



P.O. Box 119
GJOA HAVEN, NU X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

WATER LICENCE APPLICATION FORM

Application for: (check one)

☒ New ☐ Amendment ☐ Renewal ☐ Assignment

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF
APPLICANT/LICENSEE

WET COAST CAPITAL CORP.
1100 MELVILLE ST., 6TH FLOOR
VANCOUVER, B.C. V6E 4A6

Phone: (604) 689-2944
Fax: (604) 682-6509
e-mail: pnc@wetcoast.com

2. ADDRESS OF CORPORATE
OFFICE IN CANADA (if applicable)

Phone: _____
Fax: _____
e-mail: _____

Nunavut Water
- SAME - Board
Public Registry

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) THE AREA OF EXPLORATION INCLUDES SEVERAL CLAIMS AS SHOWN ON THE ENCLOSED MAP. TWO SMALL PROSPECTING CAMPS ARE PLANNED, TO BE LOCATED ON MARCEAU LAKE AND FONTANO LAKE.

Latitude: 66° 23' N Longitude: 114° 55' W NTS Map No. 86J/7 Scale 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

THE WORK WILL CONSIST OF A FIRST-STAGE EXPLORATION PROGRAM, INCLUDING PROSPECTING, GEOLOGICAL MAPPING, MAGNETOMETER AND VLF-EM GEOPHYSICS, AND ROCK SAMPLING. TWO SMALL TENT CAMPS ARE PLANNED WITH A FIVE PERSON CAPACITY.

5. TYPE OF UNDERTAKING (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

<input type="checkbox"/> Industrial	<input type="checkbox"/> Remote/Tourism Camps
<input type="checkbox"/> Mine Development	<input type="checkbox"/> Municipal
<input type="checkbox"/> Advanced Exploration	<input type="checkbox"/> Power
<input type="checkbox"/> Exploratory Drilling	<input checked="" type="checkbox"/> Other (describe): FIRST-STAGE SURFACE MINING EXPLORATION

6. WATER USE

- ☐ To obtain water
☐ To modify the bed or bank of a watercourse
☐ To alter the flow of, or store, water
☐ To cross a watercourse

- ☐ To divert a watercourse
☐ Flood control
☒ Other (describe): DRINKING WATER AND WASHING AT CAMPS.

7. **QUANTITY OF WATER INVOLVED** (litres per second, litres per day or cubic metres per year, including both quantity to be used and quantity to be returned to source)

IT IS EXPECTED THAT THE CAMPS WILL USE ABOUT 50 LITRES EACH WATER PER DAY (TOTAL 100 LITRES / DAY)

8. **WASTE** (for each type of waste describe: composition, quantity, methods of treatment and disposal, etc.)

- ☒ Sewage
☐ Solid Waste
☐ Hazardous
☐ Bulky Items/Scrap Metal
☐ Waste oil
☒ Greywater
☐ Sludges
☐ Other (describe):

SEWAGE WILL BE CONTAINED IN A SUMP AT LEAST 30 METRES FROM MAXIMUM LAKE LEVEL OR WATERCOURSE
 GREY WATER WILL BE DISPOSED OF IN A SUMP AT LEAST 30 METRES AWAY FROM MAXIMUM LAKE LEVEL OR ANY WATERCOURSE.

9. **PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING** (give name, mailing address and location; attach if necessary)

Land Use Permit

DIAND ☐ Yes ☒ No If no, date expected EARLY JULY, 2001

Regional Inuit Association ☐ Yes ☐ No If no, date expected _____

Commissioner ☐ Yes ☐ No If no, date expected _____

10. **PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES** (direct, indirect, cumulative impacts, etc.)

THERE ARE NO NEGATIVE ENVIRONMENTAL IMPACTS EXPECTED.

NIRB Screening ☐ Yes ☒ No If no, date expected JULY, 2001

11. INUIT WATER RIGHTS

Will the project or activity substantially affect the quality, quantity, or flow of water flowing through Inuit Owned Lands and the rights of Inuit under Article 20 of the Nunavut Land Claims Agreement?

THE PROJECT AREA DOES NOT LIE WITHIN INUIT OWNED LANDS, AND THE EXPLORATION ACTIVITY WILL NOT AFFECT THE QUANTITY, QUALITY, OR FLOW OF WATER THROUGH INUIT OWNED LANDS.

