

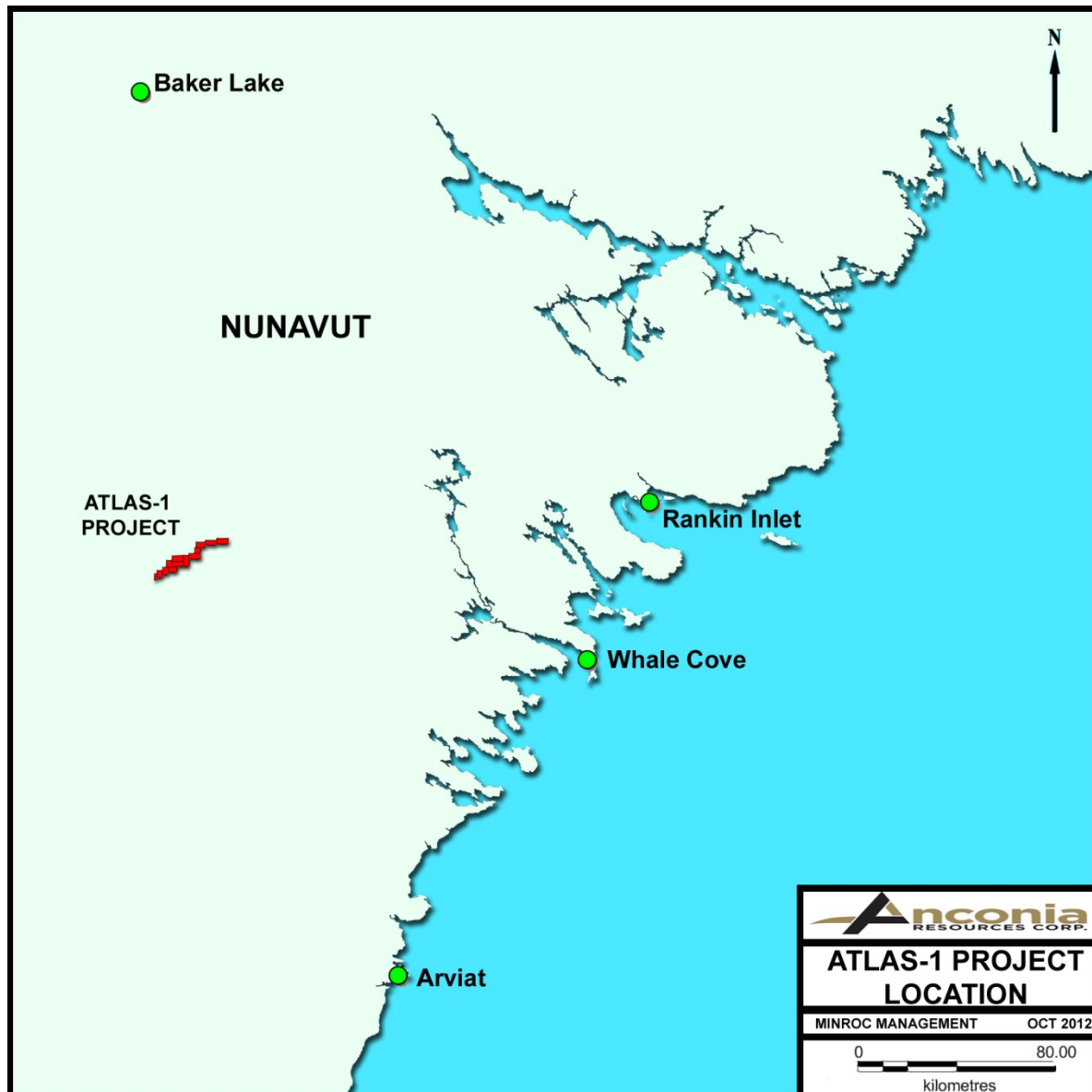
PROPERTY DESCRIPTION AND LOCATION

The Atlas claims is in the Kivalliq Region of Nunavut, near Victory Lake approximately 167 kilometres North and West of Whale Cove, 190 kilometres South of Baker Lake, 180 kilometres West of Rankin Inlet and 180 kilometres of Arviat. The Atlas claims incorporate the former Zac and Marce claims. The project currently consists of 10 mineral claims on Inuit Owned Surface Land (WC-11) and 3 mineral claims on Crown Land. The Zac area lies on Crown Land while the Atlas-1 area is within the bounds of land administered by the Kivalliq Inuit Association. (*Figure 1*)

As indicated on *Figure 2*, all mineral claims and the IOL are contiguous and extend north, south, east and west between latitudes 62.52' and 62.68' North and longitudes 95.40' and 95.97' West in NTS map area 55L12.

