



Application for Water Licence Amendment

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Month/Day/Year

P.O. BOX 119
GJOA HAVEN, NUNAVUT
XOB 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT IMALIRIYIN KATIMAYIT
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo; request for background information; and change to Block 24	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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NUNAVUT WATER BOARD

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APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: *Licensee Requirements Following the Issuance of a Water Licence* for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-ANG1318

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB. **An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name:

Kivalliq Energy Corp.

Address:

**1020-800 West Pender Street
Vancouver, BC V6C 2V6**

Phone: (604) 646-4527

Fax: (604) 646-4526

e-mail: andrewb@kivalliqenergy.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: **Andrew Berry, COO, Kivalliq Energy Corp.**

Address: **as above**

Phone: (604) 646-4529

Fax: as above

e-mail: andrewb@kivalliqenergy.com

(Attach authorization letter.) **Authorization letter attached**

Sub-surface

Mineral Lease from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: _____ Date of expiry: _____

Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

Surface

Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: **Aug 7, 2013** Date of expiry: **Aug 6, 2015**

Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: **Aug 1, 2008** Date of expiry: **Aug 1, 2014**

IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: _____

Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

Other: Exploration Agreement on IOL from NTI with Mineral Lease Rights _____

Date (expected date) of issuance: **April 1, 2007** Date of expiry: **March 31, 2027**

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

Yes No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> North Baffin | <input checked="" type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Does the proposed amendment change the land use planning area?

Yes No

If yes, indicate the land use planning area in which the amended undertaking is located.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

Yes No

If Yes, indicate date issued and attach copy. April 29, 2008

NPC Conformities attached

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

Yes No

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

NPC Conformities attached

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

Yes No

If Yes, indicate date issued and attach copy. Nov 30, 2012

NIRB 2012 Exemption attached.

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

Yes No

If Yes, indicate date issued (or expected) and attach a copy. July 31, 2008

NIRB 2008 Screening Decision attached

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking?

Yes No

List and attach plans and drawings or project proposal. Identify proposed changes.

As per AANDC's January 27, 2014 response (attached) to the NWB's August 21, 2013 letter requesting clarification concerning AANDC's interpretation of the term "use" of water pursuant to the Nunavut Waters and Nunavut Surface Rights Tribunal Act, Kivalliq Energy has recalculated the estimated quantity of water used during drilling to include water continuously circulated through equipment (to prevent freezing) then released. This amendment application is to reflect AANDC's interpretation of the term 'water use', and respectfully request an increase in water use under the existing licence from 100 m³/day to 300 m³/day.

Under the existing licence, the quantity of drill water use (estimated at 20 m³/day/drill rig) was calculated without including water circulated through equipment then released. This amendment application is to account for the interpretation of the term 'water use' to include water circulated through equipment then released. As such, the proposed estimated quantity of drill water reported as withdrawn from the source will change from 20 m³/day/drill rig to 98.2 m³/day/drill rig.

The estimated quantity for water used for camp is not anticipated to change.

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

Yes No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes.

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Miscellaneous (describe below): |
| <input type="checkbox"/> Power | _____ |

Does the proposed amendment change the classification of primary undertaking?

Yes No

If Yes, indicate the primary undertaking of the amendment: _____

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- Hydrostatic Testing
- Tannery
- Tourist / Remote Camp
- Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- Onshore Oil and Gas Exploration Drilling
- Mineral Exploration / Remote Camp
- Advanced Exploration
- Mine Development
- Municipal
- General Water Works
- Power

This amendment application does not require changes to information submitted with the existing licence application in accordance with applicable SIG.

12. WATER USE

Indicate, using the boxes below, the types of water use(s) approved in the existing licence.

- To obtain water for camp/ municipal purposes
- To obtain water for industrial purposes
- To divert a watercourse
- To cross a watercourse
- To modify the bed or bank of a watercourse

- To alter the flow of, or store water Flood control
 Other: _____

Does the proposed amendment change the type(s) of water use(s)?

Yes No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.

- To obtain water for camp/ municipal purposes To divert a watercourse
 To obtain water for industrial purposes To modify the bed or bank of a watercourse
 To cross a watercourse Flood control
 To alter the flow of, or store water
 Other: _____

13. QUANTITY OF WATER INVOLVED

Does the proposed amendment change the source of water? Yes No

Indicate the water source(s). Identify proposed changes.:

Camp water source is New Yat Lake. Drill water sources are selected lakes of appropriate capacity located near drill targets.

Main drilling areas are indicated on the map and figure provided.

(show location(s) on map)

Does the proposed amendment change the quality of the water source and/or its available capacity?

Yes No

Describe the quality of the water source(s) and the available capacity(s). Identify any changes.: _____

This amendment application is to account for the interpretation of the term 'water use' to include water circulated through equipment then released. Water source selection which is based on the estimated quantity of drilling water required will not change, but amounts reported in reference to the term 'water use' will change.

