

Δ'ΕΛΛΑΔΟΣ, με 77/P.O. Box 2379 Cambridge Bay, NT /EKALUKTUTIAK, NUNATIAMI ΧΩΡΟΣ • Δ'ΕΛΛΑΔΟΣ /Phone/HIVAYAOTA: (867) 983-2593 • ΠΟΛΙΤΗΣ Δ'ΕΛΛΑΔΟΣ /Fax/FAX-KOT: (867) 983-2594

October 22, 1998

To: Distribution List via fax.

Re: NIRB #98EN119 DIAND N1998C0920
Project: Mineral Exploration – Spears Lake
Proponent: Muskox Holdings Ltd.
Region: Kitikmeot
(67°00'N, 114°45'W to 67°45'N, 116°00' W)

Project Overview:

Muskox Holdings Ltd. has applied to DIAND and KIA for land use permits and to the NWB for a water licence to conduct diamond drilling, till sampling, mapping, geo-chemical sampling and airborne and ground geophysics in the McGregor / Spear Lake area of the West Kitikmeot. Kitikmeot Geological Ltd. will be the operator and will be drilling three targets; one target on Crown Land and two targets on Inuit Owned Land. All three targets are land based and the drilling will be conducted with a "fly" Longyear 38 drill rig. The drill will be moved from target to target by helicopter or skidded with a D6D Cat. They expect to start this program in November 1998 and operations are expected to continue year round (January through December). All equipment, fuel and personnell will be mobilized via fix wing aircraft and/ or helicopter. The company has requested the use of the Cat for winter operations and restricted use during summer operations.

No campsite will be built as the camp support facilities exist under a valid KIA land use permit (I96C104). The facilities include 8-10 weather haven tents, an out house and a heli-pad to support a 10-15 person camp. Garbage is to be incinerated in a burn barrel once a day and debris shipped off site. Grey water will be collected in a natural depression. All fuel will be stored in sealed 45 gallon drums, located at least 30m away from the high water mark at the McGregor Lake camp site. Spill kits will be located at every fuel storage location.

All materials, fuel and debris will be removed from the site once the holes are completed. It should be noted that Kitikmeot Geological has (and intends to continue to) put in efforts to clean up previous companies, fuel, materials and debris.

Indian and Northern
Affairs CanadaAffaires indiennes
et du Nord CanadaAPPLICATION FOR LAND USE PERMIT
DEMANDE DE PERMIS D'UTILISATION DES TERRES

Office use only - Réserve pour usage interne seulement

Application fee - Droits de demande de permis Land use fee - Droits d'utilisation des terres General receipt no. - N° de reçu Date Class - Catégorie Permit no. - N° de permis

To be completed by all applicants - À compléter par tous les demandeurs 3

1. Applicant's name and mailing address (Full name, no initials) - Nom et adresse du ou des requérant (s) (Nom au complet, pas d'initiales)

Muskox Holding Limited
Suite 208-470 Granville St
Vancouver, BC
V6C 1V5

Fax no. - N° de télécopieur

604-662-8321

Telephone no. - N° de téléphone

604-662-8373

2. Head office address - Adresse du siège social

Same as above.

Fax no. - N° de télécopieur

Telephone no. - N° de téléphone

Field supervisor - Chef de chantier
Jason Attaw

Radio telephone - Téléphone-radio

1 600 700 3371

Telephone no. - N° de téléphone
604 984 7200

3. Other personnel (Subcontractor, contractors, company staff, etc.) - Autre personnel (Sous-traitants, entrepreneurs, personnel de société, etc.)

TOTAL:

Nunasi Helicopters, Kitikmeot Geological Ltd.

4. Qualifications - Titres
refer to Section 21 - Territorial Land Use Regulation
consultez l'article 22 (2) b) - du Règlement sur l'utilisation des terres territoriales.No (a) exploration permit mineral claims - if applicable
N° (a) des permis d'exploration minière, s'il y a lieua(i) ☐ a(ii) ☒ a(iii) ☐ b ☐ c ☐5. a) Summary of operation (describe purpose, nature and location of all activities - refer to Section 22 (2) (b) - Territorial Land Use Regulations). (Use last page of form if additional room is required).
Résumé des opérations (expliquez le but, la nature ainsi que l'emplacement de toutes les activités - consultez l'article 22 (2) b) - du Règlement sur l'utilisation des terres territoriales). Utilisez la dernière page du formulaire si vous avez besoin d'espace supplémentaire.