A Land Use Permit (KVL311C03) enabling exploration work to be conducted on Inuit Owned Lands (IOL) has been issued by the Kivalliq Inuit Association (KIA), a Land Use License (N2012C0006) has been granted by the Federal Government Department of Aboriginal Affairs and Northern development Canada (AANDC) for proposed exploration work on mineral claims on Crown Land, and a Type B Water License (2BE-MRC1217) has been issued by the Nunavut Water Board (NWB).

Figure 1: General Property Location



The map displays the Mackenzie River and its tributaries, including Mackenzie Lake and Victory Lake. Land claims are highlighted in two colors: green for Inuit owned land and yellow for Crown land. The claims are labeled with their respective numbers and areas in hectares (A).

Legend:

- INUIT OWNED LAND (Green)
- CROWN LAND (Yellow)

Claim Details:

Claim Number	Area (A)	Ownership Type
K13625	818.8	Inuit Owned
K13627	1807.7	Inuit Owned
K13555	1807.5	Inuit Owned
K15498	2046.1	Inuit Owned
K15895	549.9	Inuit Owned
K15897	7562.5	Inuit Owned
K15896	2582.5	Inuit Owned
K15899	2582.5	Inuit Owned
K15903	2582.5	Inuit Owned
K15900	1291.7	Inuit Owned
F85325	2068.8	Crown Land
F85324	2582.5	Crown Land
F85323	2582.5	Crown Land

Scale: 0 to 4,000 metres.

Map Information: ANCONIA RESOURCES CORPORATION, ANCONIA CLAIMS, OCT 2012.

2012 exploration activities were conducted out of an already existing outpost camp (Arctic Skies) at Quartzite Lake. Activities included additional mapping, sampling and approximately 100.2 line km of ground geophysics, followed up with a 12 drill-hole core drilling program. 1790 metres of drilling was conducted.

The Atlas claims are held by Anconia Resources Corp (Anconia). They lie near Victory Lake, Kivalliq District, Nunavut, roughly 180km west of Rankin Inlet. The Atlas claims incorporate the two former Zac and Marce claim groups, both of which host Volcanogenic Massive Sulphide (VMS)-style deposits of zinc, copper, lead, gold and silver. The Zac area lies on federal ground while the Marce, which has been re-named as Atlas-1, area is within the bounds of land administered by the Kivalliq Inuit Authority. Personnel were present in the field from August 26th to October 16th 2013.

The program was based out of a camp at Quartzite Lake, about 45km southwest of the work area, owned by Shawn Maley of Rankin Inlet. A raised beach very close to the work area was used as a landing strip

for fixed-wing aircraft during the program. A field tent was also set up on this raised beach, which was used for field operations and as an emergency shelter and was removed at the end of the program.

Details of Drill Program

The Zac deposit consists of two parts, the Main and West Zones, which are about 1km apart. Two of the holes (ZAC-13-01 and 02) were drilled to confirm the presence of, and expand upon, the West Zone, which was drilled historically by Comaplex Minerals. These holes were successful in that aim. Problems were encountered with drill rods freezing in the hole during the drilling of both ZAC-13-01 and 02, and two attempts were required to complete each hole.

The two following holes (ZAC-13-03 and 04) were drilled about 300m to the north of the West Zone, and were drilled to test a large gravity anomaly detected in historic geophysical data. Both holes encountered thick sequences of dense mafic intrusive rocks which are likely to have played a role in the formation of the deposit. Some problems were again encountered during the drilling of ZAC-13-03, as this hole was collared in a marshy area, and the drill setup began to subside towards the end of drilling. The hole was stopped because of this.

The last hole, ZAC-13-05, was drilled beneath part of the Main Zone. This hole successfully confirmed the presence of copper mineralization. Drilling of his hole was slow, as the water source intermittently froze up.

