

Transition Metals Corp. ("Transition") has reviewed the comments provided from Indigenous and Northern Affairs Canada ("INAC"), Environment and Climate Change Canada ("ECCC"), Fisheries and Oceans Canada ("DFO") and the Government of Nunavut ("GN") regarding the Arcadia Bay Property ("the Property") project proposal and would like to express our appreciation for the time these agencies spent reviewing the project proposal and providing their comments.

Response to INAC

Concerns of drill casing

The Arcadia Bay Abandonment and Restoration Plan has been amended to state that not only will any drill casing which is not able to be removed be cut off to ground level or below, it will also be capped. The amended Arcadia Bay Abandonment and Restoration Plan will be included with the Annual Reports submitted to the KIA, NWB and NIRB.

Response to the ECCC

Concerns with incineration of Blackwater

The Arcadia Bay Project will utilize a batch feed, dual-chamber controlled air incinerator to incinerate all authorized combustible waste. If sewage will be incinerated, Transition will ensure that the incinerator is a model that is specifically designed to be capable of incinerating this type of waste. The incinerator model will be identified in the annual reports submitted to NIRB, KIA and NWB.

If the incinerator model is not capable of incinerating sewage it will be disposed of in privy pits (outhouses). The outhouses will be located at least 31 m away from the ordinary high water mark of any water body. To control sewage pathogens, the outhouses will be periodically treated with lime. When full, the pits will be covered with at least 30 cm of compacted soil.

Response to the DFO

Transition will ensure that all mitigations measures will be employed in order to prevent any harm to fish and their habitat. The guidance documents on the DFO website and all other requirements of federal, territorial and municipal agencies will be reviewed and followed.

Response to the GN

Concerns with Archaeological and Paleontological Sites

The GN has indicated that there are no recorded archaeological sites in the immediate vicinity of the proposed exploration areas because no systematic archaeological reconnaissance has been conducted in this area to date. Transition will agree to commission qualified archaeologist to conduct an overview assessment of the Project area. The assessment procedure will include:

- The acquirement of a licence to access the Nunavut Archaeological Sites Database to conduct a search of previously recorded resources in the project area.
- A review of relevant literature pertaining to previous archaeological, historical and cultural studies completed in the Project area.

- Use of the results of the Nunavut Archaeological Sites Database search in conjunction with landscape data provided by satellite imagery and NTS topographic maps to evaluate the historical resources potential of the study area.
- Preparation of a report summarizing the results of the review.

The Archaeological Overview Assessment will provide Transition with information of where there is a high potential for the discovery of undocumented sites. This report will be used to assist in the project planning for the 2017 exploration as well as future programs.

Transition will take all appropriate actions to ensure that any identified or undocumented archaeological or palaeontological sites or artifacts are not disturbed. These include, but are not limited to:

- No staff, contractors or project visitors will operate any vehicle over a known or suspected archaeological or palaeontological site.
- No staff, contractors or project visitors will remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- The Government of Nunavut Department of Culture and Heritage (CH) will be immediately contacted at (867) 934-2046 or (867) 975-5500 should an archaeological site or specimen, or a palaeontological site or fossil, be encountered or disturbed by any land use activity. A report will be prepared documenting the discovery and sent to CH and the Kitikmeot Inuit Association (KIA) Department of Lands, Environment & Resources. Reports will include GPS coordinates, a brief description of the site and/or artifact and photos (if possible).
- Staff, contractors or project visitors will immediately cease any activity that may disturb an archaeological or palaeontological site if encountered during the course of a land use operation until permitted to proceed with the authorization of CH.
- Staff, contractors or project visitors will follow the direction of CH in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- Staff, contractors or project visitors will provide all information requested by CH concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- Building of inuksuk is prohibited.
- The Companies will ensure that all persons working under their authority are aware of these conditions concerning archaeological sites and artifacts and palaeontological sites and fossils.

Concerns with Winter Drilling

No winter drilling is currently planned for the Arcadia Bay Property, but that does not preclude the chance that future programs may warrant winter drilling on the Project. If winter drilling activities are contemplated on the Project the KIA, NWB and NIRB will be notified and provided with full descriptions of planned activities including timing and locations.

Concerns with Caribou Disturbance Mitigation

Transition is fully committed to developing the Project in a socially and environmentally responsible manner. This commitment not only includes complying with all current environmental legislation and Best Practices, but also includes working with all concerned stakeholders, including federal, territorial, local and Inuit administrations, as well as local community members, to develop a mitigation, management and monitoring program for the Project, which will take into account the unique biodiversity and special concerns of the area including potential long-term impacts to the caribou.

In addition to taking into consideration all knowledge and guidance from any and all stakeholders, Transition is currently inquiring into the commission of a formal Wildlife Mitigation and Monitoring Plan, to be completed by an independent and accredited environmental consulting firm.

