Canamera
GEOLOGICAL LTD.

Nunavut Water Board
Box 119
Gjoa Haven, NT X0C 1JO

June 23, 1998

Attn.: Ms. Dionne Filiatrault

RE: Water Licence Application – McGreggor Lake Camp

Dear Ms. Filiatrault:

Further to correspondence dated May 14, 1998, please find enclosed an application for a new water licence to support exploration activities focused around the McGreggor Lake camp location. Canamera Geological Ltd. has obtained a Land Use Permit for these exploration activities through the Kitikmeot Inuit Association (*I96C104*). The water licence application request is to:

1. Obtain water for a six-eight Weatherhaven tent exploration camp (10-15 people)
2. Obtain water for exploration drilling activities

Please find enclosed the following:

1. Nunavut water Board Licence Application Form
2. Water Licence Application Supplementary Questionnaire
3. Original map illustrating the location of camp and areas of interest
4. Cheque Payable to the Receiver General of Canada for the relevant fees

We hope to start mobilizing exploration crews in the next few weeks (mid-July, 1998).

If you have any questions or comments, please contact the undersigned at (604) 984-7200.

Yours truly,

CANAMERA GEOLOGICAL LTD.

per:

Jasen M. Attew
Environmental Manager

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

APPLICATION FORM

Application for licence, amendment to licence, or renewal of licence

APPLICATION/LICENCE NO: (Amendment or renewal only) NWB2MCG

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

CanamerA Geological Ltd.
#399 Mountain Hwy, North Vancouver
BC V7J 2L9.

Phone: 604 984 7200 Fax: 604 984 7266

2. ADDRESS OF HEAD OFFICE IN CANADA IF INCORPORATED

Same as to the left

Phone:_____ Fax:_____

3. LOCATION OF UNDERTAKING (describe and attach a map, indicating watercourse and location of any proposed waste deposits)

Latitude: 66°54.82 N Longitude: 115°14.47 E.

4. DESCRIPTION OF UNDERTAKING (describe and attach plans and drawings)

To utilize water for 6-10 man weather haven tent camp. This includes water use for portable showers, cleaning, + cooking. Water pumped with small deisal water pump into 200 gallon holding tank. Water use for exploration drilling.

5. TYPE OF UNDERTAKING

- ☑ Industrial
- ☐ Power
- ☐ Agricultural
- ☐ Mining and Milling
- ☐ Conservation
- ☐ Recreation
- ☐ Municipal
- ☐ Other (describe): _____

6. WATER USE

- ☑ To obtain water
- ☐ Flood control
- ☐ To cross a watercourse
- ☐ To divert water
- ☐ To modify the bed or bank of a water
- ☐ To alter the flow of, or store, water
- ☐ Other (describe):_____

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

Use approx 20m³/day when in full operation.

All return water will be directed into a natural depression at least 30m away from high water mark

8. **WASTE DEPOSIT** (type, quantity, quality, treatment, and disposal)
All return water to be directed into a natural depression at least 30m away from high water mark

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

10. **PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES**
No black water waste (sewage) generated as we use Biolet toilets (no water used). Grey water from kitchen + showers will be retained in a natural depression.

11. **CONTRACTORS AND SUB-CONTRACTORS** (name, address and functions)
Nunasi Helicopters
#260-5022 -49th St
Yellowknife, NT Helicopter Support.

12. **STUDIES UNDERTAKEN TO DATE** (list and attach copies of studies, reports, research, etc.)
n/a

13. **THE FOLLOWING DOCUMENTS SHALL BE INCLUDED WITH THE APPLICATION**
Land Use Permit

DIAND	[ ] Yes [ ] No	Date Expected_____
Regional Inuit Association	[✓] Yes [ ] No	Date Expected_____
Supplementary Questionnaire	[✓] Yes [ ] No	Date Expected_____
Inuktitut Summary of Project	[ ] Yes [ ] No	Date Expected_____
MAP @ 1 : 250,000 (with camp, drill sites, etc.)	[✓] Yes [ ] No	Date Expected_____

14. **PROPOSED TIME SCHEDULE**
Start Date: June 5 /98 Completion Date: May 30 /00

Jasen Attew	Environmental Manager	J Atte	June 1/98
Name (Print)	**Title (Print)**	**Signature**	**Date**

For Nunavut Water Board use only
APPLICATION FEE Amount: $ 30.00 Receipt No.: C1010.63
WATER USE DEPOSIT Amount: $_____ Receipt No.:_____

SECTION 1 :

GENERAL

1. Applicant CanamerA Geological Ltd.
(Company, corporation, owner)

399 Mountain Hwy, North Vancouver, BC
(Postal address) V7J 2K9

Tel. 604 984 7200
604 984 7266
(~~Telephone number~~) (Fax)

jattew@canamera.com
(E-Mail)

Corporate Address (If different from above)

(Corporate Office Address)

(Telephone number) (Fax)

(E-Mail)

Project Name Muskox Project

Location (McKinnegor Lake, NT).