The drill was operated by Lantech Drilling of Dieppe, New Brunswick. The drill and associated equipment was moved by helicopter (Expedition Helicopters) between drill sites. Local ponds of sufficient size and depth were used as water sources – three were used in total. The drill and associated equipment were moved to the raised beach at the end of the program for storage.

The following tables provide information regarding the drill-holes and the water sources used:

Table 1: 2013 DDH details. UTM's are in NAD83, zone 15V

DDH	Area	Grid E	Grid N	UTM E	UTM N	Dip (deg)	Az (deg)	Length (m)	Drill Start	Drill End	Samples
ZAC-13-01X	Zac West Zone	31+50	3+00	372966	6951157	-45	165	10	31-Aug-13	01-Sep-13	0
ZAC-13-01	Zac West Zone	31+50	3+00	372966	6951157	-55	165	199	01-Sep-13	04-Sep-13	84
ZAC-13-02	Zac West Zone	31+50	3+00	372966	6951157	-70	165	82	04-Sep-13	08-Sep-13	0
ZAC-13-02A	Zac West Zone	31+50	3+00	372966	6951157	-80	165	188	08-Sep-13	10-Sep-13	41
ZAC-13-03	Zac North	31+00	7+00	372925	6951575	-50	165	115	11-Sep-13	15-Sep-13	8
ZAC-13-04	Zac North	32+00	7+00	372817	6951537	-50	140	355	15-Sep-13	27-Sep-13	71
ZAC-13-05	Zac Main Zone	22+50	2+00	373873	6951231	-50	165	335	28-Sep-13	11-Oct-13	109
TOTAL:								1284			313

Table 2: Details of water sources used.

UTM E	UTM N	Description	Used for DDH:
372547	6950911	Southern limb of elongated ~400x150m pond	01X, 01, 02, 02A
372615	6951687	Southern shore of circular 350x400m pond	03, 04
374208	6951301	NE shore of easternmost of two small ponds, 80x90m	5

Details of Prospecting Program

Surface exploration was conducted immediately before, and during, the drill program. Surface outcrops were examined and sampled using hand tools and, occasionally, a diamond saw. Pits were dug in a few areas using hand tools, and samples were taken from bedrock. All pits were refilled at the end of the program. Most prospecting took place in the Zac area, in and around the Main and West Zones (claim F85323), but prospecting visits were also made to other areas of the claims, including the Zac Far West Zone and the “Frothy Lake” area (claim F85324) and the Atlas-1 and Silty Lake areas (claims K13627 and K13559). All of this work aided understanding of the geology of the area, and much of it added potential value to the deposits.

The majority of empty drums and cylinders were immediately backhauled to Baker Lake for transport to an approved facility. The remainder left at Arctic Skies camp, with the intention to backhaul them to an approved facility in Spring 2014.

Drill sites (see *Figure 3*) were selected so that there would be minimal damage to the environment. Natural depressions of adequate size to contain all potential drilling water/fluids and cuttings were used as sumps. Each site was cleaned, raked and any removed vegetation was placed back on the drill site area to promote rehabilitation of the disturbed area. Drip pans and/or absorbent matting was placed beneath any equipment that required petroleum products, drilling additives etc. to prevent accidental spillage or contamination of these materials to the environment.

All drill casings were cut off to ground level or below and capped.

a. Wildlife Monitoring

Given the short duration of the 2013 proposed exploration program, and availability of personnel from Whale Cove, Anconia Resources hired a wildlife monitor from the community of Whale Cove to assist in monitoring and advising exploration personnel. A professional biologist was contracted to work with the local wildlife monitor to develop a wildlife monitoring program. The wildlife monitor, along with all camp personnel recorded incidental observations and field sightings of wildlife. (see *Attachment 2 Wildlife Observation Sheets*). All personnel were instructed to avoid interference or direct encounters with wildlife as far as possible.

Ground squirrels, arctic foxes and Canada geese were commonly seen throughout most of the program, although most animals appeared to have either entered hibernation or migrated southward by the last week of the program. One herd of seven muskox was observed at distance from the air on one instance. Lone grizzly bears were also sighted at >1km distance on at least one occasion.

