

November 14, 2017
Karén Kharatyan
Senior Technical Advisor / Acting Licensing Manager
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0
Phone: (867) 360-6338 ext. 35

Re: Water Licence Application for Arcadia Bay Property

Mr. Kharatyan,

Please accept this water licence application on behalf of Transition Metals Corp. ("Transition") for water use at the Arcadia Bay Property ("the Property").

The Arcadia Bay Property, owned and operated by Transition and NRC ("Nunavut Resources Corporation"), is located within Inuit Owned Land ("IOL") parcel CO-31, along the shore of Arcadia Bay, south of the Coronation Gulf. The Property is located within the 1:50,000 National Topographic System ("NTS") mapsheet 76M/11 and is centred at approximately 67° 42' 21.6" N and 111° 23' 13.2" W or, using the Universal Transverse Mercator ("UTM") conformal projection, 483608 E/7510147 N, North American Datum ("nad") 83 zone 12.

The proposed exploration activities on the Project will include a 12 hole diamond drill program, totalling approximately 2,500 meters. It is anticipated that the program will be supported by a small (~12 person) temporary exploration camp. It is estimated that the total water usage will be approximately 2m³ per day for camp use and 40m³ per day for drilling, totalling 42m³/day. It is anticipated that all supplies and equipment will be brought to the Project area by air from Yellowknife, Cambridge Bay and/or Kugluktuk. IOL parcel CO-31 can be accessed via float or ski-equipped fixed wing aircraft using Salt Lake, located on the northern perimeter of the Property or alternatively using an airstrip associated with the Ulu deposit approximately 95 km to the south or an airstrip at the Tree River Lodge about 20 km to the west. A helicopter will remain onsite to move personnel and equipment around the Project area. Small fuel caches may be required to support the proposed exploration program. Based on results of the results of this proposed program, exploration activities are anticipated to be ongoing for the next several years.

The program was initially anticipated to commence in July of this year (as recorded in the applications previously submitted to other permitting/licencing agencies and accompanying Management Plans), but due to delays in approval of the previously submitted applications it is more likely the program will now commence in the spring of 2018 (for the purposes of the application, we are using March 2018, as the new approximate proposed start date). The program is anticipated to run for approximately 6 weeks (42 days).

An existing Kitikmeot Inuit Association ("KIA") License KTL113B001, which currently authorizes staking, prospecting, geological sampling and airborne geophysics has recently been approved to be upgraded to a Class III Licence in order to authorize drilling and a camp. The Class III Licence issuance is currently just awaiting the submission of the standard security deposits.

Documents submitted in this water licence application include:

- General Application for a Water Licence
- Exploration-Remote Camp Questionnaire
- Mineral Exploration Remote Camp SIG-kt
- Arcadia Bay Property NPC Conformity Determination
- Arcadia Bay Property NIRB Screening Decision
- Arcadia Bay Property NIRB Screening Comments (DFO, ECCC, INAC and GN)
- Arcadia Bay Property NIRB Screening Comments Proponent Response
- Figure 1 Arcadia Bay Project Location
- Figure 2 Arcadia Bay Project Over Google Earth
- Figure 3 Arcadia Bay Project Potential Field Areas
- Transition XTM Nunavut Registration
- Transition Financial Statements for 6 months ending 28Feb2017
- Transition Authorization Letter
- Cheque for \$30.00 for application fee payable to the Receiver General
- Cheque for \$30.00 for water use deposit payable to the Receiver General
- Arcadia Bay Property Spill Contingency and Fuel Management Plan
- Arcadia Bay Property Waste Management Plan
- Arcadia Bay Property Abandonment and Restoration Plan
- Arcadia Bay Property Emergency Response Plan
- Arcadia Bay Property Environmental Management Plan
- Arcadia Bay Property Non-Technical Summary – English
- Arcadia Bay Property Non-Technical Summary – Inuktitut
- Arcadia Bay Property Non-Technical Summary – Inuinnaqtun

Please do not hesitate to contact me if you have any questions or concerns or require additional information.

Best Regards,

A handwritten signature in black ink, appearing to read 'Tara Gunson', with a stylized, cursive script.

Tara Gunson, B.Sc., P.Geo
APEX Geoscience Ltd.