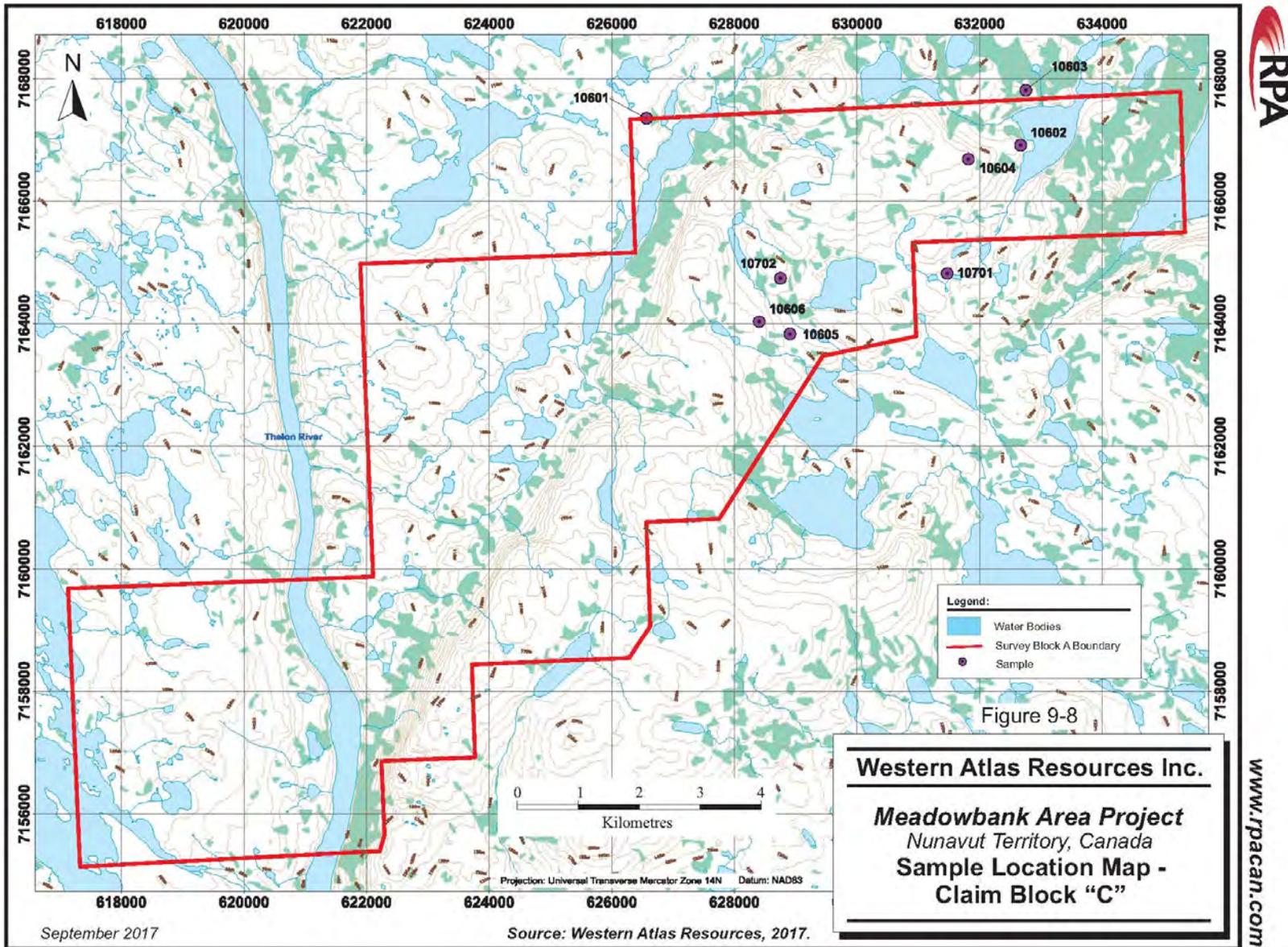


Figure 7 Claim Block C Rock Sample Locations

December 31, 2017

### 3.5 Water Use

As no camp was constructed or drilling was performed during 2017 exploration program, no water was used.