The program took place after the Qaminirjuaq caribou herd's southward migration, so only a small number of scattered caribou were seen in the work area. A herd of approximately ten caribou, of mixed sex and age, were seen at about 500m distance during the drilling of ZAC-13-04; drill operations were suspended for about 30 minutes while they were present. Two adult male caribou were seen, separately, from ~500m distance on the shore of Silty Lake during a visit to that area.

b. Personnel

Key personnel throughout the program were:

Mark Wellstead – project geologist
Henry Ngo – assistant geologist
Ryan Metcalfe - field manager and wildlife monitor
Jeff Ritch – camp manager
Mannu Natar – wildlife monitor

Also present were four or five drill crew, helicopter pilot, helicopter mechanic, and a camp cook. These positions were turned over frequently.

c. Socio Economic Considerations

Although Anconia Resources is at a very early stage of grassroots mineral exploration, all efforts are made to utilize Northern and local businesses and hire local qualified individuals. In 2012 and 2013 Anconia had several contractors sourced from local communities including a full-time wildlife monitor from Whale Cove.

Community visits were made both in the Spring of 2013 for the purpose of introducing the company to the community and officials, and to learn of any concerns that local people and organizations may have. In addition, persons interested in seasonal employment or with businesses were able to meet with Anconia. (*Attachment 2 Community Consultation Log*)

Anconia Resources President Jason Brewster also made a presentation to the BQCMB annual general meeting in Fort Smith in May 2013 with a view towards sharing information and working together.

PROPOSED ACTIVITIES FOR 2014:

A. Exploration Activities

The 2014 exploration program will include the same land use activities that have previously been conducted and permitted: prospecting, mapping, sampling, geophysical surveying and drilling.

A small program of drilling on ice on “Silty Lake” is proposed for March 2014 to early May in keeping with the terms and conditions of the Caribou Protection Measures.

The 2014 prospecting program will be undertaken during the summer months. Sampling in 2014 will include rock samples, till samples, soil samples in areas of known, or newly discovered mineralization and take place in the field season. Crews will also prospect, map and sample higher priority showings selected from occurrences reported historically across the property. Soil sample grids will be placed over known mineralization and analyzed to define the signature produced by the anomalous body. These will be compared with results from samples taken on exploration targets in 2011, 2012, and 2013 and will be used to narrow the possible drill targets.

It is expected that drilling with one drill rig could commence in early March and continue to late April or later depending on conditions. Drill locations have not been determined at writing of this report.

Anconia is seeking to authorization store up to 250 drums of fuel on site to support exploration programs. All fuel is stored in secondary containment. The main fuel cache (diesel and Jet B) will be at the

temporary airstrip, and small fuel cache (10 drums) will be at the working drill site. The fuel caches will be inspected daily.

B) Camp and Infrastructure

Anconia continues to base activities out of Arctic Skies Outpost Camp at Quartzite Lake. All camp and exploration activities will be in accordance with the terms and conditions of all licenses and permits. In addition Anconia Resources operates its activities with a strict No Drugs and No Alcohol Policy as well as a No Harassment Policy.

C) Wildlife Monitoring

In 2014 sightings will continue to be recorded and behavioral observations will continue to be documented. Anconia Resources remains committed to working with regulators, communities and all interested parties towards good environmental practices.

D) Environmental Considerations

All employees and contractors working for Anconia Resources Corp are made aware of the company's internal policies and procedures and will continue to be made familiar with the Terms and Conditions of the project's licences and permits. Every person arriving at the Atlas Projects will undergo an orientation which will include information on health, safety and environmental responsibilities and stewardship. The orientation and training will include, but not be limited to: spill response, bear safety, environmental policies (including waste management), wildlife mitigation measures and the Caribou Protection Measures.

Wildlife sightings will be recorded in the field and at camp. These sightings will be reported to the KIA will be compiled as an appendix in the annual report. All employees and contractors will be required to populate wildlife sightings logs.

Wildlife incidents will be reported immediately to the KIA and to the GN Wildlife Biologists. Contact information for emergency situations will be hung on the wall of each tent.

Water and aquatic life will be protected. Waterlines for drilling and domestic use will be properly placed to minimize disturbance to the shoreline and substrate and will be screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" prepared by the Department of Fisheries and Oceans.