Closest Community Kugluktuk

Latitude/Longitude 66°54'82" x 115°14'47"

Show the location of the project on a general location map.
(see attached map).

2. Environmental Manager Jasen Attew 604 984 7200.
(Name) (Telephone No.)

3. Indicate the status of the exploration activity on the date of application. (Check the appropriate space.) Preliminary Exploration phase

Design	✓ 6-8 ~~staff~~ weather haven camp.
Under construction	
In operation	
Suspended	
Care and Maintenance	
Abandoned	

4. If a change in the status of the exploration activity is expected, indicate the nature and anticipated date of such change.

If results warrent, larger camp advanced exploration to prove resource + geological grade.

5. Indicate the present (or purposed) schedule for the exploration activity.

Hours per week	50
Days per week	7
Weeks per year	20
Number of employees	10
Number of Inuit employees	2

6. Estimate the term (life) of the exploration activity.

_____ (Months / Year)

7. How will the project effect the traditional uses on Inuit Owned Lands?

Very small exploration camp. It shouldn't affect traditional uses.

8. Have the Elders been consulted on effects to the traditional use on Inuit Owned Land? If so, list them. If not, why not?

Very preliminary stages of exploration.

9. Has the proponent consulted Inuit Organizations in the area? If so, list them.

Yes - Kitikmeot Inuit Association. CanamerA is joint ventured with the Kitikmeot Corporation to provide Exploration services.

10. Has the proponent consulted surrounding communities on traditional water use areas? If so, list them. If not, why not?

Very preliminary stages of exploration.

11. Attach a detailed map drawn to scale showing the relative locations (or proposed locations) of the exploration activity, Sewage and solid waste facilities, and containment areas. The plan should include the water intake and pumphouse, fuel and chemical storage facilities. Ore and waste rock storage piles, piping distribution systems, and transportation access routes around the site. The map also should include elevation contours, water bodies and an indication of drainage patterns for the area.

12. If applicable, provide a brief history of property development which took place before the present company gained control of the site. Include shafts, audits, mills (give rated capacity, etc.) waste dumps, chemical storage areas, tailings disposal areas and effluent discharge locations. Make references to the detailed map.

Only an old exploration camp + drilling was performed in the past on this property.

13. Give a short description of the proposed or current freshwater intake facility, the type and operating capacity of the pumps used, and the intake screen size.

Small water pump (6 hsp) for fresh water intake for camp will use.
20 mesh screen on intake hose.

14. At the rate of intended water usage for the exploration activity, explain water balance inputs and outputs in terms of estimated maximum draw down and recharge capability of the water source from fresh water will be drawn.

20 m^3 used maximum during peak use.
All water is returned to natural depression on land.

15. Will any work be done that penetrates regions of permafrost?

Yes (drilling).

16. If "YES" above, is the permafrost continuous or discontinuous ?

continuous

17. Were (or will) any old workings or water bodies (be) dewatered in order to conduct the exploration activity ?

No.

18. If "YES" above, indicate the name of the water body, the total volume of water to be discharged and the chemical characteristics of the water.

Water body (if unnamed give Latitude/Longitude)_____
Total volume _____ cubic metres
Receiving Watercourse _____
Dewatering flow rate into above _____ cubic metres / sec

Chemical characteristics of discharge:

T/Pb	_____mg/L	Total Ammonia	_____ mg/L
T/Cu	_____mg/L	Suspended solids	_____ mg/L
T/Al	_____ mg/L	Specific conductivity	_____ uhmo/cm
T/HCN	_____ mg/L	pH	_____
T/Hg	_____ mg/L		
T/Zn	_____ mg/L		
T/Cd	_____ mg/L		
T/As	_____ mg/L		
T/Ni	_____ mg/L		
T/Mn	_____ mg/L		

19. Was (or will) the above discharge (be) treated chemically ?

_____

20. If "YES" above, describe the applied treatment.

_____
_____
_____
_____
_____

21. Briefly describe what will be done with the camp sewage.

Camp grey water is discharged to a natural depression at least 30 m away from high water mark. Biolets are used for ~~sewage~~ human feces. + burned daily.

