

March 29, 2018

Original via mail

Karén Kharatyan  
A/Licensing Manager  
Nunavut Water Board  
P.O. Box 119  
Goja Haven, NU, X0E 1J0

Dear Mr Kharatyan;

**RE: 2017 Annual Report for Water Licence 2BE-NAD1722 on Behalf of Commander Resources Ltd.**

Commander Resources Ltd. ("Commander") is pleased to submit the 2017 Annual Report for Nunavut Water Board ("NWB") License 2BE-NAD1722. The submission contains the following documents:

- Baffin Gold Project NWB 2017 Annual Report Executive Summary in English and Inuktitut
- 2017 NWB Standard Form for Annual Reporting
- 2017 Water Use Record
- 2017 Incinerator Record
- 2017 Backhaul Log
- Waste Use Inspection Form #1176605 – INAC Water Resource Officer Justin Hack
- Water Fee Tool Calculation

The 2017 program included a cleanup and rebuild of the Dewar Lakes Camp as well as use of the camp to support exploration activities. The exploration activities supported by the Dewar Lakes Camp were conducted by Kivalliq Energy Corporation ("Kivalliq"). Kivalliq has separate permits and licences for exploration activities. Exploration activities did not require the use of water.

The total volume of water use authorized under 2BE-NAD1722 as amended July 18, 2017 was two (2) cubic meters per day for domestic camp use. An average of 0.61 cubic metres per day was used for the Dewar Lakes Camp in 2017.

At the Dewar Lakes Camp, Pecto toilets are used and waste is incinerated on site. Grey water is captured in pipes which flow through a grease trap to a sump. Approved domestic waste is incinerated on site. All incinerator ash is sealed in 205 litre steel drums. Ash drums and all other wastes are airlifted to Iqaluit for authorized disposal at Nunatta Environmental Services Inc.

Commander has plans to reopen the Dewar Lakes Camp in 2018 and continue remediation. The camp will be utilized by Kivalliq Energy Corp. to support their exploration program.

Please don't hesitate to contact me should you require any further information.

Regards,

Tara Gunson