No waste will enter any water bodies. This includes discharge from the camp and return effluents from core drilling. The camp grey water is drained through a weeping tile bed installed behind the dry. The area of the weeping bed is inspected regularly for grey water release on surface. Drill sites are inspected prior to the drill being moved. Sites are remediated and reclaimed on an ongoing basis as drilling proceeds.

E) Reclamation

Anconia Resources Corp. has a policy of progressive reclamation or "Leave No Trace". As work is completed at one site, the area will be cleaned and reclaimed shortly after the move to the next site. Photos will be taken of all sites requiring reclamation and will be submitted to the KIA and AANDC in the annual report.

Drill sites will be reclaimed at the completion of each hole. When immediate reclamation is not possible, these sites will be recorded and re-visited later at the earliest possible opportunity. These sites will be reported in the annual report submitted to the KIA and AANDC.

F) Socio-Economic Impacts and Benefits

Whenever possible Anconia will continue to hire local qualified individuals who are interested and available for seasonal exploration opportunities. In addition, Anconia will continue to utilize Northern and local businesses whenever possible.

G) Archaeological, Traditional Knowledge

If any archaeological sites are discovered they will not be disturbed, the GPS coordinates will be recorded and reported to the Government of Nunavut and the KIA. These sightings will also be reported in the annual report submitted to the KIA and AANDC.

During community visits, Anconia Resources meets with elders to discuss work plans and proposed areas of interest. Any information that is shared regarding sites of historical significance, etc., will be incorporated in to the design of the program to ensure that these sites are protected for future generations.