Diamond drilling, geo-chemical sampling, geophysics. Operations will include drilling using a 'fly' 38 diamond drill. The 38 drill will be moved by helicopter, or skidded with a D6D Cat. Summer operations of Cat will be restricted to confined areas. Winter operations of Cat for movement of fuel, drill, and equipment is requested. Prior to the field activities we will get DIAND approval.

b) Please indicate if a camp is to be set up (Use last page to provide details).
Indiquez si un camp doit être aménagé (Utilisez la dernière page pour donner des détails).No campsite to be built. Camp for support exists under Kitikmeot Inuit
Association Land Use Permit 196C104.6. Summary of potential environmental and resource impacts (Describe the effects of the proposed program on land, water, flora & fauna and related socio-economic areas (Use separate pages if necessary))
Résumé des conséquences possibles sur l'environnement et les ressources (décrivez les effets du programme proposé sur les terres, l'eau, la flore et la faune et les domaines socio-économiques connexes (Utilisez des pages supplémentaires au besoin))

All fuel will be stored in caches, above any high water marks (minimum 30 m). Spill kits will be located at every cache.

7. Proposed restoration plans (please use last page if required) - Plans proposés de remise en état des terres (au besoin, utilisez la dernière page)

All equipment, fuel, and debris will be removed and the site restored to as near as original as possible.

8. Other rights, licenses or permits related to this permit application (mineral claims, timber permits, water licenses, etc.)
Autres droits, autorisations ou permis associés à cette demande de permis (claims miniers, permis de coupe, permis d'exploitation hydraulique, etc.)

Water Licence applied for from Nunavut Water Board

Roads: N/A
Routes:

Is this to be a planned road?
Please provide details on back page
La route doit-elle être aménagée?
Donner les détails sur la dernière page

Has the route been laid out or ground marked?
Le tracé a-t-il été établi et le terrain marqué?

Has funding been applied for L.E. RTAP?
Avez-vous demandé du financement?

9. Proposed disposal methods - Méthodes d'élimination proposées

a) Garbage:
Orpains: Burned daily, non-burnables shipped to YK

c) Brush & trees:
Broussailles et arbres: N/A

b) Sewage (Sanitary & Grey Water):
Eaux usées (Eaux d'égout et eaux ménagères): N/A

d) Overburden (Organic soils, waste material, etc.):
Terrain de recouvrement (Dépôts organiques, déchets, etc.): N/A

10. Equipment (includes drills, pumps, etc.) (Please use last page if required)
Matériel (comprend foreuses, pompes, etc.) (Utilisez la dernière page au besoin)

Type & Number - Type et nombre	Size - Dimension	Proposed use - Utilisation proposée
D6D Cat	8' x 20'	Drill moves
25D Boyles and 38 Longyear Diamond Drills	16' x 20'	Drill core holes
H ₂ O pump	8' x 8'	Water supply to drill
Drill sloop	8' x 14' each	Move drill steel
Snowmobiles		Crew and Supply Transport
Bell 206 B / Hughes 500 Helicopter		Crew and Supply Transport
11. Fuels - Combustibles	(✓) Number of containers - Nombre de réservoirs	Capacity of containers - Capacité des réservoirs
Diesel	3 25	45 gal drums
Kerosene - Essence	3 10	45 gal drums
Aviation Fuel - Carburant aviation	3 10	45 gal drums
Propane	3 10	100 lb bottles
Other Calcium Chloride	3 2100 25 kg bags	25 kg bags

12. Contingency fuel spill contingency plans (Please attach separate contingency plan if necessary)
Plans d'urgence d'isolement de carburant en cas de déversement (veuillez joindre un plan d'urgence distinct au besoin)

All fuel stored in sealed 45 gal drums.
Spill kits located on site.

13. Methods of fuel transfer (To other tanks, vehicles, etc.) - Méthodes de transfert des combustibles (vers d'autres réservoirs, véhicules, etc.)

Hand wobble pump.