11. (Continued)

If yes, has the applicant entered into an agreement with the Designated Inuit organization to pay compensation for any loss or damage that may be caused by the alteration. If no compensation agreement has been made, how will compensation be determined?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

NUNAVUT EXPEDITING SERVICES LTD.
P.O. BOX 2248, YELLOWKNIFE, N.W.T. X1A 2P7
(PROVISION OF CAMP, EMERGENCY AND SCHEDULED COMMUNICATIONS)

13. STUDIES UNDERTAKEN TO DATE (list and attach copies of studies, reports, research, etc.)

ARCHIVAL SEARCH OF ALL GEOLOGICAL INFORMATION AND ASSESSMENT REPORTS
RELEVANT TO THE PROJECT AREA. LIST OF REFERENCES ATTACHED.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE
REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) ___ Yes ☒ No If no, date expected NOT (SECT. 5) REQUIRED

Inuktitut/English Summary of Project ___ Yes ☒ No If no, date expected _____

Application fee \$30.00 (c/o of Receiver General for Canada) ☒ Yes ___ No If no, date expected _____

15. PROPOSED TIME SCHEDULE

___ Annual (or) ☒ Multi Year

Start Date: JULY 15, 2001 Completion Date: SEPTEMBER 15, 2001

PAUL MCCARTHY

Name (Print)

CONSULTANT

Title (Print)

[Signature]

Signature

JUNE 26, 2001

Date

For Nunavut Water Board use only

APPLICATION FEE

Amount: \$ _____

Receipt No.: _____

WATER USE DEPOSIT

Amount: \$ _____

Receipt No.: _____



P.O. Box 119

GJOA HAVEN, NT X0E 1J0 ᓄᓇᓂᓪ ᐃᐱᓕᓂᓪᓐᓐ ᑲᑎᐱᓪᓂᓪ

TEL: (867) 360-6338

NUNAVUT WATER BOARD

FAX: (867) 360-6369 NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: Wet Coast Capital Licence No: NWB 2 MAR
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

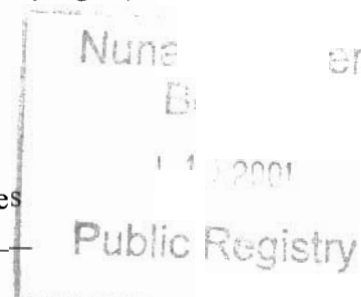
1. Environment Manager: _____ Tel: _____ Fax: _____ E-mail: _____
2. Project Manager: Gerry Diakow Tel: (604) 689-2944 Fax: (604) 682-6509
E-mail: gerryd@wetcoast.com
3. Does the applicant hold the necessary property rights?
Yes
4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)?
If so, please provide letter of authorization.
No
5. Duration of the Project
[X] Annual
[] Multi Year:
If Multi-Year indicate proposed schedule of on site activities
Start: _____ Completion: _____

CAMP CLASSIFICATION

6. Type of Camp
[] Mobile (self-propelled)
[X] Temporary
[] Seasonally Occupied: _____
[] Permanent
[] Other: _____
7. What are the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?

Small tent camps (2) designed to accommodate a maximum of five people at one time, but will mostly accommodate two to three persons at one time.
8. Provide history of the site if it has been used in the past.

Sites never previously used to our knowledge.



CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.

Two camps: one on the southeast shore of Marceau Lake, and the other on the east shore of Fontano Lake. Both areas are within the north margin of the tree line (taiga zone), with sparse trees and muskeg.

10. How was the location of the camp selected? Was the site previously used? Was assistance from the Regional Inuit Association Land Manager sought? Include maps and/or aerial photographs.

The sites were selected because they permitted float plane access to supply food and materials to the camps. The sites have never previously been used to our knowledge. A map has been included with the permit application to accompany this Exploration/ Remote Camp Supplementary Questionnaire.

11. Is the camp or any aspect of the project located on:

<input checked="" type="checkbox"/> Crown Lands	Permit Number (s)/Expiry Date: <u>Mineral Claim Permit Numbers enclosed with the Water Licence Application</u>
<input type="checkbox"/> Commissioners Lands	Permit Number (s)/Expiry Date: _____
<input type="checkbox"/> Inuit Owned Lands	Permit Number (s)/Expiry Date: _____

12. Closest Communities (distance in km):

Kugluktuk, approximately 165 kilometres to the north from the property area.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?

