

Non-Technical Summary for the Amendment to the Muskox Diamond Property Land Use Authorizations

The Muskox Diamond Property (the “Property”) is located in the Kitikmeot Region of Nunavut. The Property is approximately 250 km southeast of the community of Kugluktuk and is in close proximity to the inactive Jericho and Lupin Mines. The Property consists of three project areas: the James River (or “Hood”), Muskox and Contwoyto Prospects.

Mineral exploration activities on the Property are currently authorized on Crown Land and Inuit Owned Land (“IOL”) within Prospecting Permits P-18, P-19, P-21, P-22, P-23, P-24 and P-25. The mineral exploration activities are currently authorized by: an Indigenous and Northern Affairs Canada (“INAC”) Land Use Permit (“LUP”), number N2015C0020; a Nunavut Water Board (“NWB”) Water Licence, number 2BE-MDP1520; a Kitikmeot Inuit Association (“KIA”) Land Use Licence, number KTL315C011; and a Nunavut Impact Review Board (“NIRB”) Screening Decision, number 15EN024. The authorized mineral exploration activities include geological mapping, till sampling, prospecting, ground geophysical surveys and diamond drilling (diamond drilling will be authorized on IOL as soon as a Reclamation Security Deposit is received by the KIA).

Exploration on the Property to date has included a Property visit and ground-truthing of geophysical and Kimberlite Indicator Mineral (“KIM”) targets, which resulted in the collection of one rock sample in 2015 and prospecting, till sampling, mapping, and ground geophysical surveying in 2016. No drilling has been completed on the Property thus far. In add addition, no temporary field camps have been built as all exploration activities have been supported by the pre-existing Lupin Mine Camp.

The purpose of the requested amendment is to expand the authorized area for which the mineral exploration activities may occur. Figure 1 illustrates the current authorized land package (Prospecting Permits) and the proposed new area, which includes three mineral claims and one lease. Nothing else in the authorizations is to change.

The 2017 exploration program is projected to start as early as July 1st, or as soon as proper authorizations can be obtained, and has the potential to continue through the winter. Similar programs are anticipated for 3 to 4 subsequent years.