~~Additional information (attach additional pages if necessary) - Renseignements additionnels (joindre des pages supplémentaires au besoin)~~

Also used on both type of drills: E-Z mud - 200 pails, 50 lbs each; will be stored or located on site.

Period of operation (includes time to cover all phases of project work applied for, including restoration)
 Période d'opération (comprend toute période du début à la fin des projets, y compris la remise en état)

January - December

15. Period of permit (up to two years, with maximum of one year extension) Période du permis (valable pour une durée de deux ans et prolongation maximale d'un an)	Start date - Date du début du projet	Completion date - Date d'achèvement
	0 9 0 1 9 8	0 8 3 1 0 0

16. Location of activities by map co-ordinates (attached maps and sketches)
 Emplacement des activités selon les coordonnées géographiques (cartes et esquisses ci-jointes)

MN Lat Deg 67	MN Lat Min 00	MAX Lat Deg 67	MAX Lat Min 45
MN Long Deg 114	MN Long Min 45	MAX Long Deg 116	MAX Long Min 00
Map Sheet No. 86J, Crown Claims MU 20-38,45-73 and CO 1-32			

17. Applicant - Requérant

Print name in full - Écrire votre nom au complet en lettres majuscules

Darcy Wray

August 28, 1988

18. Fees - Droits

Class A \$150.00

Class B \$150.00

Land use fees:

2

Hectare @ \$50.00 =

\$ 50.00

Droits d'utilisation des terres

(Less than or equal to 2 ha.)

Hectare @ \$30.00 =

\$

(Each additional ha. or portion of a ha. in excess of 2 ha.)

Total Application and Land Use Fees =

\$ 200.00

19. Calculation of area involved (includes access, staging areas, airstrips, campsites, etc.)
 Calcul des aires en cause (comprend l'accès, les aires de transit, les pistes d'atterrissage, les camps, etc.)

Total area (ha)
 Aire totale

TOTAL

d. Application checked - Vérification de la demande

a)

Application signed and dated
 Demande signée et datée

0

Timber permit applied for
 Permis de coupe du bois demandé

b)

Fees attached
 Droits ci-joints

0

Fees attached
 Droits ci-joints

c)

Map included
 Carte incluse

0

Leads applied for
 Bois demandé

d)

Address and telephone number
 Adresse et numéro de téléphone

e)

Screening report
 Rapport d'évaluation

21. Accepted by - Accepté par

Date

22. Remarks - Remarques

KITIKMEOT INUIT ASSOCIATION

APPLICATION FOR ACCESS TO INUIT OWNED LAND

Applicant's name	Land use fee	Receipt no.	Date	Class	Remarks
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To be completed by all applicants

1. Applicant's name and mailing address (Full name, no initials)		Fax no.
Muskox Holdings Limited Suite 218 - 470 Granville Street, Vancouver BC V6C 1V5		604- 662-8321
		Telephone no.
		604- 662-8373
2. Head Office address		Fax no.
Same as above		
		Telephone no.
3. Field supervisor and address if different from above		Telephone no.
Mr. Jasen Attew C/O Kitikmeot Geological Ltd. 399 Mountain Hwy., North Vancouver, BC V7J 2K9	Radio Telephone 1 600 700 3371	604-984-7200 (Tel.) 604-984-7266 (Fax)

4. Other personnel list (Subcontractors or contractors to be used)
- Kitikmeot Geological Ltd., Nunasi Helicopters Ltd.

Total no. of personnel: 10-15

No. of person days: Varied - 850 - 1000

5. a) Summary of operation (Describe purpose, nature and location of all activities. Indicate whether access routes are new or existing. Indicate whether new access routes have been examined on the ground.) Use last page of form if additional room is required.
- Preliminary exploration which includes till sampling, quaternary and geological mapping, airborne and ground geophysics and drilling. Drilling would be conducted with a skid mounted 'fly' Longyear 38 drill rig. The rig would be moved from site to site by helicopter. All fuel and equipment would be mobilized in via fixed wing aircraft and / or helicopter. Camp facilities include 8-10 Weather-haven tents, an outhouse and a hell-pad.
- b) Please indicate if a camp is to be set up. Use last page to provide details. (see attached map)
- Campsite already exists under I96C104
- Coordinate of camp Lat. 66°54.75 Long 115°14.40'
6. Summary of potential environmental and resource impacts and mitigation measures to be used. (Describe the effects of the proposed program on land, water, flora and fauna.) Use separate pages if necessary.
- Materials and Personnel to be mobilized by fixed wing aircraft and helicopter. No access roads are proposed. All garbage would be

incinerated in burn barrel once a day and debris shipped off site. All fuel stored in 45. Gal. Containers with a spill kit within close proximity. All fuel and equipment would be stored at least 30m from high water mark.