### 3.6 Aircraft Landing Sites

Table 3.1 details the helicopter landing sites for the 2017 Meadowbank Precious Metal Project exploration program.

**Table 3.1 Meadowbank Precious Metal Project 2017 Helicopter Landing Sites**

| Date      | Easting<br>n83z14 | Northing<br>n83z15 | Date      | Easting<br>n83z14 | Northing<br>n83z15 |
|-----------|-------------------|--------------------|-----------|-------------------|--------------------|
| 19-Jul-17 | 626656.00         | 7166830.00         | 25-Jul-17 | 639393.00         | 7179261.00         |
| 19-Jul-17 | 634098.00         | 7168297.00         | 25-Jul-17 | 637756.00         | 7234300.00         |
| 19-Jul-17 | 627619.00         | 7169566.00         | 25-Jul-17 | 645552.74         | 7182403.10         |
| 19-Jul-17 | 628070.00         | 7170856.00         | 27-Jul-17 | 634938.00         | 7234728.00         |
| 20-Jul-17 | 632374.00         | 7165122.00         | 27-Jul-17 | 634460.00         | 7236938.00         |
| 21-Jul-17 | 627360.00         | 7164660.00         | 28-Jul-17 | 633618.00         | 7229088.00         |
| 21-Jul-17 | 640498.00         | 7179436.00         | 28-Jul-17 | 635030.00         | 7234700.00         |
| 21-Jul-17 | 641113.00         | 7179620.00         | 28-Jul-17 | 635063.00         | 7235973.00         |
| 21-Jul-17 | 643624.87         | 7180047.20         | 28-Jul-17 | 629870.00         | 7237227.00         |
| 22-Jul-17 | 645298.18         | 7180810.86         | 29-Jul-17 | 629675.00         | 7192464.00         |
| 22-Jul-17 | 645323.31         | 7180842.38         | 30-Jul-17 | 628744.00         | 7192021.00         |
| 22-Jul-17 | 643831.76         | 7188737.79         | 30-Jul-17 | 626922.00         | 7192965.00         |
| 22-Jul-17 | 644729.38         | 7189059.17         | 30-Jul-17 | 644949.07         | 7179801.31         |
| 23-Jul-17 | 636710.00         | 7177309.00         | 31-Jul-17 | 640050.00         | 7175944.00         |
| 23-Jul-17 | 636446.00         | 7177855.00         | 1-Aug-17  | 629048.00         | 7189864.00         |
| 23-Jul-17 | 635517.00         | 7178774.00         | 1-Aug-17  | 628768.00         | 7192083.00         |
| 23-Jul-17 | 640074.00         | 7179726.00         | 11-Oct-17 | 641498.00         | 7178459.00         |
| 24-Jul-17 | 637376.00         | 7177246.00         | 12-Oct-17 | 641498.00         | 7178459.00         |
| 24-Jul-17 | 637826.00         | 7177855.00         | 13-Oct-17 | 645126.41         | 7179964.81         |
| 24-Jul-17 | 638581.00         | 7178169.00         | 13-Oct-17 | 641498.00         | 7178459.00         |
| 24-Jul-17 | 641872.00         | 7178416.00         | 14-Oct-17 | 645140.34         | 7179966.14         |
| 24-Jul-17 | 642850.00         | 7178771.00         | 14-Oct-17 | 643975.83         | 7188775.60         |
| 24-Jul-17 | 638768.00         | 7179014.00         | 15-Oct-17 | 645140.34         | 7179966.14         |
| 24-Jul-17 | 639405.00         | 7179291.00         | 15-Oct-17 | 643975.83         | 7188775.60         |
| 24-Jul-17 | 643592.58         | 7179054.69         | 15-Oct-17 | 641498.00         | 7178459.00         |

### 3.7 Wildlife Sightings

A number of small mammals, such as ground squirrels and rabbits were observed on the Meadowbank Precious Metal Project during the 2017 exploration program. While no muskox or caribou were sighted within the boundaries of the Meadowbank Precious Metal Property a few herds were sighted flying from Baker Lake to the Project. See Appendix 1 for photos and brief descriptions of sightings.

