

5050 Nunavut Limited Project Description

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1. Project Description

1.1 General

1.1.1 Name and Location of Proposed Project

5050 Nunavut Limited's (5050 Nunavut), a wholly owned subsidiary of Adriana Resources Incorporated, MIE property is approximately 540 km² in size and is centred over the northern half of the exposed portion of the Muskox Intrusion, 90 km south of Kugluktuk.

1.1.2 Contact Information for Proponent(s) and Other Project Contacts

5050 Nunavut Limited (subsidiary of Adriana Resources Inc.)

Gordon Addie, President (5050 Nunavut)

Suite 1818 – 701 West Georgia Street

Vancouver, BC

Canada V7Y 1C6

Phone: 604 629 0250

Fax: 604 629 0923

Rescan Environmental Services Inc. (Environmental contractors)

Sixth Floor, 1111 West Hastings Street

Vancouver, B.C. Canada V6E 2J3

Attn: Latisha Heilman

Phone: 604 689 9460

Fax: 604 687 4277

1984 Enterprises Inc. (health, safety, camp staffing etc. contractors)

Suite 1000

355 Burrard Street

Vancouver, British Columbia

Canada, V6C 2G8

Phone: 604 736 8142

Fax: 604 736 8119

Attn: Lise Thompson

Contractors that may be hired once permits are in place:

Diamond Drill: Peak Drilling – Yellowknife, NT

Eric Raume – Tel 867 766 2980 – peakex@theedge.ca

Fixed wing aircraft will be contracted from any of the following (depending on which contractor is available):

Air Tindi – Yellowknife NT, 1-888-545-6794

Adlair Aviation – Yellowknife NT, (867) 873-5161

Air Thelon – Yellowknife NT, (867) 920-7110

Arctic Air – Yellowknife NT, (867) 873-1210

Arctic Sunwest Charters – Yellowknife NT, (867) 873-4464

Buffalo Airways – Yellowknife NT, (867) 873-6112

1.1.3 Acts, regulations and guidelines

- Article 13 – Nunavut Land Claims Agreement
- NWB – Water Licensing in Nunavut – Interim Procedures and Information Guide for Applicants
- NWB – Interim Rules of Practice and Procedure for Public Hearings
- NWTWB – Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
- NWTWB – Guidelines for Contingency Planning
- DFO – Freshwater Intake End of Pipe Fish Screen Guideline
- Fisheries Act – s.35
- RWED – Environment Protection- Spill Contingency Regulations
- Canadian Drinking Water Quality Guidelines
- Public Health Act Camp Sanitation Regulations
- Public Health Act Water Supply Regulations
- Territorial Land Use Act and Regulations

1.1.4 Permits and Licenses

Water License: Nunavut Water Board (application)

Land Use Permit: DIAND (application)

KIA Land Use License: KTL104C033

Mineral Claims: GA1- GA45, M1 – M11 August 31, 2005

IOL parcel numbers: C053, C060, C061, C062

1.2 Project Information

1.2.1 History of the Site

The Muskox Intrusion was first discovered in 1956 by INCO, who spent three years exploring and drilling for nickel-copper mineralization. Numerous companies examined the intrusion between 1969 to present, but no significant deposits were outlined. Studies undertaken on the area include: geophysical and geochemical surveys and geological mapping of the Marginal Series near McGregor Lake; property-wide geophysical included: VLF, magnetics, gravity, UTEM, and HLEM, controlled Source Audiomagnetotelluric, and numerous, highly anomalous grab samples were collected from the Pyrrhotite Lake.

1.2.2 Project Location and Infrastructure Map

Refer to attached maps.

1.2.3 Mineral Resource Under Exploration

Base metals: sulphides containing Copper, Nickel, Platinum, Palladium and Uranium.

1.2.4 Project Need and Purpose

A new camp is required to support the staking, prospecting, and exploration work of KIA Land Use License KTL104C033, as well as the drilling program currently being applied for.