Figure 3. Fuel Cache Locations

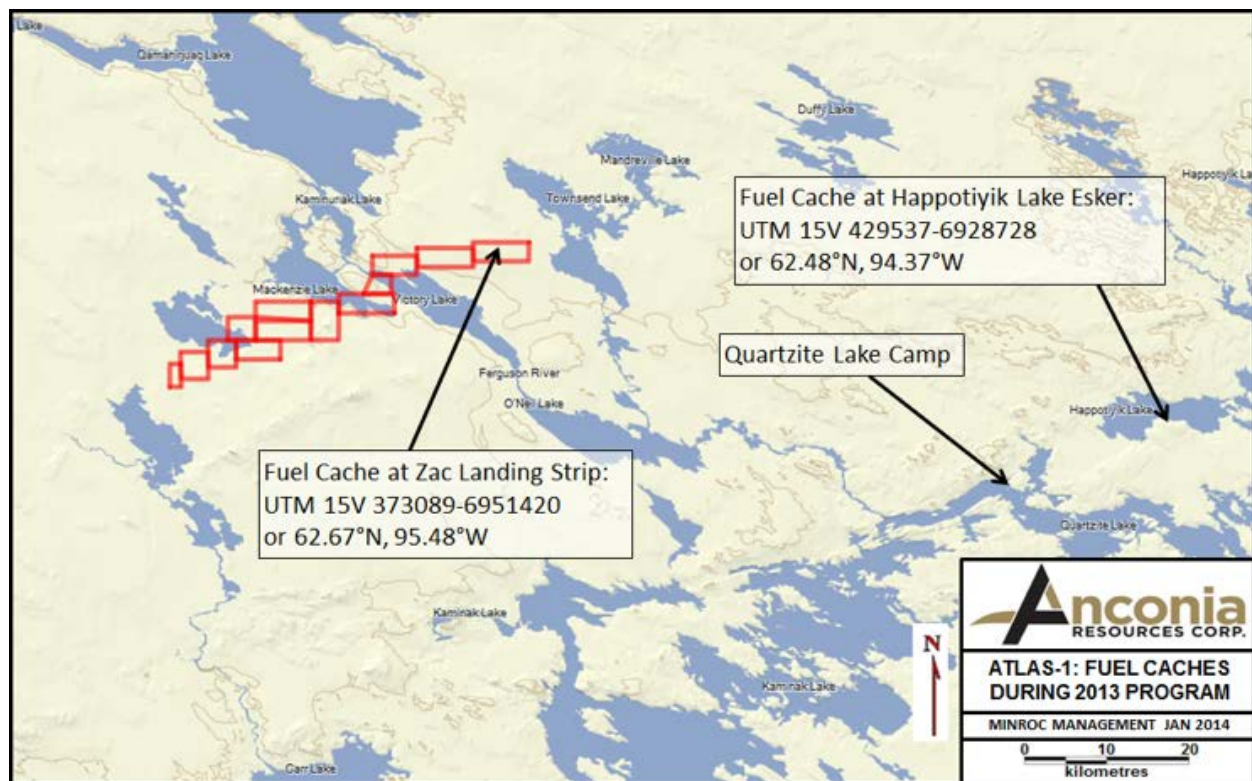
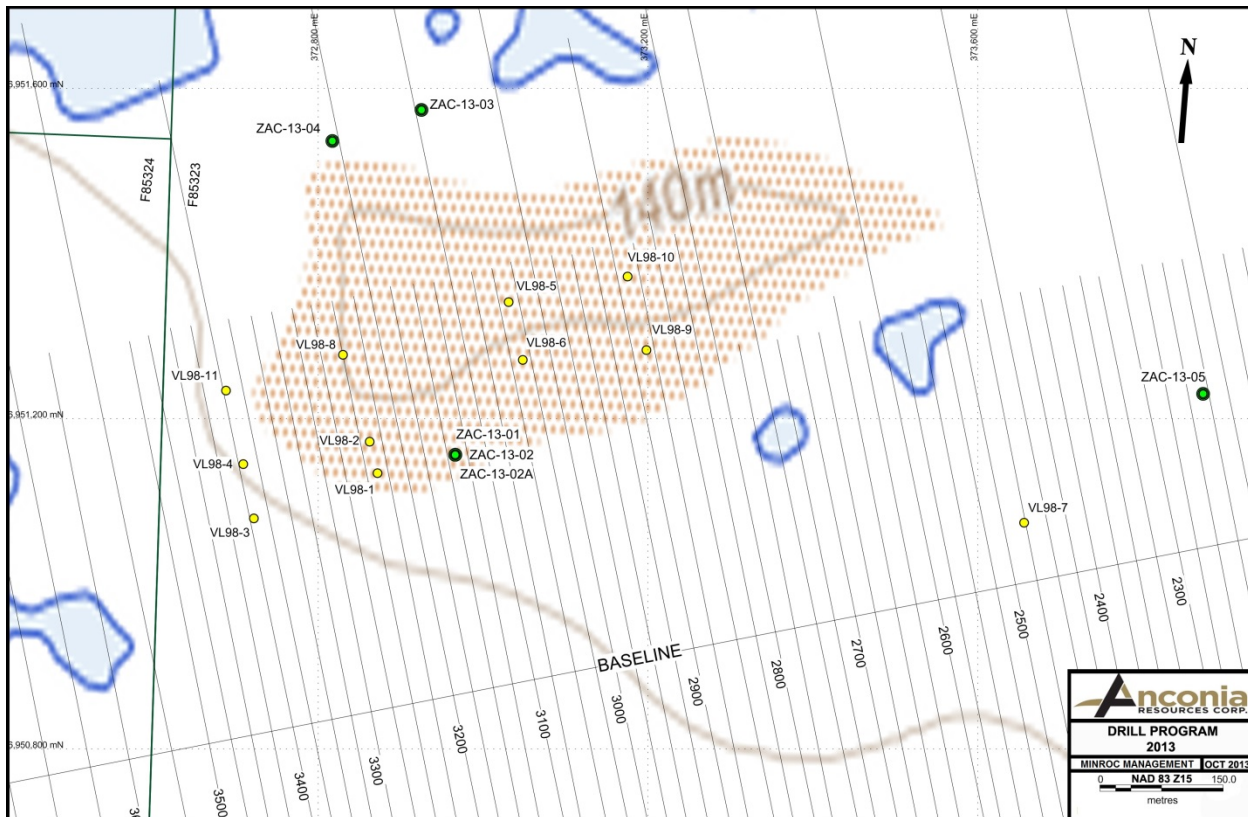


Figure 4. Drill Sites



*Note: Anconia drill sites are marked in green. Drill sites marked in yellow are from Comaplex Minerals, the previous operator.