### 3.8 Spills

No hydrocarbon spills occurred during the 2017 exploration program.

### 3.9 Archaeological and Palaeontological Resources

In June of 2017, 5530 Nunavut Inc. commissioned Golder Associates to complete an Archaeological Overview Assessment for Meadowbank Precious Metal Project.

The Archaeological Overview Assessment provided 5530 Nunavut Inc. with information of known sites in the Project area and where there is a high potential for the discovery of undocumented sites. This report was used to assist in the Project planning for the 2017 exploration program and will be used for planning future programs.

No new or known archaeological sites were encountered during the 2017 exploration program.

### 3.10 Environmental Studies

No environmental studies were conducted during the 2017 exploration program.

### 3.11 Northern Hires/Contracts

Western Atlas Resources Inc. aims to employ employee or contract Inuit and/or northern personnel or businesses whenever possible. Table 3.2 lists the northern businesses contracted for the 2017 Meadowbank Precious Metal Project exploration program.

Table 3.2 Northern Businesses Contracted for the 2017 Exploration Program

|   |
|---|
| <p><b><u>Food and Accommodations</u></b></p> <p>Siniktarvik Hotel: Rankin Inlet<br/>Nunamiut Lodge: Baker Lake<br/>Baker Lake Lodge: Baker Lake<br/>Katimavik Suites: Rankin Inlet<br/>Restaurant: Rankin Inlet</p> <p><b><u>Aircraft</u></b></p> <p>Canadian North Airlines: Yellowknife, Rankin Inlet, Baker Lake<br/>Air Tindi Charter Services: Yellowknife, Rankin Inlet, Baker Lake<br/>Calm Air: Winnipeg, Rankin Inlet, Baker Lake<br/>Custom Helicopters: Rankin Inlet</p> <p><b><u>Logistics</u></b></p> <p>Discovery Mining Services: Yellowknife<br/>SK Construction: Baker Lake<br/>Aviation Fuel Enterprises: Baker Lake<br/>Northern General Store: Rankin Inlet, Baker Lake<br/>Baker Lake Contracting and Supplies: Baker Lake</p> |
|---|

#### 4 2018 Exploration Program

Planning of the 2018 Exploration Program is currently in progress. Planned exploration will likely consist of two phases. Planned Phase I work, proposed for the 2018 field season, includes:

- detailed interpretation of 2017 airborne magnetic survey and reporting,
- a versatile time domain electromagnetic (“VTEM”) survey over target areas as defined by the 2017 airborne survey and remote sensing,
- till sampling over targets in overburden covered areas, and
- geological field work including mapping and additional rock sampling.
- Up to 1,200 meters of drilling on specific targets the company is currently working on.

Contingent on the Phase I program results, a Phase II program, consists of detailed ground geophysical surveying, including ground magnetics and IP, over high priority areas based on the VTEM and till survey results, geological and structural mapping, chip/channel sampling and an additional drilling program totalling 2,000 m to test the highest priority targets.

**Appendix 1**  
**Meadowbank Precious Metal Project**  
**2017 Wildlife Sighting Record**

Wildlife observed within the Meadowbank Precious Metal Property during the 2017 exploration program included small mammals such as ground squirrels and snow rabbits on many occasions walking freely near field personnel during the prospecting and rock sampling campaign.



**Picture 1: Sik Sik (Ground Squirrel)**



**Picture2: Snow Rabbit**

Additional to this, from the Helicopter a number of different groups of Muskox and Caribou were identified within the Agnico Eagle properties, between the Meadowbank Precious Metal claim blocks and Baker Lake.



**Pictures 3 & 4: Muskox**



**Picture 5: Caribou**