7. Proposed restoration plans. Use last page if more room is required.

All drill holes will be cleaned and returned to as near as natural state as reasonably possible. All materials and equipment will be removed from site, including empty fuel containers.

8. Other rights, licences or permits related to this application (mineral claims, water licenses, etc.).

Water Licence for exploration has been applied for through the Nunavut Water Board.

9. Proposed disposal methods

- a) Garbage: Burned, non-burnables shipped off-site
- b) Sewage: Gray water collected in natural depression sump
- c) Overburden (Organic soil, waste material, etc.) N/A

10. Equipment (Includes drills, pumps, vehicles, etc.). Use last page if more room is required.

Type & Number	Size and ground pressure	Proposed use
Bell 206 B / Hughes 500 helicopter	N/A	Crew and Supply Transport
38 Longyear Diamond Drill	5,100 lbs	Core Drilling
Mud Mixer	200 lbs	Drill fluid mixer
Water Pumps	4' X 4'	Water supply for camp and drill
Snowmobiles	Yamaha Enticer	Crew Transport

11. Fuel - No. of litres	Number of containers	Capacity of containers
Diesel	250	205 litre (45 gal.)
Gasoline	50	205 litre (45 gal.)
Aviation fuel	50	205 litre (45 gal.)
Propane	100	100 lb. bottles
Other		

12. Describe fuel spill contingency plan. Attach separate plan if necessary.

All fuel caches contain a mobile Shell spill kit.

13. Periods of operation including periods of seasonal shut down and periods for restoration

January - December (Year Round)

14. Period of access required (up to two years)	Start date (dd/mm/yy)	Completion Date (dd/mm/yy)
	1 2 1 0 9 8	1 1 1 0 0 0

15. Location of activities by map coordinates. Attach maps and sketches.

MIN Lat Deg 66	MIN Lat. Min 30	MAX Lat. Deg 67	MAX Lat. Min 30
MIN Long Deg 115	MIN Long Min 00	MAX Long Deg 115	MAX Long Min 45
Map Sheet no. 86 0 / 86 J. Inuit Land Parcel no. CO - 52, CO-60 / 62-62.			

17. Fees Application ☒ Class A \$750.00 ☐ Class B \$500.00 ☒ Class C \$250.00 ☐ Exempt

Land use fees: ☒ 1 Hectare @ \$50.00 = \$ 800.00

Total application and land use fees: ☒ \$ 800.00

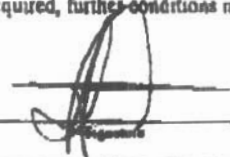
Note: The land use fee is for the amount of land physically impacted by the land use

18. a) The Applicant requests a Certificate of Exemption ☐

OR

b) The Applicant agrees to be bound by the attached terms and conditions and general minimum standards. Should a Class A or Class B Inuit Land Use Permit be required, further conditions may be attached to the permit. ☒

Sign name in full



August 26, 1998

Date

Other Fee Only	
19. Application Checklist	
a) Application signed and dated	<input checked="" type="checkbox"/>
b) Fees attached	<input checked="" type="checkbox"/>
c) Map and/or plan included	<input checked="" type="checkbox"/>
d) Address and telephone number	<input checked="" type="checkbox"/>
e) Area of land use verified	
f) Stability verified	
g) Verification of subsurface interest	
h) Exemption Certificate Issued	N/A
Remarks	

26. Additional Information. Attach additional pages as needed

Additional Muds and Salts used: (MSDS Sheets enclosed)

1. EZ Mud
2. OBX Drill Grease
3. 133x Grease
4. Clay Treat II
5. Pelladow Minipellets (CaCl_2)

THE MUSKOX PROJECT

Background

Although it was discovered over 40 years ago, the Muskox Nickel-Copper / Platinum Group Element deposit in Nunavut remains significantly underexplored. However, due to recent advances in ore modelling and geophysical technologies, facts are emerging that point to the Muskox Intrusion as a world-class deposit, similar in size, composition and geological environment to Voisey's Bay in Labrador, Noril'sk in Siberia, and Jinchuan in China.

