

NUNAVUT WATER BOARD ANNUAL REPORT 2013 Nunavut Water Board Licence No.: 2BE-MRC1217

Anconia Resources Corp. is a base and precious metals exploration and development company that has been exploring in the Kivalliq Region of Nunavut since July 2011. The exploration project pertaining to this report is referred to as the ZAC Project operating out of Arctic Skies outpost camp at Quartzite Lake.

Water source and use limits:

As per Anconia's NWB License 2BE-MRC-1217 issued April 16, 2012, the total volume of water use for the purpose of the licence shall not exceed sixty (60) cubic metres per day, for exploration purposes. Drill water shall be obtained from water source(s) proximal to drill targets as outlined in the NWB licence application. The 2013 drill target water source locations are provided in the NWB Annual Report Standard Form for 2013 attached.

In 2013, the daily averages of water used for drill purposes was 55 cubic metres.

General:

No spills were reported in 2013.

Drill site are reclaimed at the completion of each hole. When immediate or complete reclamation is not possible, these site and recorded and re-visited at the earliest possible opportunity.

A wildlife monitor from Whale Cove was once again contracted for the purpose of developing a wildlife monitoring protocol with Golder. This was done to at the request of the Kivalliq Inuit Association and the Beverly and Quaminariaq Caribou Monitoring Board.

On September 16, 2013 the KIA and AANDC contacted Anconia Resources with a number of concerns (see attached correspondence). Anconia Resources responded immediately to these issues and they were corrected.

Kind regards,

Anconia Resources Corp.

Jason Brewster, President

Attachments:

NWB annual report Correspondance

65 Front Street East

Suite 200

Toronto, ON M5E 185

tel 416 815 9777

tax 415 815 1355

e-mail Info@anconta.ca

web encontaice