5050 Nunavut considers the base of the Muskox Intrusion, in the McGregor Lake area, to represent a corridor of opportunity for accumulations of sulphides containing Copper, Nickel, Platinum and Palladium. The MIE project has been designed to effectively explore for economically viable mineral deposits within the 5050 Nunavut mineral claims to increase the wealth of the various stakeholders, and the citizens of the remainder of Canada; suppliers/ contractors/ employees; and the shareholders of the Company.

1.2.5 Alternatives to the Project and Alternatives to Project Components

Project alternatives would be to share the use of the Hornby Bay Exploration camp, or use the existing INCO Camp and assume responsibility for clean up of the site.

1.2.6 Type of Exploration Activity

The exploration activity includes: airborne geophysics surveys, snowmobile geophysical surveys, covered under KIA Land Use License KTL104C033, as well as exploration drilling (3000m).

1.3 Project Activities

1.3.1 Drilling

3000m of drilling (NQ sized cores) will be conducted mainly with in the area to the south of McGregor Lake.

1.3.2 Camp Use and/or Construction

5050 Nunavut proposes to construct a new camp on the southwest shore of McGregor lake, beside Iceburg Creek.

1.3.3 Staking, Prospecting and Exploration

Airborne geophysical surveys, snowmobile geophysical surveys, geology and drilling.

1.3.4 Fuel transport and storage

Fuel will be transported to site by float and ski planes. Refer to Spill Contingency Plan section for more information.

1.3.5 Geophysical

1.3.5.1 Ground Geophysical Coverage

Refer to map on project area, air and ground geophysical work will occur within the boundary of 5050 Nunavut mineral claims.

1.3.5.2 Airborne Geophysical Coverage

Flights within the boundaries of the MIE project area will be at altitudes below 300m for the purpose of conducting airborne geophysical surveys.

1.3.6 Drilling

1.3.6.1 Proposed Drilling

The drilling program will include 6-8 holes for a total of 3000m of drilling. See attached map for approximate drill hole locations.

1.3.6.2 Drill additives

With the presence of permafrost the addition of calcium chloride (salt) in preheated water may be required to keep the hoes from freezing, resulting in loss of drill rods. The additives are only added when problems are noted in the water circulation. The additives are either Poly Drill OBX or Poly Drill133X/1330 or other similar substances which are non –toxic and biodegradable.

1.3.6.3 Drill cuttings

All drill cuttings will be retained in a natural depression, 30 m from the high water mark of any water body

1.3.6.4 Drill water

If drill water is of a poor quality (as according to regulations) it will be disposed of in a properly constructed sump, or an appropriate natural depression located at least thirty meters above the ordinary high water mark of water bodies.

1.3.6.5 Mobilization of drill equipment

The initial mobilization of the drilling equipment to the project will be by fixed wing aircraft. Mobilization within the project area will be by helicopter.

1.3.6.6 Abandonment of drill holes

All drill holes will be capped all drill sites, sumps, and cuttings are dealt with and reclaimed as close as possible to a pre-disturbed state at the completion of a hole.

1.3.6.7 Radiation protection measures

The uranium exploration program will be conducted under the same guidelines used by Hornby Bay Exploration Limited (HBE) for their uranium exploration project.

In the chance of encountering Uranium in the drill cores, a Waste Generator Number will be attained to document hazardous waste that may occasionally be transported from the Project area for proper disposal. The same individual in charge of documenting the hazardous wastes will have completed a course in the Transportation of Dangerous Goods specifically designed to train geologists in the safe transport of nuclear substances.

For the long term storage of drill core, radiation levels will be reduced to less than 1.0 μSv measured at 1.0 meter from the surface and in no instance will the level be allowed to exceed 2.5 μSv . In practice, it is anticipated that major uranium intersections will be transported to the Saskatchewan Research Council for testing and storage at their nuclear materials storage facility.

1.4 Transport

1.4.1 Transport to project site

Material and personnel will be transported to the Project by fixed wing aircraft from either Yellowknife or Kugluktuk. The planes are normally Twin Otters and would land on McGregor Lake. On property transportation is by helicopter. There are no wheeled vehicles on the property. Snowmobiles are used while the tundra is frozen for local transport of goods in the area of the camp and safety.