Most of the major targets in the Muskox Intrusion were anticipated soon after its discovery. However, they remained obscure or overlooked until recently. Kitikmeot Geological Ltd., as the operating company for Muskox Holdings Ltd., has introduced improved methods for collecting high-quality geophysical data and for interpreting and modelling these data to great depths.

The Muskox Property is located 480 km north of Yellowknife and 100 km south of Kugluktuk. Access to the property is by air only, and numerous lakes provide float and ski plane access to the immediate project area. Breakup usually occurs in mid-June and freeze-up is generally in mid-September. Although the project is north of the treeline, conifers are relatively abundant in the Coppermine River valley.

The geological setting and mineralogy of the Muskox Intrusion are very similar to a number of major economic Nickel-Copper / Platinum Group Element (Ni-Cu/PGE) sulphide deposits, including Sudbury, Voisey's Bay, and Noril'sk in Siberia. The Noril'sk Oktyabr'sk deposit has been valued at \$18 billion Cdn.

The results of 40 years of analysis indicate the presence of a massive, layered mafic intrusion that was emplaced into a rift in the Canadian Shield approximately 1.27 billion years ago. The intrusion, shaped like an elongated, V-shaped trough, dips downward at 3° to 5° from south to north. About 50 km of the intrusion is exposed, while remnants of the intrusion (the feeder dyke) extend another 75 km to the south. At its widest point, the exposed portion is 11 km across, and it is estimated that the subsurface extension continues for another 250 km to the north, increasing in width as it goes.

Based on previous investigations, the Muskox Intrusion exhibits widespread areas of mineralization, with grades to 6% Ni, 20% Cu, 120 g/t Platinum Group Elements (Pt and Pd) and 11 g/t Au.

The Muskox intrusion was originally discovered in 1956 by the Canadian Nickel Company (later INCO) during an airborne reconnaissance. Extensive drilling and geological mapping programs were carried out in subsequent years. In 1995 Canamera Geological Ltd. conducted geological surveys over the claim block. Analyses of grab samples taken in the McGregor Lake area yielded results as high as 2.7% Ni, 1.4% Cu, 0.14% Co, 534 ppb Pd and 123 ppb Pt. In 1996, a program was conducted over a larger

portion of the Muskox Intrusion. The program included an airborne and ground geophysical program that focused on the Kahuna Target, essentially the subsurface portion of the Muskox Intrusion north of the exposed section. Vulcan software was used extensively to develop 3-D models of the intrusion to estimate its depth and position at various locations, to examine fault displacements, and to locate favourable contact geometry.