Notification in Nunavut has been done through the Water Licence Application. All nations and treaty organizations have been notified in the Northwest Territories regarding the use of the property that is south of the Nunavut-Northwest Territories boundary.

14. Will the project have impacts on traditional water use areas used by the nearby communities? Will the project have impacts on local fish and wildlife habitats?

The project is not expected to have any impact on traditional water use areas used by any nearby communities, or have any impacts on local fish and wildlife habitats.

PURPOSE OF THE CAMP

15. ☐ Mining
☐ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.)
(Omit questions # 16 to 21)
☐ Other Prospecting and surface mining exploration (Omit questions # 16 to 22)
16. ☐ Preliminary site visit
☐ Prospecting Yes
☐ Geological mapping Yes
☐ Geophysical survey Yes
☐ Diamond drilling
☐ Reverse circulation drilling
☐ Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
☐ Other: _____
17. Type of deposit:
☐ Lead Zinc
☐ Diamond
☐ Gold
☐ Uranium
☐ Other: palladium and platinum

DRILLING INFORMATION

18. Drilling Activities
 - Land Based drilling
 - Drilling on ice
19. Describe what will be done with drill cuttings?
20. Describe what will be done with drill water?
21. List the brand names and constituents of the drill additives to be used? Includes MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.
22. Will any core testing be done on site? Describe.

SPILL CONTINGENCY PLANNING

23. Does the proponent have a spill contingency plan in place? Please include for review.

There will be a maximum of one 45 gal drum of gasoline, one 45 gal drum of diesel, and four 45 gal drums aviation fuel in the camps at one time. All fuel will be carefully stored at least 30 metres above high lake water level in a suitable flat spot. The drums will be kept turned and tightly bunged to prevent leakage. In case of spillage, an emergency spill kit containing a variety of petroleum sorbent products will be used, which absorb up to 20 times their own weight in petroleum liquids. The emergency spill kit is a professional product containing sorbent chips, sorbent pads, sorbent sox, disposal bags, and rubber gloves that can quickly and easily be utilized.

24. How many spill kits will be on site and where will they be located?

One emergency spill kit will be at the fuel site for each camp, in a clearly marked and accessible location.

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

Each camp will have a maximum of one 45 gal drum of gasoline, one 45 gal drum of diesel, and four 45 gal drums aviation fuel in the camps at one time. No chemicals will be used in the exploration program.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

Water will be taken from Marceau Lake and Fontano Lake for drinking and washing purposes.

27. Estimated demand (in L/day * person):

- ☐ Domestic Use: Estimated 25 litres/day for each camp
Water Source: Marceau and Fontano Lakes.
- ☐ Drilling Units: _____ Water Source: _____
- ☐ Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe: *One ½ hp gasoline pump for each camp, with a screen on the intake hose to prevent any debris or fish from entering the pump or hose.*

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?

Drinking water will not be monitored, except for excess silty material, if there is any.

30. Will drinking water be treated? How?

Drinking water will not be treated.

31. Will water be stored on site?

No substantial amounts of water will be stored on site.

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

- Camp Sewage (blackwater)

Blackwater will go to a sump, dug into gravel, at least 30 metres above high lake water level.

- Camp Greywater

Greywater will go to a sump, dug into gravel, at least 30 metres above high lake water level.

- Solid Waste

All non-combustible waste will be removed from the camps and disposed of in the Kugluktuk municipal waste site (prior permission granted). No waste will be left in the camps after demobilization. Solid combustible waste will be burned, and non-combusted residue, if any, will be removed as described above.

- Bulky Items/Scrap Metal

It is not anticipated that there will be any scrap metal or bulky items, but all waste and materials will be removed to the Kugluktuk municipal waste site, as described above.

- Waste Oil/Hazardous Waste

It is not anticipated that there will be any waste oil or hazardous waste from this exploration program, however any non-combustible waste oil or waste will be stored temporarily in buckets to be disposed of appropriately in the Kugluktuk municipal waste site.

- Empty Barrels/Fuel Drums

All empty barrels and fuel drums will be removed as they are used in backhaul flights, and none will be left on demobilization of the camps.

