

Rio Algom, as part of BHP Holding, currently holds mineral claims in the southwest and north central regions of Victoria Island located within the Kitikmeot region of Nunavut. In early 2018 the Company began initial conversations with key stakeholders regarding potential exploration activities for the Summer of 2018. It was not possible to conduct the proposed exploration activities during the Summer of 2018, so activities are planned for the Summer of 2019.

The Company now intends to conduct airborne geophysical surveys and prospecting over the months of June, July and August of 2019. It is anticipated that work could begin on approximately June 1st, 2019 in the Southern Block of the project for approximately 25 days, then moving to the Central area for three days including transit, finally then the Northern block for an additional 5 days. All work is dependent on weather and other environmental considerations.

The first preference for operations would be to use a fixed wing aircraft for the airborne surveys. If a fixed wing aircraft is available, it would be based out of Cambridge Bay for daily survey flights. In this instance. In this scenario, a few small fuel caches (less than 20 drums) would be established in the North and South Blocks.

The second preference would be to use a helicopter for the airborne surveys. In the case of the helicopter option, the helicopter would be based out of the small temporary camp at the South Block. With this scenario, a small temporary camp would also need to be established at the Northern Block to support airborne surveys of that area. Additional fuel caches for the helicopter airborne survey would need to be established at the North Block, the Central area, as well as at the South Block. The small temporary 10-person camp would be supported by a helicopter (for airborne survey) a helicopter (for exploration personnel movements) and a fixed wing plane. The camp is projected to include 4 geologists, 3 pilots, an engineer, a cook, a camp manager and a local wildlife observer hired from the Hunter and Trappers Association in Cambridge Bay and Kugluktuk.

Additional activities in the Northern and Southern Blocks will include usual prospecting activities including mapping and collecting small samples for analysis for 3 weeks during July. As mentioned above, a small temporary 10-person camp located in the Southern Block which would be supported by a helicopter and a fixed wing plane (an example pictured below) for camp supplies mobilization. As all proposed exploration activities are “results-based”, meaning that future activities are dependent on the 2019 exploration programs results.

Socio-economic benefits for this very early stage, small scale exploration are minimal but every effort will be made to hire local employees and provide business opportunities. The company will work closely with the Hunters and Trappers Organization to minimize the impact of flying near wildlife. At the request of the Kitikmeot Inuit Association, the Company will observe for any musk ox, as they are deemed to be scarce.

As the proposed project timeline will be conducted during the summer and late-summer, the Company will consider all potential impacts on caribou and other wildlife to minimize disturbance as much as possible.