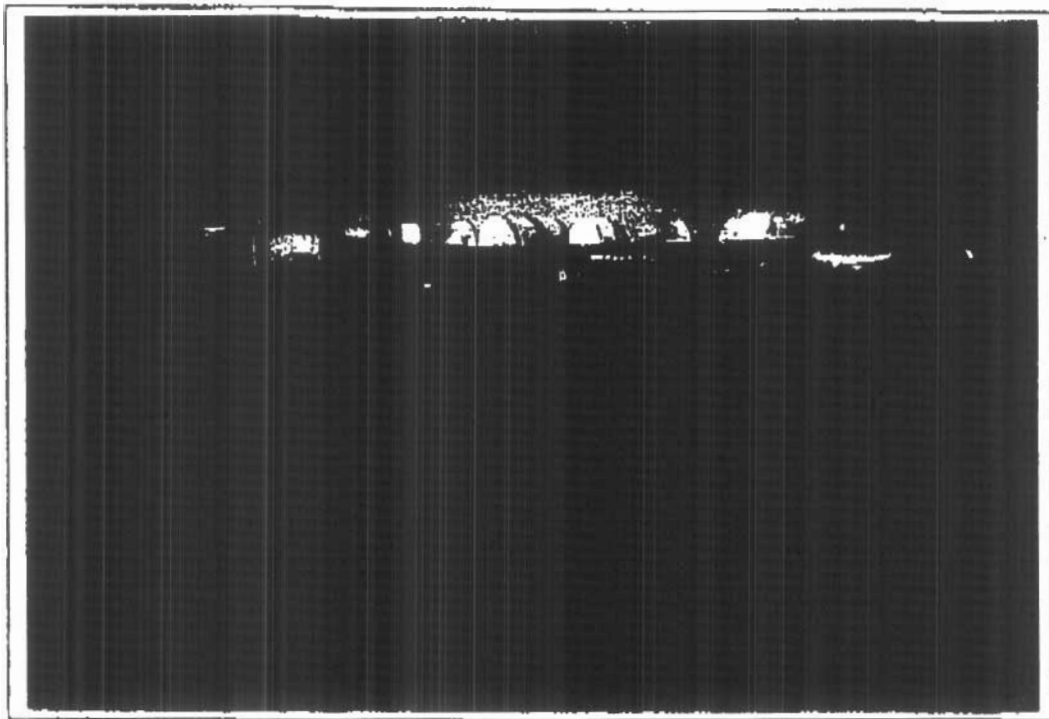


Plate 1. Camp Near McGregor Lake.

A compilation of previous exploration activity by Canamera Geological Ltd. and Kitikmeot Geological has led to a new understanding of the structure of the Muskox Intrusion. In addition, anomalies discovered during the 1996 survey indicate that deposits are shallower than previously thought, and point to the potential presence of significant sulphide orebodies that were previously undetected or overlooked. These results have encouraged Muskox Holdings Ltd. to continue with its airborne and ground-based geophysical surveys into 1998.

1998 Field Program – Phase I

In July of 1998, Kitikmeot Geological utilized the existing base camp set up at the north end of McGregor Lake, 100 km south of Kugluktuk. From the base camp they conducted an extensive airborne and ground geophysics program using the state-of-the-art Hummingbird system to map the entire exposed portion of the Muskox Intrusion, covering an area of 800 km². The Hummingbird system employs an array of highly

sophisticated equipment (Plate 2) specifically designed to detect deep-seated magnetic and electrical anomalies. A global positioning system is used to determine location, and a combination of barometric and laser altimeters ensures an accurate reading of altitude.

The airborne survey will be followed up by ground geophysics programs, in which geologists will sample areas where anomalies have been identified by the Hummingbird system. These samples will then be analyzed by Muskox Holdings to identify and prioritize drill targets from which a Phase II drilling program will then be developed.