- Other:

-
33. Please describe incineration system if used on site. What types of wastes will be incinerated?

Incineration will be in an incineration barrel. Food scraps, bits of wood, and any other easily incinerated material will be completely incinerated.

34. Where and how will non-combustible waste be disposed of? If in a municipality in Nunavut, has authorization been granted?

Permission was given to Wet Coast Capital Corp. in 2000 to dispose of non-combustible waste materials in the Kugluktuk municipal waste site, and a similar permit will be requested for the 2001 work period.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).

All sumps will be located peripheral to the tent camps at least 30 metres above maximum high lake levels, and well away from any water courses, in gravel or broken rock.

36. Will leachate monitoring be done? What parameters will be sampled and analyzed, and at what frequency?

The sumps will be monitored for waste levels to ensure no leakage. It is not anticipated that there will be any substantial amounts of waste input into the sumps, which will be constructed to ensure that the holding capacity is more than adequate.

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? What known O&M problems may occur? What contingency plans are in place?

The small amounts of waste and water supply requirements would not indicate that there would be any O&M problems. Sumps will be monitored as described above.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.

All non-combustible waste will be removed from the camps and disposed of in the Kugluktuk municipal waste site. No waste will be left in the camps after demobilization. Sumps will be filled in and levelled after camp demobilization.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.
- Physical Environment (Landscape and Terrain, Air, Water, etc.)
 - Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.)
 - Socio-Economic Environment (Archaeology, Land and Resources Use, Demographics, Social and Culture Patterns, etc.)
 - Other: *A bibliography of relevant geological information has been supplied with the Water Licence Application.*

REGULATORY INFORMATION

40. Do you have a copy of
- Article 13 - Nunavut Land Claims Agreement
 - NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
 - NWB - Interim Rules of Practice and Procedure for Public Hearings
 - NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
 - NWTWB - Guidelines for Contingency Planning
 - DFO - Freshwater Intake End of Pipe Fish Screen Guideline
 - Fisheries Act - s.35
 - RWED - Environment Protection- Spill Contingency Regulations
 - Canadian Drinking Water Quality Guidelines
 - Public Health Act Camp Sanitation Regulations
 - Public Health Act Water Supply Regulations
 - Territorial Land Use Act and Regulations

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.

WET COAST CAPITAL CORP.

6th Floor, 1100 Melville Street, Vancouver, B.C. Canada V6E 4A6
TEL: (604) 689-2944 FAX: (604) 682-6509

June 26, 2001

Ms. Rita Becker,
Licensing Administrator
Nunavut Water Board
P.O. Box 119, Gjoa Haven
Nunavut X0E 1J0

Dear Ms. Becker,

Wet Coast Capital Corp. has planned a first-stage surface exploration program for 2001 on its Muskox South property, located in western Nunavut, about 165 kilometres south of Kugluktuk, and this letter accompanies the Water Licence application forms and additional information pertaining to the project. Details of the program are included in the Project Summary with the application.

If there are any further questions regarding the Water Licence application, please contact me at Wet Coast Capital, or at my email address: pmc@wetcoast.com

Thank You,



Paul McCarthy
Wet Coast Capital Corp.

WET COAST CAPITAL CORP.

6th Floor, 1100 Melville Street, Vancouver, B.C. Canada V6E 4A6
TEL: (604) 689-2944 FAX: (604) 682-6509

PROJECT SUMMARY

Wet Coast Capital Corp. has planned a first-stage surface exploration program on the Muskox South property for the summer of 2001. The Muskox South property consists of a northwest trending series of nine claims located entirely on Crown Land in Nunavut and the Northwest Territories. Eight mineral exploration claims (M1 to M8) lie wholly or partially in Nunavut. The claims are administered by the Department of Indian Affairs and Northern Development, based in Iqaluit. Objective of the program is to investigate the economic potential of the southern part of the Muskox intrusion that is exposed on the property for platinum group metals, nickel, and copper.

The exploration program will consist of prospecting, geological mapping, rock sampling, and surface geophysics surveys. The plan is to carry out a systematic geological investigation and sampling program on the prospective intrusive rock along the length of the Muskox South property claim group. The results from the prospecting and sampling program will determine the location of further work, including detailed geological mapping and the geophysics surveys.

