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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE
APPLICATION FORM

Revision for records ONLY – Section 8, Solid Waste revised to indicate material will be sent offsite for proper disposal, not incinerated, as per recommendations given by Environment Canada, Environmental Protection Operations, file Number 4703 001 083

License Amendment issued December 11, 2008 as 2BE-BLU0812 Type "B"

☐ **New** ☐ **Renewal** ☒ **Amendment** ☐ **Assignment** ☐ **Cancellation**

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Gord Yule
401-1113 Jade Court, Thunder Bay P7B 6M7
Direct: 807-766-3384
Fax: 807-346-0100
e-mail: gyule@skybridgedevelopment.com

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

Skybridge Development Corp
(formerly Alyris Gold Corporation)
P.O. Box 10195, Thunder Bay, Ontario P7B 6T7

Office: 807-345-3306
Fax: 807-346-0100
e-mail: info@skybridgedevelopment.com

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

Latitude: (65°14' N) Longitude: (106° 37' W)
NTS Map Sheet No. 76G02 Scale: 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Survey grid establishment (pickets), ground geophysical (EM and magnetic surveys), geochemical surveys, prospecting, geological mapping and where applicable, diamond drilling

See Regional grid locations and proposed camp location map attached (appended)

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

☐ **Industrial**
☒ **Mining and Milling**(includes exploration/drilling)
☐ **Municipal** (includes camps/lodges)
☐ Power
☐ Agricultural
☐ **Conservation**
☐ Recreational
☐ **Miscellaneous** (describe below):

Primary program consists of preliminary mineral exploration and diamond drilling which will entail 30-50 holes totalling

about 5000 meters (m). This work will take place primarily in Area I, Area II, Area III, and Area IV. Drilling in Area II will be dependant on the results of geophysical surveys. Work will be conducted in four areas located within 10 km of the proposed Sage Lake Camp centred on the mineral claims. Area I is 1km to the north, Area II is 7km to the south, Area III is 10km northwest and Area IV is 3km east, with daily access/transport by helicopter from the camp. Drill sites will lie within the hatched areas shown on map attached. A camp will be established on the Sage esker, the approximate centre of the Skybridge mineral claims.

All materials will be stored at the Sage Camp and transported to work sites as required; all garbage/waste, empty drums/pails, and metal scrap (worn out or broken rods/casings) will be returned to Camp for incineration or disposal to Yellowknife via back haul on service flights. All drill moves are by helicopter.

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

6. WATER USE

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

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

Water use
- ☒ 100m^3/day or less
- ☐ Greater than 100m^3/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Water returned to source

Camp, plus drilling in Area's I, II, III, IV consecutively/ < 90 m^3/day

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

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

Solid waste – paper, sacking, tool wrapping, water bottles, tin cans, pop cans, etc., will be returned to Camp to go on a back haul flight to Yellowknife for disposal at the local land fill.

Metal scrap, empty fuel drums, broken or worn out drill steel will be transported to Camp by helicopter and then on fixed wing back haul flights to Yellowknife for disposal by the local oil dealer or drill company respectively.

Waste oil will be contained in plastic or metal pails and disposed as per empty fuel drums sludge from drilling is essentially rock flour and will be allowed to settle into and become part of the local till. Drilling on lakes: sludge will be separated from the drill return by centrifuge and packed into poly tubes. These will be transported to land for disposal of sludge in suitable depressions as aforementioned per drill cuttings on land. The poly tubes will be returned to Camp as solid waste to be put on a back haul flight to Yellowknife for proper disposal.

9. OTHER 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 N.A.
Regional Inuit Association	☐ Yes	☒ No	If no, date expected February 1, 2008
Commissioner	☐ Yes	☒ No	If no, date expected N.A.

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

The Proposed exploration program is expected to have mininmal impact on the land, water flora and fauna and social economic areas

The total of the four Areas estimated to be affected by the planned drill program is < 25 hectares. Drilling will result in some compressed vegetation where wooden beams or supplies are placed on the ground. Drilling will result in the distribution of some drill mud cuttings being deposited near the drill hole collar. All drill hole additives are biodegradable. Where drilling occurs near or on lakes the drill return water containing drill mud will be pumped well back from the shore of the lake. Because drill cuttings are mechanically pulverized rock they are geologically similar to the locally present glacial till. It is expected that drill cuttings will, in time, be colonized by plants and lichen. The occasional use of salt at the drill site is expected to have minimal impact as any brine will be effectively diluted by water pumped to the drill site at a rate of approximately 12 gallons per minute. Salt is needed to prevent permafrost from freezing the hole shut when drilling is halted for significant length of time. Heated water is the preferred method of keeping the water from freezing when drilling in frozen ground.