Transition appreciates the unique and special concerns of the Dolphin and Union (and Bathurst) caribou herds and therefore extra precautions will be taken to avoid any unintentional disturbance. Precautions for Caribou disturbance mitigation may include, but not be limited to:

- Caribou avoidance (will always be the priority mitigation measure).
- All exploration and drilling activities will be planned to avoid caribou.
- The Government of Nunavut, local hunters and trappers organization, community members and any other interested parties will be consulted in order to incorporate Inuit Qaujimajatuqangit into the project planning.
- The Companies will communicate with all interested stakeholders regarding caribou sightings and appraised movements in the area
- Knowledgeable local community members will be employed as wildlife and environmental monitors.
- All sightings of caribou will be reported to the project supervisor, included in the report will be the number of caribou and distance from camp or work site, their approximate numbers, direction of movement and general behaviour.
- Wildlife reports, containing information on sightings and interactions of all wildlife, denning sites, raptor nests and any work suspensions will be submitted annually to regulators, including the KIA, NWB, NIRB and the GN Ecosystem Biologist.
- A caribou alert system will be established to alert personnel of the number and distance of caribou from camp, barge landing, drill sites, and mapping, prospecting or sampling areas.
- The location of caribou will be monitored during all helicopter flights, the pilot and passengers will survey for any caribou and report any potential sightings to the project supervisor.
- In the event caribou cows calve in proximity to the camps or work areas, operations will be suspended (e.g. drilling, mapping, prospecting, sampling, helicopter flights, snowmobile and ATV) in all work areas within 10 km of any area occupied by cows and calves until caribou have moved out of the 10 km radius.
- When safe to do so, flights lower than 610 m (e.g. airborne surveys and shorter transportation flights) will be suspended in the presence of all wildlife, including caribou.
- During critical life times, including the spring pre-calving migration (April 15 – June 1), fall post – calving migration (June 15 – August 1), pre-breeding rut migration (August 1 – November 10) and winter use of the Project area (November 1 - May 31), the shores of water bodies within proximity of the Property will be surveyed. The Companies will suspend all operations within 10 km of any caribou crossing until the caribou have safely crossed.
- Activities will be suspended if concentrations of caribou (25 or more) approach within 2 km of drilling operations. Activities will not resume until all of the caribou have moved out of the area.
- A 1 km buffer zone will be used as a measure of a safe distance for working in areas where caribou (less than 25) are present. If caribou come within 1 km of any work site, work activities will immediately cease until the caribou have moved safely beyond the buffer zone.
- Absolutely no activities will be conducted that will interfere with caribou cows and calves. All activities that may interfere with caribou cows and calves will cease.
- The Companies will insure that absolutely no exploration activities will cause a diversion to the migration patterns of any caribou.
- Additional caribou surveys will be taken in hilly terrain to avoid noise disturbance

Transition would appreciate any guidance provided from the GN in how to conduct appropriate wildlife monitoring in order to incorporate baseline environmental conditions during the early phase of the Project.

Concerns with Grizzly Bears, Wolves and Wolverines

As with the caribou, Transition commits to comply with all current environmental legislation and Best Practices, and work with all concerned stakeholders, including federal, territorial, local and Inuit administrations, as well as

local community members, to develop mitigation, management and monitoring programs which take into consideration all wildlife, including grizzly bears, wolves and wolverines. Transition will be in contact with the GN Wildlife Deterrent Specialist, Mike Harte at (867)934-2065 or mharte@gov.nu.ca, to obtain information regarding specific mitigation and deterrent programs with respect to Grizzly Bears, Wolves and Wolverines. Disturbance mitigation measures may include activities such as the use of an electric fences around the camp to minimize any interaction. The Arcadia Bay Environmental Plan will subsequently be updated with this information and the amended version will be included with the Annual Reports submitted to the KIA, NWB and NIRB.

As the Project area is located within moose and muskox habitat, specific monitoring and mitigating measures for these species will be specified in the amended Environmental Plan, which will be included with the Annual Reports submitted to the KIA, NWB and NIRB. Transition would once again appreciate any guidance provided from the GN on appropriate wildlife monitoring and mitigation methods with respect to moose and muskox.

Some general precautions for moose and muskox disturbance mitigation may include, but not be limited to:

- Avoidance of all wildlife, including moose and muskox will always be the priority mitigation measure.
- All exploration and drilling activities will be planned to avoid wildlife, including moose and muskox.
- The Government of Nunavut, local hunters and trappers organization, community members and any other interested parties will be consulted in order to incorporate Inuit Qaujimajatuqangit into the project planning.
- The Companies will communicate with all interested stakeholders regarding any moose and muskox sightings and appraised movements in the area
- Knowledgeable local community members will be employed as wildlife and environmental monitors.
- All sightings of wildlife, including moose and muskox will be reported to the project supervisor, included in the report will be the number of animals and distance from camp or work site, their approximate numbers, direction of movement and general behaviour.
- Wildlife reports, containing information on sightings and interactions of all wildlife, denning sites, raptor nests and any work suspensions will be submitted annually to regulators, including the KIA, NWB, NIRB and the GN Ecosystem Biologist.
- In the event moose or muskox cows calve in proximity to the camps or work areas, operations will be suspended (e.g. drilling, mapping, prospecting, sampling, helicopter flights, snowmobile and ATV) in all work areas within 10 km of any area occupied by cows and calves until the animals have moved out of the 10 km radius.
- When safe to do so, flights lower than 610 m (e.g. airborne surveys and shorter transportation flights) will be suspended in the presence of all wildlife including moose and muskox.
- If moose or muskox come within 1 km of any work site, work activities will immediately cease until the animals have moved safely beyond the buffer zone.