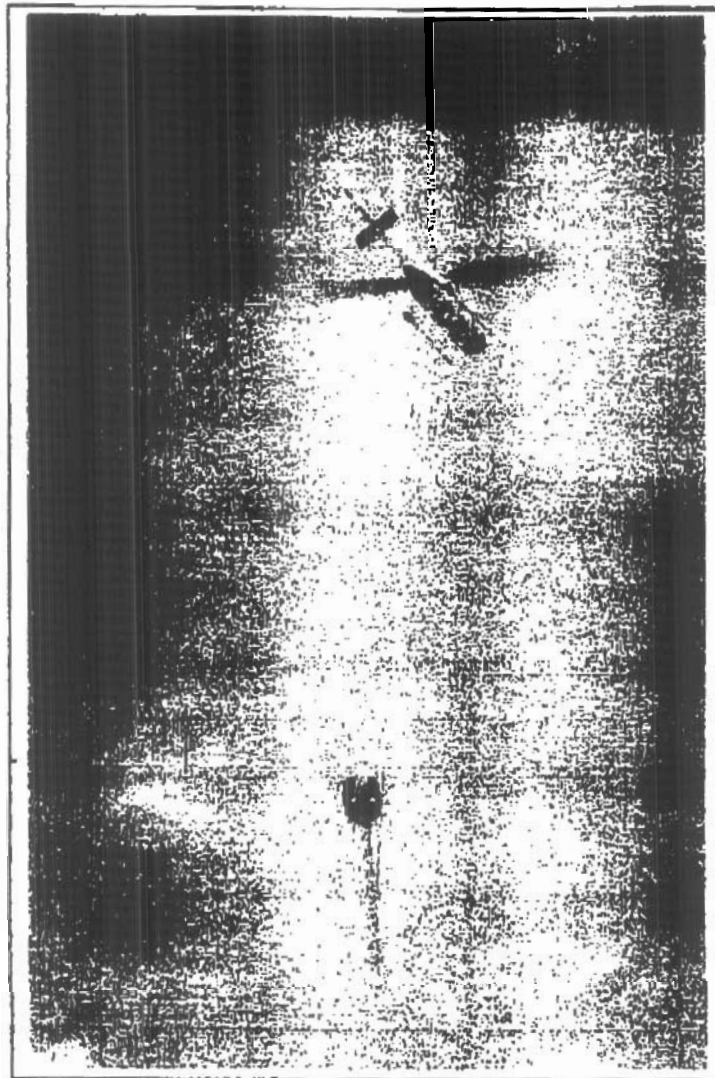
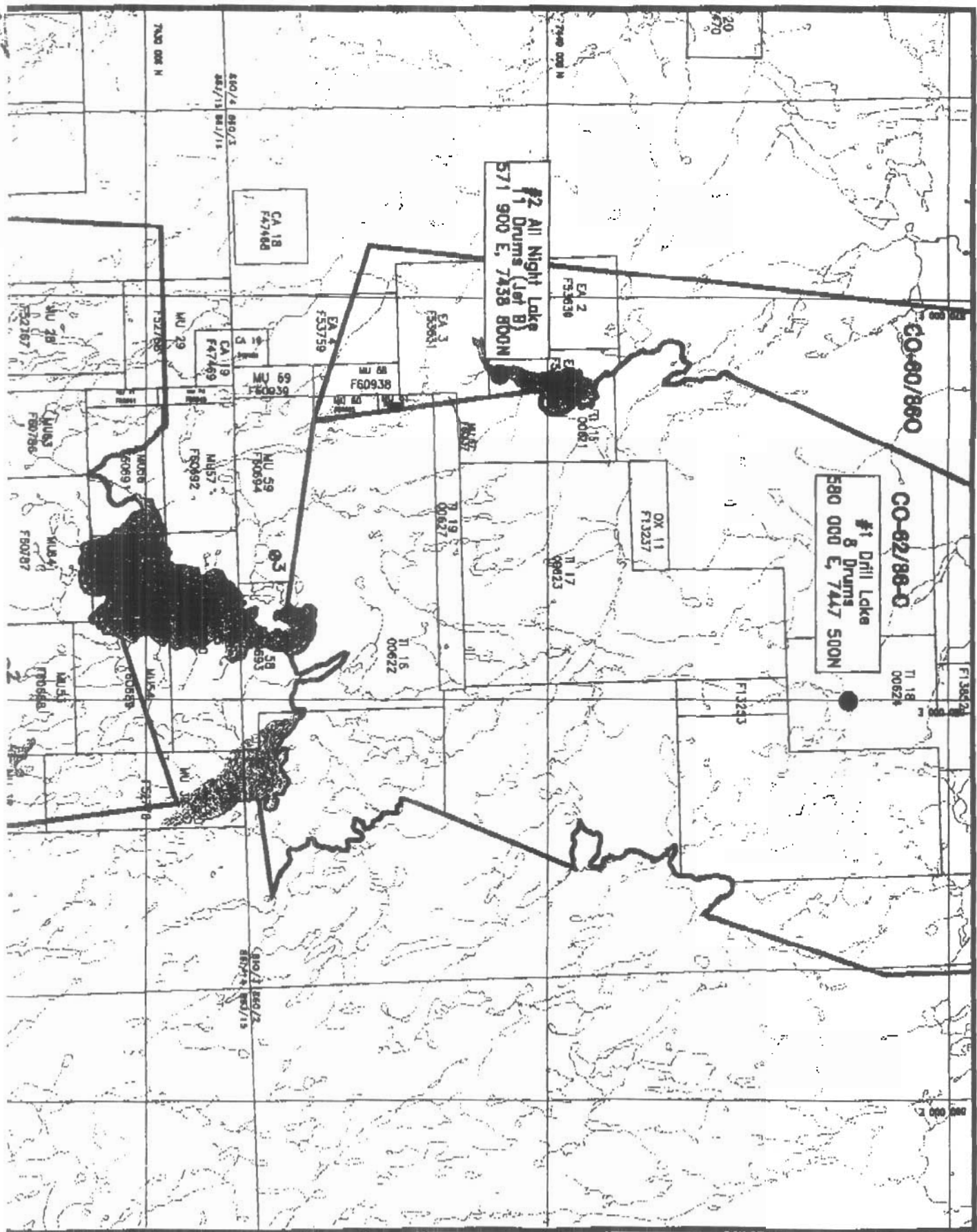


Plate 2. The "Hummingbird" frequency domain EM system in operation.