1.4.2 Airstrip

It is planned to build an airstrip on McGregor Lake in front of the campsite in the winter. The exact location will depend on local ice conditions at the time.

5050 Nunavut would like to construct a temporary airstrip on land. In the summer months appropriate sites will be evaluated to find potential sites/suitable eskers close to the camp. If a suitable location is found, an amendment to the application will be made at that time.

1.5 Camp Site

1.5.1 Camp structures and infrastructure

The camp would consist of 11 insulated tents on plywood frames that are used for accommodation and storage. Six of these structures will sleep 4 people, three of these structures will sleep 2 people, one structure is will serve as a core shack, and one structure will serve as the office. The dry and kitchen are built of plywood covered in heavy plastic. The camp will be heated with oil stoves and the kitchen will be equipped with propane cookers.

1.5.2 Type of camp

The camp will be a turnkey operation from Weatherhaven. It will be a seasonal temporary camp consisting of tent and plywood structures that can be readily dismantled and removed from the site in compliance with the existing Abandonment and Reclamation plan.

1.5.3 Maximum number of people on site

The maximum people on camp would be 30. The average number of people would be 15.

1.5.4 Camp power source

The power source would be from generators.

1.6 Equipment

1.6.1 List of Equipment

Type	Number	Size – dimensions	Proposed use
Snow mobile	5	Various, Ground pressure: minimal	Transportation
Hydracore 2000 diamond drill*	1	maximum of 750 m depth with BTW	drilling
Pump	2	Small, Ground pressure: minimal	Pumping water for domestic use.

* Once all permits are in place for the drilling program, 5050 Nunavut will most likely contract Peak Drilling from Yellowknife, NT for their drilling needs. The drill used will be a Hydracore 2000 diamond drill or a similar model.

1.6.2 Method of moving equipment within the project site

Equipment will be transported to the Project by fixed wing aircraft from either Yellowknife or Kugluktuk. The planes are normally Twin Otters and would land on McGregor Lake. On property transportation is by helicopter. There are no wheeled vehicles on the property. Snowmobiles are used while the tundra is frozen.

1.7 Water

1.7.1 Location of water source(s) and water intake

The water intake will be located in the mouth of Iceburg Creek. The intake end of the pipe will be equipped with a screen to avoid fish entrapment. The screen size will be determined following the calculations outlined in DFO's *Freshwater Intake End-of-Pipe Fish Screen Guidelines*.

See attached map of the Iceburg Creek Camp for the location of the mouth of Iceburg Creek, exiting from McGregor Lake.

1.7.2 The estimated rate of water consumption (L/d)

Assuming occupancy of 15 people; approximately 1500 L/d would be consumed.

1.7.3 Water Intakes

The water intake will be suspended above the bottom of the creek beside the camp on the north shore of McGregor Lake during the ice free periods. During periods of freeze-up, the water will be pumped from a hole drilled on the northern section of McGregor Lake. The intake end of the pipe for both pumping scenarios will be equipped with a screen to avoid fish entrapment. The screen size will be determined following the calculations outlined in DFO's *Freshwater Intake End-of-Pipe Fish Screen Guidelines*.

1.8 Waste (Grey water, Sewage, Other)

1.8.1 Waste Quantities, Treatment, Storage, Transport, and Disposal Methods

1.8.1.1 Sewage

All sewage will be collected with the PACTO toilet system. The resultant encapsulated waste will be burned in the incinerator.

1.8.1.2 Grey water

All camp discharge water; estimated for 15 people at 1.5 cubic metres per day of wash water, shower water and kitchen water, will be biologically treated in a sump. The Sump will be located 100m from the high water mark.

1.8.1.3 Combustible Solid Waste

Volumes of solid waste will vary with the daily population of the camp and project activities. All combustible solid waste will be burned daily in an incinerator.

1.8.1.4 Non-combustible Solid Waste

The non-combustible solid waste will be packaged up and flown out to Yellowknife on the return flight that brought in supplies.