In order to carry out the program, two small tent camps will be erected near the edge of Marceau Lake and Fontano Lake, which will supply water and a means of transportation for the camps. Each camp will have a capacity for five people, including two prospectors, a geologist, and geological/camp assistants. Camp supplies and personnel will be flown into the lakes on fixed wing aircraft from Yellowknife and Kugluktuk on a regular basis. It is expected that the program will take two months, weather permitting. The exploration program is planned to extend from July 15, 2001 to September 15, 2001.

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Public Registry

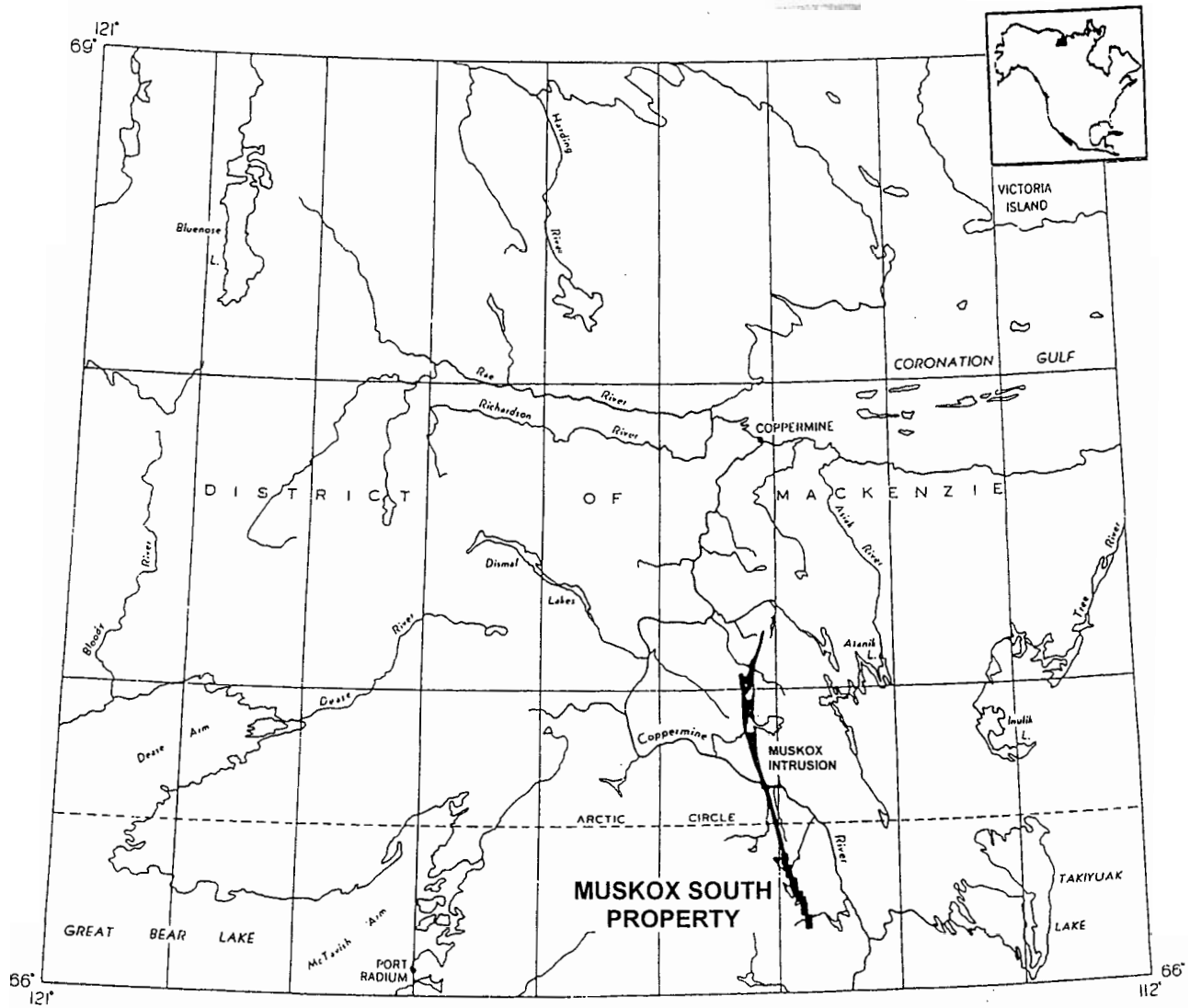
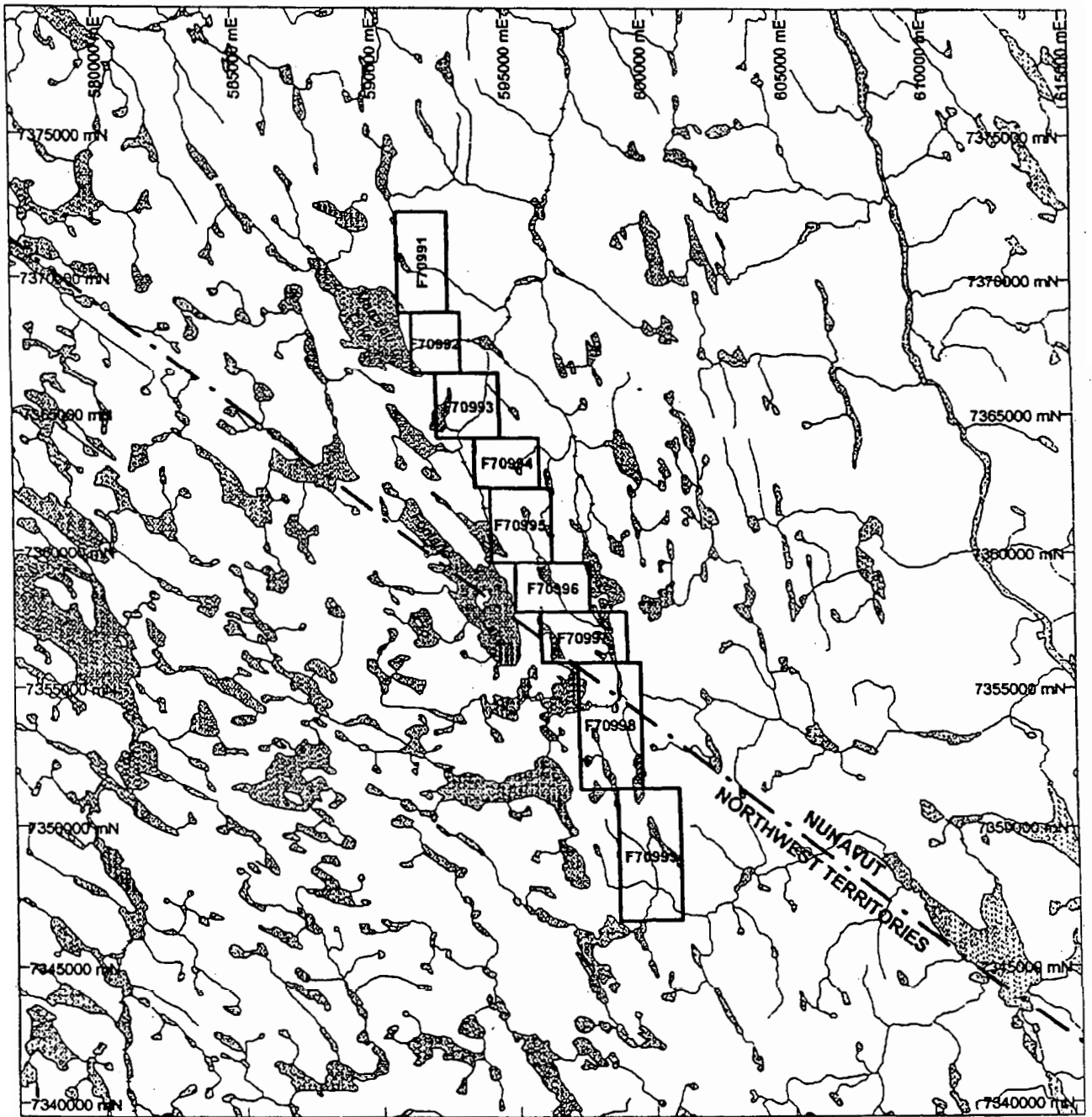


Figure 1: Location map of the Muskox South property



Map Projection: UTM NAD 27 Zone 11

0 2 4 6 8 10
Kilometres

Figure 2: Muskox South property map