Water impacts for drilling use is expected to be minimal. Drilling requires the use of water from a lake or stream. Any water pumped from a lake or stream is usually discharged near the drill collar. Water intakes are screened to prevent juvenile fish from entering the pump. The pumped water, after being used for drilling, percolates through the moss and soil to rejoin groundwater present in the area.

If exploration is sucessful in outlining a potentially mineable deposit, additional future socio-economic impacts would likely result, most likely increasing the probability that a winter road would be constructed to a proposed deep-water port site located north of the community of Bathurst Inlet.

Treatment of wastes would be as outlined in section 8 above.

NIRB Screening ☐ Yes ☒ No If no, date expected N.A.

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?
NO

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?

If some contamination occurred, compensation and the of compensation would be determined through negotiation with the pertinant authority

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

Major Drilling Group International Inc. (provides mineral exploration drill services)
180 Cree Crescent

Winnipeg, Manitoba
R3J 3W1
Phone: 204-885-7532
Fax: 204-831-8548

Great Slave Helicopters (provides helicopter services)
106 Dickens Street,
Yellowknife, NWT
X1A 2R3
Phone: 867-873-2081
Fax: 867-873-6087

Discovery Mining Services (provides manpower, expediting services and logistical support)
#101-487 Range Lake Road
Yellowknife, NWT
X1A 3W1
Phone: 867-920-4600
Fax: 867-873-8332

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

NONE

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 _____

Inuktitut and/or Inuinnaqtun/English Summary of Project ☐ Yes ☒ No If no, date expected Inuktitut translation to follow as soon as possible.

Application fee of $30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of $30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations;* Payee Receiver General for Canada)
☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: March 1, 2008 Completion Date: December 1, 2012

Gord Yule	Exec. V.P		July 15, 2008
Name (Print)	**Title (Print)**	**Signature**	**Date**

For Nunavut Water Board office use only

APPLICATION FEE **Amount: $_____** **Pay ID No.: _____**

WATER USE DEPOSIT **Amount: $_____** **Pay ID No.: _____**

PROJECT SUMMARY

The proposed project revolves around a previously known quartz vein that has unusual size (>10 m wide) and unusually high copper and molybdenum content.

Previous work by Kidd Creek Mines Limited in 1981 consisted of a grid, electromagnetic surveys (HLEM?), mapping and sampling, soil sampling, and rock trenching.

This work provided as reasonable evaluation as can be expected, given its scope. It was insufficient to spur additional exploration by Texas Gulf.

Skybridge Development Corp. (formerly Alyris) acquired the property by staking in 2007, and initial investigation (field and historical data) indicates that the copper and molybdenum values are such that in depth evaluation is warranted, and that further and definitive evaluation can only be achieved through diamond drilling: further trenching would be difficult. The large areas of frost heaved rubble could only provide a very shallow, and superficial addition to our knowledge.

The initial program entailed about 3500m of diamond drilling in about 35 holes to check continuation of mineralization at depth. The initial work was conducted from the Goose Lake Camp (GLC) of Dundee Precious Metals

Proposed additional exploration will evaluate three or four outside targets with reconnaissance prospecting, survey grids, EM. magnetic (mag) surveys and diamond drill testing of up to 30 holes totaling 3000m. Reconnaissance geological work will be under taken. All should amount to fewer than 900 man days between August 31th, 2008 and December 1, 2012.

A new camp is proposed to be erected for this phase of activity. Possibly 5 -14'x16' sleep tents, 1-office tent, 1-"dry" tent, and one 14'x32'kitchen tent will be set up on the Sage esker. As well, emergency shelter, a tent with emergency heat, food supplies and sleeping bags will be erected close to the drill sites as a safety haven in the event poor weather prevents access by helicopter when a drill crew is on site. All transportation will be from Sage Camp to work site using aircraft from Great Slave Helicopters.