Proposed Diamond Drills

- 1) Near Pyrrhuloxia on half land
Location: Lat. 66°46'10" N, Long. -115°10'27"
UTM, 57R100 E, 7400500 N
- 2) Near Horns Ledge on half land
Location: Lat. 66°56'51" N, Long. -115°11'28"
UTM, 57R100 E, 7400475 N
- 3) On Crown Island
Location: Lat. 67°03'00" N, Long. -115°15'51"
UTM, 57R400 E, 7452200 N



Muskox Holdings Ltd

Proposed Land use

SCALE: 1/2"=1'-0"	DATE: 06-19-00	FIGURE
APPROVED BY: JAC	FILE: 101.dwg	

Kollmeyer Geological Ltd.

Distribution List for NIRB File #: 98EN119
Project Name: Mineral Exploration near Spears Lake
Muskox Holdings Ltd.

Kitikmeot List

of Pages 3

Contact Name:		Phone #:	Fax #:
Nunavut:			
NTI	Environmental Manager	983-2517	983-2723
KIA	Lands Manager	867-982-3310	867-982-3311
NPC	Executive Director	613-238-1155	613-238-5724
NWB	Executive Director	867-360-6338	613-360-6369
NWMB	Executive Director	867-979-6962	867-979-7785
Kitikmeot HTA	Chairperson	867-983-2442	867-983-2442
Inuit Heritage Trust			
Federal:			
DIAND - Nunavut	District Manager	867-979-4405	867-979-6445
DIAND - Kitikmeot	Regional Inspector	867-982-4306	867-982-4307
DFO - Eastern Arctic	Regional Biologist	867-979-6274	867-979-4539
DOE	Mgr. Environmental Protection Branch	867-920-6050	867-873-8185
Territorial Government:			
RWED	Kelly Robertson	867-920-8069	867-873-0114
RWED - Kit	John Stevenson	867-982-7240	867-982-3701
MACA	Doug Crossley	983-7262	983-2491
Transportation		983-7267	983-2617
PWNHC	Charles Arnold	867-920-8084	867-873-0205
Communities:			
Kugluktuk: X0E 0E0			
Hamlet	SAO	867-982-4471	867-982-3060
Kukluktuk Angoniaktit Association	Chairperson	867-982-5902	867-982-4047
Kukluktuk HTO	Chairperson	867-982-4207	867-982-4047

* map of camp and drill locations.

Distribution List for NIRB File #: 98EN119**Project Name: Mineral Exploration near Spears Lake****Muskox Holdings Ltd.****Kitikmeot List**# of Pages 15

Contact Name:	Phone #:	Fax #:
Nunavut:		
NTI Environmental Manager	983-2517	983-2723
KIA Lands Manager	867-982-3310	867-982-3311
NPC Executive Director	613-238-1155	613-238-5724
NWB Executive Director	867-360-6338	613-360-6369
NWMB Executive Director	867-979-6962	867-979-7785
Kitikmeot HTA Chairperson	867-983-2442	867-983-2442
Inuit Heritage Trust		
Federal:		
DIAND - Nunavut District Manager	867-979-4405	867-979-6445
DIAND - Kitikmeot Regional Inspector	867-982-4306	867-982-4307
DFO - Eastern Arctic Regional Biologist	867-979-6274	867-979-4539
DOE Mgr. Environmental Protection Branch	867-920-6050	867-873-8185
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Kukluktuk Angoniaktit Association	Chairperson	867-982-5902
Kukluktuk HTO	Chairperson	867-982-4207

* please note a good copy of a map indicating location of camp and drill locations will be fax as soon as NIEB receives one.