

Western Atlas Resources

October 6, 2021

WHY WE AND THE WORLD CHOOSE CANADA AND WHY CANADA NEEDS MINING

Western Atlas Resources and worldwide based Mining Companies choose Canada to invest in because the Country is recognized as a leading mining nation, a safe jurisdiction and a Country where the rule and certainty of law is widely accepted and respected.

Our mineral sector, which includes exploration, mining and related support activities, primary processing, and downstream product manufacturing, is a mainstay of the economy that supports jobs and economic activity in every region.

We are one of the safest jurisdictions for mining in the world, and the Canadian mining sector's commitment to responsible environmental and social practices is widely recognized internationally.

Globally, Canada is one of the leading mining countries and one of the largest producers of minerals and metals. The industry accounted for 19%, or \$106 billion, of the overall value of Canadian goods exported in 2019, selling a diversified array of minerals and metals abroad.

Canada's mining industry supplies the materials required for the manufacture of products essential for Canadians and for the world, including medical technologies and medications, and it has been critical that supply chains stay open so that mined products are readily available for the people and businesses who rely on them. Mined materials, like gold, carbon, zinc, uranium and nickel, are required in the production of instruments used in hospitals around the globe.

More importantly the Canadian mineral exploration and mining industry is well-positioned to play a pivotal role in the low-carbon economy as the provider of the raw materials necessary for innovation in many sectors, including clean tech, manufacturing, transportation, high-tech, and aerospace and defense. Here some example:

- Rapid test kits (gold)
- Antimicrobial surfaces (copper, aluminium)
- Ventilators (carbon)
- Medicine (uranium, zinc)
- Solar PV panels (copper, iron ore, titanium, silver, gallium, indium)
- Batteries (nickel, cadmium, lithium, cobalt)
- Circuitry (gold, copper, aluminium, steel, lithium, titanium, silver, cobalt, tin, lead, zinc)
- Smartphones (silicon, boron, lead, barium, strontium, phosphorus, indium)
- Electric cars (copper, lithium, aluminium, nickel, cadmium, cobalt, zinc)

Suite 1700, Park Place - 666 Burrard Street
Vancouver, BC V6C 2X8, Canada

- Wind turbines (steelmaking coal, iron ore, copper, nickel)
- Energy (uranium, oil sands, petroleum products)
- Musical instruments (copper, silver, steel, nickel, brass, cobalt, copper, iron, aluminium)
- Sports equipment (graphite, aluminium, titanium, calcium carbonate, sulphur)

WHY NUNAVUT?

Mining is the largest private sector driver in Canada's Arctic, employing approximately 8,500 people (roughly one in every six jobs). Mining companies have invested, or have committed to invest, more than \$9 billion in recent years. While these contributions are substantial, the potential is even greater. The industry is the largest private sector employer of Indigenous peoples in the country and the territories host the highest per-capita demographic of Indigenous peoples of any sub-national jurisdiction in Canada. Mining is also the largest private sector business partner of Indigenous-owned enterprises in the North, responsible for helping to develop and grow many successful Indigenous businesses. Some of these Indigenous businesses have grown and now serve customers beyond the mining sector.

Among the beneficiaries of these Mining investments in Canada's Arctic is Nunavut. In Nunavut, in recent years, significant investments in mine complex development have been the norm - \$1.2 billion invested in 2019 alone (mostly by Agnico Eagle).

Nunavut is a pro mining jurisdiction, with over four decades of prosperity mining. It allows mining companies to stake or acquire mineral properties, with a district scale footprint, which provides an opportunity for multiple discoveries. Nunavut is in fact home to world class mining companies such as Agnico-Eagle and Sabina Gold & Silver, among others, and to multimillion-ounce gold deposits. Over 13 million ounces of gold, in proven and probable reserves, and 15 million ounces of gold, in measured and indicated resources, have already been certified in the area.

ABOUT WESTERN ATLAS RESOURCES

Western Atlas Resources is a Canadian publicly listed company and is currently exploring through its wholly owned subsidiary 5530 Nunavut Inc., its 100% owned Meadowbank project. The Meadowbank project is positioned along trend and immediately adjacent to Agnico Eagle's Meadowbank and Amaruq producing gold mines in Nunavut, Canada.

The Meadowbank project is fully permitted for exploration and the Company has recently received approval for the amendment of its land use permit and water licence allowing up to 20,000 meters per year of drilling and a 40-person camp.