1.8.1.5 Waste Oil/ Hazardous Waste

Waste oil volumes from the camp and related activities will be less than 0.04 cubic metres per week. Waste oil will be incinerated or used for heating purposes.

In the chance of encountering Uranium in the drill cores, a Waste Generator Number will be attained to document hazardous waste that may occasionally be transported from the Project area for proper disposal. The same individual in charge of documenting the hazardous wastes will have completed a course in the Transportation of Dangerous Goods specifically designed to train geologists in the safe transport of nuclear substances.

For the long term storage of drill core, radiation levels will be reduced to less than 1.0 μSv measured at 1.0 meter from the surface and in no instance will the level be allowed to exceed 2.5 μSv . In practice, it is anticipated that major uranium intersections will be transported to the Saskatchewan Research Council for testing and storage at their nuclear materials storage facility.

1.8.1.6 Empty Barrels/ Fuel Drums

The empty barrels/fuel drums will be flown out to Yellowknife on the return flight that brought in supplies.

1.9 Fuel

Refer to Spill Contingency Plan for full details.

1.9.1 Quantity of Fuel and Storage

See attached Spill and Contingency plan for fuel handling techniques.

Fuels	Number of Containers	Capacity of containers (gal & litre)
Diesel	300	205L
Gasoline	4	205L
Aviation fuel	120	205L
Propane	50	100 lb tank
Other (oils/lubricants)	25	10 L
Hazardous material (uranium)	*	

* see above description of Hazardous Materials

The types of fuel and lubricants that will be stored on the camp site will consist of P-50 diesel motive, JET-B, Gasoline, Propane and an assortment of hydraulic oils and motor oils. The P-50 diesel motive will be used for heating purposes and the powering of generators, pumps, and other related heavy equipment. The JET-B will be used for the purposes of helicopter refuelling and also for heating purposes. Gasoline will be used for purposes of re-fuelling ski-doo's. The propane will be used for heating and cooking purposes. Oils and lubricants will be used on the equipment

1.9.2 Secondary Containment

All fuel on the camp site will be stored in 205L structurally sound steel drums with an appropriate containment system according to regulations, and located 100m from the high water mark of any water bodies. All drums will be sealed and clearly marked, and will be inspected daily by 5050 Nunavut's personnel for container and bung soundness. Any drum(s) noted to be leaking will immediately have all product transferred to a new drum(s). The drum will be hauled off site with the next backhaul shipment.

To encourage progressive reclamation no more than 20% of the fuel drums will be empty at any one time.

Any empties that are deemed not worthy of holding fuel are back hauled to landfill sites by and/or flown out in the summer months by plane for proper disposal in approved facilities in Yellowknife.

Spill kits will be available at all fuelling storage sites and fuel transfer areas. As well, they will be located at the camp site, generator shack, and drill rig.

1.9.3 Fuel Transfer

The helicopter will be fueled directly from the JetB drums by an electric pump powered by the aircraft's battery. There will be a spill kit and 250 L plastic tray at the site of the refueling.

The drill will be refueled from drums of P-50 that are slung to the site by helicopter. The diesel will be pumped directly into the drill's fuel tank from the drums by an electric pump powered by the drill's battery. There will be a spill kit and 250 L plastic tray on site to mitigate any spillage of fuel during the process.

The camp stoves and generator will be refueled directly from the drums of P-50 using a small portable electric pump. A spill kit and 250 L plastic tray will be kept on hand during the procedure.

The small engines (snowmobiles, geophysics generators, and the water pump) will be refueled with gasoline from 5 gallon jerry cans with a spill kit on hand.

1.10 Products, Chemicals, and Hazardous Materials

1.10.1 Types and Storage

Types and quantities of products and chemicals will be determined once a Drill Contractor is hired.

The chemicals required for drilling will most likely include: motor oil and grease for the drill; bags of calcium chloride (contained in double lined 50 lb plastic bags that would be stored in large canvas transport sacks until they are moved to the drill); Poly Drill OBX or similar non-toxic product (contained in 50 lb pails).

Household type cleaning products will be used in the kitchen, bathrooms and dry as well. These products will be stored in the kitchen building.