SECTION 2 :

GEOLOGY AND MINERALOGY

22. Briefly describe the physical nature of the mineralization, including known dimensions and approximate shape.

We are looking for massive sulfides (Ni-Cu-PGE) ore deposits, related to ultramafic-mafic Rocks. The main ore minerals are : pyrrhotite, Chalcopyrite and Pentlendite.

23. Briefly describe the host rock in the general vicinity of the mineralization (from the surface to the mineralized zone.)

The mineralization is Hosted in ultramafic-mafic rocks (Troctolite, Gabbro-Norite and Feldspathic-Peridotite) part of the Muskox intrusion. Also This mineralization occurs in the Country rocks in Contact with the Muskox intrusion (Hornfels)

24. Provide a geological description of the mineralized zone. (If possible, include the percentage of metals.)

25. Describe the geochemical tests which have been (or will be) performed on the ore, host rock, and waste rock to determine their relative acid generation and contaminant leaching potential. Outline methods used (or to be used) and provide test results in an attached report (ie. static tests, kinetic tests.)

26. Estimate the percentage of sulphide in the mineralization:

pyrite	1 to 2%
pyrrhotite	5 to 20 %
pyrite / pyrrhotite mixture	
arsenopyrite	—

SECTION 3 :

EXPLORATION OPERATION

27. Check off the type (or proposed type) of exploration operation that will be used on the property and briefly describe the method in more detail.

a) Reverse circulation to obtain bulk sample
b) Trenching
c) Conventional open pit
d) Decline
e) Conventional underground
f) Strip mining activity
g) Other Exploration activity (please explain) drilling with core drills

28. Indicate the size and number of samples that will be obtained.

_____ tonnes
_____ number of samples

Please note if smaller samples are to be taken from different areas (note location) to form one large bulk sample.

Drilling expected in future.
No locations are known at this time.

29. Indicate the present or proposed average rate of exploratory production from all mineralized sources on the property:

_____ tonnes ore / day

30. Outline the water usage (or proposed water usage) in the exploration activity, indicate the source and volume of water for each use.

	Source	Use	Volume (m^3 / day)
1.	McKeggor Lake	Camp Water	15-20
2.	Other lakes	Drilling	10.

31. If applicable, indicate or estimate the volume of natural ground water presently gaining access to the mine workings. N/A

_____ m^3 / day

32. If applicable, outline methods used underground or on surface to decrease mine water flow. (For example: recycling)

33. List the brand names and constituents of the drill additives to be used.

See attached ~~WHMIS~~ Sheets MSDS

SECTION 4 :

THE MILL OR PROCESSING PLANT

34. Is there (or will there be) a portable mill processing plant be operating on the property in conjunction with the exploration activity ?

_____ Yes _____✓_____ No

35. If "yes" indicate the proposed point of discharge for the mill or process plant water and the volume of the discharge.

Point of discharge _____

Volume of discharge _____ m^3 / day

36. Attach a copy of the portable mill or processing plant flow sheet. Indicate the points of addition of all the various reagents (chemicals) that are (or will be) used.

37. Indicate the proposed rate of milling.

_____ not applicable (check) or _____ tonnes / day

38. List the types and quantities of all reagents used in the mill or processing plant (in kg/tonne ore milled.)

Reagent:_____ Amount in kg/tonne ore milled:_____

39. If applicable, is the (proposed) milling circuit based on autogenous grinding ?

Yes _____ No _____ Partially _____

40. Based on present production or bench test results, describe the chemical and physical characteristics of liquid mill or processing plant wastes directed to the tailing deposition area.

T/Cu	_____mg/L	Total Ammonia	_____mg/L
T/Pb	_____mg/L	Suspended solids	_____mg/L
T/Zn	_____mg/L	Specific conductivity	_____uhmo/cm
T/Ag	_____mg/L	pH	_____
T/Mn	_____mg/L	Alkalinity	_____$CaCo_3$/L
T/Ni	_____mg/L	Hardness	_____mg/L
T/Fe	_____mg/L	Total cyanide	_____mg/L
T/Hg	_____mg/L	Oil and Grease	_____mg/L
T/As	_____mg/L		
T/Cd	_____mg/L		
T/Cr	_____mg/L		
T/Al	_____mg/L		

41. Provide a geochemical description of the solid fraction of the tailings.

Cu	_____mg/g	Al	_____mg/g
Pb	_____mg/g	Fe	_____mg/g
Zn	_____mg/g	Hg	_____mg/g
Ag	_____mg/g	Ni	_____mg/g
Mn	_____mg/g	As	_____mg/g
Cr	_____mg/g	CN	_____mg/g
Cd	_____mg/g		

SECTION 5 :

THE CONTAINMENT AREAS

42. What is the (Proposed) method of disposal of the mine water, mill or process plant tailings (ie. sump, subaqueous, surface tailings pond, settling pond) ?