Baker Lake is the closest community to our project area. There are excellent infrastructures in the area, the community is serviced year-round, has a modern airport, modern facilities and is a hub for mining activities. In fact, the Western Atlas team has been exploring using Baker Lake as a base for lodging, food and services for over 5 years.

Baker Lake is also a community that values priorities like environmental safety, harmony and respect. These priorities and values are at the core of Western Atlas *modus operandi*. We are committed to the safety and well-being of all our employees, of the Nunavut communities and in general of all communities in which the Company operates. We also support local communities and businesses. Inuit and local personnel and businesses are contracted for the Company's exploration program, for mining services and logistics, wildlife management, food and

accommodation, aircraft, cargo and other general services. We also work together with the Baker Lake Hunters and Trappers Organization for the operation of Wildlife and Environmental monitoring.

Over the course of the past 5 years Western Atlas has run an extensive exploration program including, but not limited to:

- NI43-101 Technical Reports
- Detailed field mapping and sampling program of the entire project area
- Over 3,800 km of airborne magnetic survey
- Over 1,500 line-km of helicopter-borne VTEM followed by electromagnetic anomaly picking (EM) and AIP processing report
- Over 32 line-km of ground IP survey over specific targets located in Block B

In 2020 we started our first diamond drill program to begin testing one of the numerous targets so far identified with over 2,500 meters drilled.

The exploration program has yielded high grade values for gold and silver (up to 13.3g/t Au and over 40g/t Ag) and has led to the definition of numerous targets for additional follow up with drilling. The completed drill program has identified near surface, broad intersects of Nickel, Cobalt, Chromium, (essentially the minerals of the future), and anomalous values for Gold and Silver.

Multiple highly prospective and undrilled target areas offer significant exploration upside potential and the Company has planned a multiyear exploration and drill program to target precious and base metals mineralization at Meadowbank project.

CONCLUSIONS AND OUR CONCERNS

The mining industry is vital to daily life and to Canada's future. The relationship between the opportunities and challenges it faces, and the public policies and regulations that govern its activities must be understood by decision makers. Historically, Canada has profited from low-cost mineral and metal products, good jobs and significant wealth development opportunities – benefits that Canadians overwhelmingly want to persist into the future. With demand for minerals and metals expected to grow as both the Canadian and global economy recover from the COVID-related downturn, Canada's mining industry is proud to be recognized as a responsible producer, providing global leadership in corporate social responsibility and environmental stewardship.

The Canadian mining industry is a leader in Indigenous engagement and partnerships. Governments can support enhanced participation of, and partnerships with, Indigenous communities in the sector through foundational social investments in areas such as health, education and housing, and by targeting funding for skills training and entrepreneurship to assist Indigenous peoples in securing employment and business development opportunities generated by the industry.

The future of Canada's mining industry lies increasingly in remote and northern regions, but the infrastructure deficit in this part of the country challenges project economics. Lack of infrastructure, sparse or no population, and often extreme seasonal temperatures make remote and northern regions in Canada high-cost jurisdictions in which to build and operate a mine. Frequently, companies that seek to develop mining projects in remote and northern regions must build the infrastructure they require for operation. Historically, this infrastructure has included the

following: power generation and transmission; transportation infrastructure such as ports, roads and railways, and also airstrips and on-site accommodation for fly-in/fly-out employees.

Without a clear and widely accepted legal framework, without rule of law, without strategic and wealth-generating infrastructure development to enhance investment competitiveness, these regions and their inhabitants will remain disproportionately reliant on transfer funding for core services and program delivery (frequently at lower standards than southern Canadian jurisdictions enjoy).

This certainty of the regulatory framework includes regulation which must enable the mining industry to access prospective lands and continue with its expansion of investments in remote and northern infrastructure, including energy infrastructures, as essential to reduce northern reliance on higher-emitting fossil fuels.