See above description for the treatment of hazardous wastes.

1.10.2 Transfer

The above materials are transported to the drill by helicopter as needed.

1.11 Public Involvement/ Traditional Knowledge

The communities are aware of the exploration that has been occurring in the area. With regards to the new camp location and drilling program; 5050 Nunavut will host town meeting in the community of Kugluktuk before August, 2006.

2. Description of the Existing Environment

2.1 Physical Environment and Biological Environment

The MIE Project is situated on one of the world's largest continental-type magmatic events, the Mackenzie Igneous Event. This event deposited a huge lava volume – an estimated 5 to 10 million cubic kilometres – across Northern Canada. High-grade occurrences of copper, nickel and rich platinum group element (PGE) have been sampled along both walls of the Muskox magma chamber, suggesting that metals have accumulated at the bottom of the chamber.

The McGregor Lake area is characterized by a sub arctic climate with temperature extremes of minus 40° C in the winter to plus 30° C in the summer. The microclimate is very unpredictable and daily temperatures can change rapidly. The biggest single difficulty in the summer is the common occurrence of fog banks forming in the morning and persisting until noon.

The terrain and vegetation surrounding the project site is very typical of the tundra; consisting of a subdued topography with small valleys and gently rolling/sloping hills separated by lakes. The project is located north of the tree line and consists of continuous permafrost extending to an average depth of 300m.

There are numerous animal species that inhabit the area, including caribou, musk ox, grizzly bears, wolves, wolverines, foxes, arctic hare, weasels, field mice, ground squirrels and a few moose.

The Bluenose caribou herd calves to the northwest of Kugluktuk and scattered members of the herd can be expected to be spotted during the summer in the Project area.

The few birds that live in the area include Peregrine falcons, ptarmigan, and eagles. Ravens and seagulls occasionally come in from the coast. A variety of small birds migrate into the area in the summer as well as ducks, loons and swans.

Fish in the lakes are dominantly yellow – fin lake trout. In the rivers the red – fin lake trout predominate with common grayling, and very rare pike, as well as arctic Char seen in the Coppermine River and Melville creek.

2.2 Socioeconomic Environment

Archaeological studies have not been conducted in the area. The project site is very remote and not visited very often. The land use within the area consists of occasional subsistence harvesting.

3. Identification of Impacts

3.1 Impacts and Mitigation Measures

Little environmental impact is anticipated from the construction of the camp. The proposed camp area is located in an area of very little to no vegetation. The camp layout will minimize the area of surface disturbance. Food will be stored inside closed buildings and garbage will be incinerated daily to avoid attracting animals. When the camp is no longer required all imported materials will be burned or removed from the site. Any pits or earthworks will be backfill and recontoured.

Fuel will be stored in 205 litre steel drums in approved containment according to regulations, and will be located 100m from the high water mark. Storage areas will be monitored regularly to detect and manage any leaks. Empty drums will be removed from the site. Spill kits will be maintained in all fuel storage and transfer areas and all staff will be trained regarding the spill contingency plan.

Camp domestic water will be drawn the mouth of Iceberg Creek, on the south west corner of McGregor Lake, in volumes that will not affect lake or creek habitats. All grey water will undergo biological treatment in a sump located 100m from the high water mark.

Expected socioeconomic impacts include a small increase in the jobs available to the local communities.

The helicopter pilots will be made aware of the general locations of the musk ox herds and will either bypass them or increase their altitude to minimize the noise level on the ground. They also try to keep track of the bears and only disturb them when there is danger of contact with the field crew. Working near the bears will only drive them off if a geophysics survey may be compromised, therefore if bears are near by, work will be aborted. The falcon nests are always avoided.

4. Cumulative Effects

Exploration around the McGregor Lake has been active since 1950, thus leaving the impact of abandoned camps and old drill holes. The project that 5050 Nunavut is proposing is of little environmental impact. The camp site will be built in an area of little to no vegetation, and will be returned to its natural state once its use is no longer required. As well airborne and snowmobile geophysical surveys are non-intrusive and the drilling that is planned is of low impact.