

Alyris Gold Corporation

P.O. Box 10195
Thunder Bay, Ontario
P7B 6T7
Fax: (807) 345-0284

December 18, 2007

Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
X0B 1J0

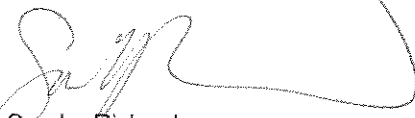
Dear Sir or Madam:

Please find the following documents along with the appropriate cheque enclosed.

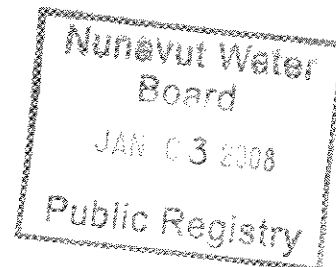
- 1) Water Licence Application Form
- 2) Maps
- 3) 2 cheques in the amount of \$30.00 each (cheque #'s 0019 and 0020)

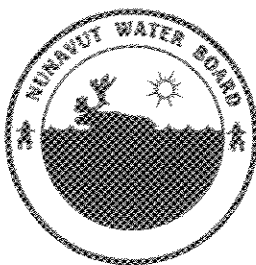
Should you have any questions or concerns in regards to this paper work please don't hesitate to contact Iain Downie, Project Manager at 807-768-5061 or Abraham Drost at 807-252-7800.

Sincerely,



Sandra Rickard
Geologist – Land Administrator
Direct line – 807-346-1669





Effective June 16, 2006

P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Nunavut Water
Board
JAN 03 2008
Public Registry

Application for: (check one)

☒ New ☐ Renewal ☐ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:

(for NWB use only)

2BE-BLO---

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Iain F. Downie
RR 16, S.2, C.30, Thunder Bay, Ontario P7B 6B3

Phone: 807-768-5061
Fax: 807-768-5133
e-mail: iainfd@tbaytel.net

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

Alyris Gold Corporation
P.O. Box 10195, Thunder Bay, Ontario P7B 6T7

Phone: 807-473-6723 or 807-252-7800
Fax: 807-345-0284
e-mail: info@alyris.ca

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

Latitude: (65°14'45" N) Longitude: (106°36'48" W)
NTS Map Sheet No. 76G02 Scale: 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Grid establishment (pickets), ground e.m. and mag surveys, geological mapping where applicable, diamond drilling

See large map attached (at back)

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 diamond drilling which will entail 15-20 holes and a total of about 3000 meters (m). This work will take place wholly or primarily in Area I – drilling Area II will be dependant on the results of geophysical surveys. Drill sites will lie within the hatched areas shown on map attached.

Work will be conducted from the Goose Lake Camp (GLC) of Dundee Precious metals about 40km NNE of Area I, with daily access/transport by helicopter from/to GLC. All materials will be stored at GLC 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

GLC for incineration or disposal to Yellowknife via back haul on service flights. Drill moves are by helicopter.

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

6. WATER USE

- | | |
|---|--|
| <input checked="" type="checkbox"/> To obtain water | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To modify the bed or bank of a watercourse | <input type="checkbox"/> To alter the flow of, or store, water |
| <input type="checkbox"/> 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 ☒ 100m³/day or less
☐ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Water returned to source

0 Area I / < 70 Area II m³/day

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

- | | |
|---|---|
| <input type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Other (describe): |

Solid waste – paper, sacking, tool wrapping, water bottles, tin cans, pop cans, etc., will be returned to GLC for incineration and the final incinerated product sealed in drums and returned to Yellowknife on back haul for disposal at the local land fill.

Metal scrap, empty fuel drums, broken or worn out drill steel will be transported to GLC 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 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 GLC for incineration

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 minimal impact on the land, water flora and fauna and social economic areas

The total area estimated to be affected by the planned drill program is < 8 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 successful 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 pertinent authority

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

Bradley Bros. Limited
270, Industrial Blvd
Rouyn-Noranda, Quebec
J9X 6T3
Phone: 819-797-0755
Fax: 819-797-0916

Kitikmeot Helicopters (provides helicopter support services)
Great Slave Helicopters
106 Dickens Street

Yellowknife, NWT
 X1A 2R3
 Phone: 867-873-2081
 Fax: 867-873-6087

Discovery Mining Services (provides 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 _____

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, 2009

Iain F. Downie
 Name (Print)

V.P Exploration
 Title (Print)


 Signature

November 23, 2007
 Date

For Nunavut Water Board office use only

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

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

[illegible]

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