Mining is in fact essential for Canada's attainment of a lower carbon future. Contrary to what some may believe, the world will never achieve a net-carbon neutral future without a substantial increase in the supply of minerals and metals:

- By 2040, between 7 and 17% of global electricity generation will be from solar power. Renewable energy systems can require up to 12 times more copper compared to traditional energy systems.
- By 2040, between 9 and 21% of global electricity generation will be from wind power. Approximately 170 tonnes of steelmaking coal and 10 tonnes of zinc are needed to produce and galvanize the steel in an average wind turbine.
- By 2040, there will be more than 900 million electric cars worldwide, accounting for over 50% of the global fleet Zero-emission electric vehicles which require about three times as much copper as an internal combustion vehicles.
- By 2040, cars that rely solely on gasoline and diesel will be 40% more efficient than today. As the world transitions to a low-carbon economy, oil will continue to play a necessary role in the global energy mix. We believe that the remaining demand should be met by low carbon, responsible producers.
- Zero-Emissions haul trucks could reduce GHG emissions by 2,750 tonnes of CO₂e per truck per year. This equates to removing roughly 600 cars off the road.
- Uranium mined in Canada is a direct contributor to avoiding GHG emissions around the world. Small nuclear reactors (SMRs) offer the potential for more accelerated decarbonization.

Western Atlas resources has chosen Canada and in particular Nunavut and has already invested millions of dollars because of the certainty of law that characterize the mining regime in this area of the Country. As previously stated, Western Atlas Resources is a publicly listed Company and its Board and Management operates under a fiduciary duty toward its stakeholders which include the communities in which the Company operates.

With regard to the Nunavut Land Use Plan Proposal, publicly listed companies need rule of law in order to deploy their capital and energy, and a clear explanation (verbal and in writing) of the effects that a faulty decision may have on mineral properties which were legally staked and/or acquired, and on which a Company may have already invested or is planning to invest millions of dollars in exploration, development and production. The requested explanation of such effects includes the risk associated with any future expansion of currently existing and future mining project (at different levels of their life cycle).

The study and document we were provided with clearly dilute this explanation within a thousand-page document.

Also, we need something in writing regarding the grandfathering of currently existing mineral projects and permits, at every stage of their exploration, development, production and expansion phase. A clear document that specifically grandfathers existing companies, mining titles and current and future permits, a document that clarifies without any possibility of confusion that companies which have received their mining titles (mineral properties) and related current and needed future permits will be allowed to continue investing through each and every phase of exploration, development and production.

Initial Questions and Concerns:

1. What happens when a Company has legally received titles, related permits and has already invested millions of dollars to move the project forward?
 - a. The current and future effect that each kind of proposed land limitation may have on existing mineral title will have to be clearly and succinctly explained
 - b. The authorities involved in current and future decision process regarding an area partially or totally overlapping with a proposed limitation will have to be clearly named and listed
2. Please elaborate on the concept of grandfathering. What does grandfather mean? Does it just mean status quo remains the same or does it allow projects to advance?
3. Will an existing mineral claim be grandfathered through to mining (Project Certificate)?
4. What type of document will the NPC issue to a proponent confirming the "Grandfathered Status"? Is there an example of this document?
5. How would a company apply for this document? If NPC is unwilling to issue this document how serious can the "grandfathering" be taken?
6. Will infrastructure needs beyond the grandfathered claim boundary also be grandfathered? (i.e. roads and powerlines?)

We firmly believe that this Nunavut Land Use Plan as presented and the related legal uncertainty and consequences derived by its adoption will end up paralyzing any future investments in Nunavut and any administrative decisions regarding existing and future projects. No public servant will ever sign off on a permit, extension, amendment, etc., if there is the fear of a possible legal repercussion due to the proposed limitations.

Acknowledging that there is fierce global competition for finite exploration and mine development investment dollars, that Canada's economy is dependent on internal and foreign direct investment, and that regulatory certainty is critical determinants of Canada's investment attractiveness it is vital to continue guaranteeing access to prospective lands and the possibility to keep on investing in exploration and development of currently existing and future mining projects and related required infrastructures.

A land delimitation of this magnitude will directly and indirectly create uncertainty and affect the ability for currently operating mining and service companies and future potential new entrants to keep on investing. It will end up dramatically damaging the economy of Nunavut. It will affect the society every level in terms of further investment in education, health and infrastructures.

Limiting or worse eliminating the ability for mining companies to keep on investing in infrastructure, exploration and development of mineral projects in Nunavut will create the exact

opposite of what the promoting parties wish to achieve. As previously stated, Mining is essential for Canada's attainment of a lower carbon future and Nunavut is a premier source of the minerals that Canada and the world so desperately need.

Respectfully,

Fabio Capponi



Western Atlas Resources

CEO, Director

Cell: +1 778 389-7274

Email: fcapponi@westernar.com

Sources: include but are not limited to: Western Atlas Resources, Industry written and verbal discussions, The state of Canada Mining Industry - 2020.