43. Attach detailed scale plan drawings of the proposed (or present) containment area. The drawings must include the following:

a. a. details of pond size and elevation;

a. a. details of all retaining structures (length, width, height, meterails of construction, etc.);

a. a. details of the drainage basin;

a. a. details of all decant, siphon mechanisms etc., including water treatment plant facilities;

a. a. details with regard to the direction and route followed by the flow of wastes and / or waste water from the area; and

a. a. indicate of the distance to nearby major watercourses;

44. Justify your choice of location for the containment area design by rationalising rejection of other options. Consider the following criteria in your comparisons: subsurface strata permeability, abandonment, recycling/reclaiming waters, and assessment of runoff into basins. Attach a brief summation.

45. The average depth of the existing or proposed containment area is dependent on the volume of water encountered metres.

46. Indicate the total capacity for the existing or proposed containment area by using water balance and stage volume calculations and curves. (Attach a description of inputs and outputs along with volume calculations.)

47. Has any evaporation and/or precipitation data been collected at the site ? _____ if so, please include the data.

48. Will the present or proposed containment area contain the entire production from the mill or processing plant complex for the life of the project ?

49. Will the proposed tailings deposition area engulf or otherwise disturb any existing watercourse?

50. If "Yes", attach all pertinent details (Name of watercourse, present average flow, direction of flow, proposed diversions, etc.)

51. Describe the proposed or present operation, maintenance and monitoring of the containment area.

SECTION 6 :

WATER TREATMENT

52. If applicable, will the minewater, mill or process plant water be chemically treated before being discharged to the containment area ? If so, explain the treatment process (Attach flow sheet if available.

53. Will (treated) effluent be discharged directly to a natural waterbody or will polishing or settling ponds be employed ? Describe location, control structures, and process of water retention and transfer. Attach any relevant design drawings.

54. Name the first major watercourse the discharge flow enters after it leaves the area of company operations.

SECTION 7 :

ENVIRONMENTAL MONITORING PROGRAM

55. Has Traditional Knowledge in the area been considered? If so, how? If not, why not?

No, very preliminary stages of exploration.

56. Has any baseline data been collected for the main water bodies in the area prior to development ?

No

57. If "Yes", include all data gathered on the physical, biotic and chemical charateristics at each sampling location. Identify sampling locations on a map.

58. Provide an inventory of hazardous materials on the property and storage locations.

None.

SECTION 8 :

ENVIRONMENTAL ASSESSMENT AND SCREENING

59. Has this project ever undergone an initial environmental review? If Yes, By whom and when.

No.

60. Has any baseline data collection and evaluation been undertaken with respect to the various biophysical components of the environment potentially affected by the project (eg. Wildlife, soils, air quality), ie. In addition to water trelated information requested in this questionnaire ?

_____ Yes No ✓ Unknown _____

61. If "Yes" please attach copies of reports or cite titles, authors and dates.

62. If no, are such studies being planned ? Depends

Briefly describe the proposals.

Comprehensive baseline studies including water quality, aquatics, wildlife, heritage resources etc will be conducted if preliminary exploration program looks positive.

63. Has authorization been obtained or sought from the Department of Fisheries and Oceans for dewatering or using any waterbodies for containment of waste?

N/A.

64. Has a socio-economic impact assessment or evaluation of this project been undertaken ? (this would include a review of any public concerns, land, water and cultural uses of the area, implications of land claims, compensation, local employment opportunities, etc.)

Yes _____ No ✓ Unknown _____

65. If "Yes" please describe the proposal briefly.

66. If "No" is such a study being planned ? Yes _____ No ✓

67. Describe any cumulative impacts the project may create?

N/A

68. Does the project alter the quantity or quality or flow of waters through Inuit Owned Lands?

N/A

69. 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.

70. If no compensation arrangement has been made, how will compensation be determined?

985270

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6/4/98

Receiver General

$30.00

Thirty and 00/100********** DOLLARS

General

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