

2017 ANNUAL REPORT

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

**INAC LUP N2017J0014
NWB Licence 2BE-NAD1722**



Prepared by:



&



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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.

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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, 2017 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

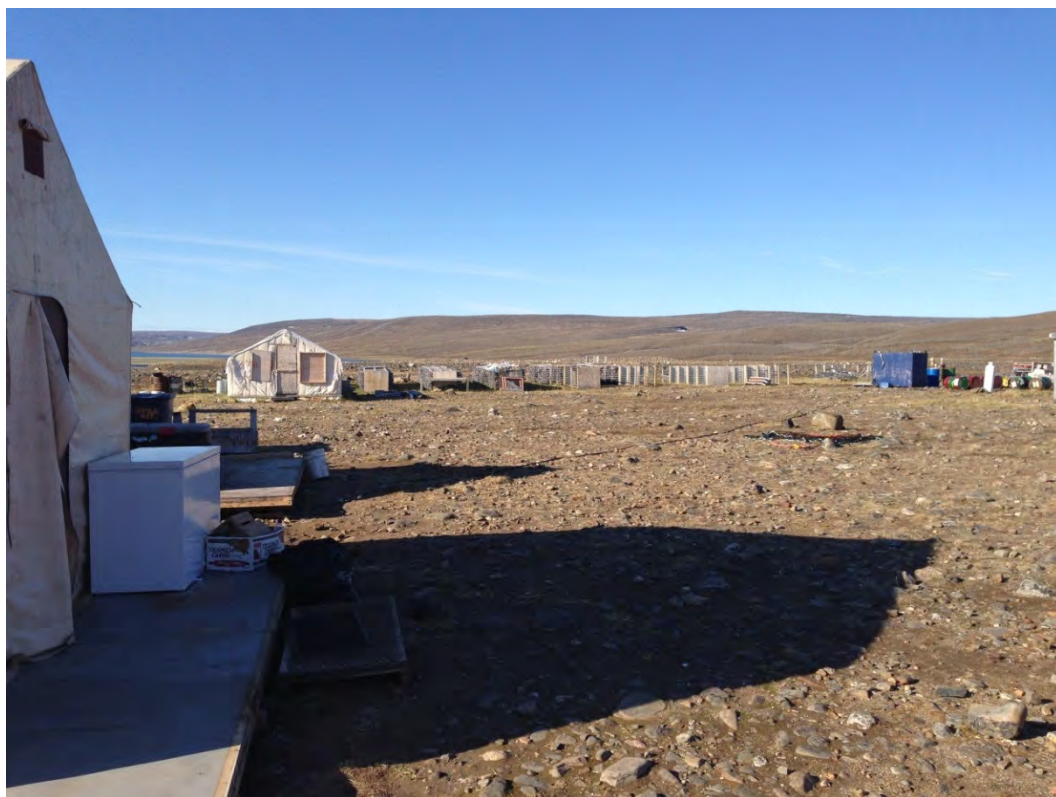


Photo 5: Dewar Lakes Camp after rehabilitation - Aug 10, 2017 – looking SW



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).