Does the proposed amendment change the overall quantity of water to be used?

Yes No

Provide the overall estimated quantity to be used. Identify proposed changes. : **300 m³/day**

Kivalliq Energy has recalculated the estimated quantity of water used during drilling to include water continuously circulated through equipment (to prevent freezing) then released. The proposed amendment is to increase the Angilak Project's overall estimated daily water use from 100 m³/day to 300 m³/day.

Does the proposed amendment change the quantity of water to be used from each source?

Yes No

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes. :

To include water circulated through equipment then released, the proposed estimated quantity of water used from selected lakes during drilling will increase from 20 m³/day/drill rig to 98.2 m³/day/drill rig.

The estimated quantity for water used for camp (2.5 m³/day at New Yat Lake) is not anticipated to change.

Does the proposed amendment change the quantity of water to be used for each purpose?

Yes No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes:
The proposed change to the estimated quantity of water to be used relates only to water used during drilling.

The proposed increase is from 20 m³/day/drill rig to 98.2 m³/day/drill rig, in order to now include water circulated through equipment then released.

The quantity for water used for camp (2.5 m³/day at New Yat Lake) is not anticipated to change.

Does the proposed amendment change the method(s) of extraction?

Yes No

Describe the method(s) of extraction. Identify proposed changes. : **_15 gal/min electric pump_____**

Does the proposed amendment change the quantity(s) of water returned to source(s)?

Yes No

Estimated quantity(s) of water returned to source(s). Identify proposed changes. : **_78.2 m³/day/drill rig**

The quantity of water use estimated under the existing licence (20 m³/day/drill rig) was calculated without including water circulated through equipment then released.

The new estimated quantity of water to be used which includes water circulated and released is 98.2 m³/day/drill rig. The estimated quantity of water returned to source is therefore estimated at 78.2 m³/day/drill rig.

Does the proposed amendment change the quality(s) of water returned to source(s)?

Yes No

Describe the quality(s) of water(s) returned to source(s). Identify any changes. : **No changes to water quality returned to source: As extracted / clean and clear.**

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

Yes No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved?

Yes No

Does the proposed amendment change the composition(s) of the types of wastes involved?

Yes No

Does the proposed amendment change the method(s) of treatment for the types of waste involved?

Yes No

Does the proposed amendment change the method(s) of disposal for the types of waste involved?

Yes No

If Yes to any of the above, describe the proposed changes: _____

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sludges	Drill cutting fines	0.53 m ³ /day	Settling tanks	Naturally occurring sumps
Hazardous	Radiocative drill cutting fines	0.004 m ³ /day	Containment	45 gallon drums & shipped off site to authorized facility
Waste oil	Oils from drills and heavy equipment	0.01 m ³ /day	Containment	45 gallon drum & shipped off site to authorized facility
Grey water	Shower and sink water	2.5 m ³ /day	Grey water is filtered through a grease trap then released to the underground weeping bed.	Trapped food waste is incinerated. Filtered grey water infiltrates weeping bed.
Solid waste	Incinerator ash, non-combustible plastics	0.3 m ³ /day ash 0.2 m ³ /day non-combustibles	Containment	45 gallon ash drum & bulk bags of plastics shipped off site to authorized facility

16. OTHER AUTHORIZATIONS

Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?

Yes No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures?

Yes No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

The proposed amendment does not change the predicted environmental impacts of the undertaking or the mitigation measures.

Approved mitigations and SOPs for water use and waste water management are applied at the Kivalliq Energy Angilak project. Water and aquatic life is protected. Waterlines for drilling and domestic use are properly placed to minimize disturbance to the shoreline and substrate and are screened in accordance with the “Freshwater Intake End-of-Pipe Screen Guideline” prepared by the Department of Fisheries and Oceans. A copy of this guideline document is kept at the head office in Vancouver and at the field office at the project.

No wastes enter any water bodies. This includes discharge from the camp and seepage from the drill and grey water sumps. The grey water sump will be inspected daily. In addition to drill sumps, Kivalliq employs specialized drill cutting settling systems to collect cuttings. Drill sumps will be inspected prior to the drill being moved and the area being reclaimed. Water use is recorded for both the domestic camp water and the water used at the drill.

With the current approved mitigation measures and SOPs in place there are no significant impacts or cumulative effects anticipated as a result of Kivalliq Energy’s water use and waste water management at the Angilak project.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

Yes No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

Yes No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

This project will not substantially affect the quality, quantity, or flow of water flowing through IOL and the rights of the Inuit.

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

Yes No

If Yes, which DIO(s) _____

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

Yes No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Please find 'Community Communication/Consultation Log, Kivalliq Energy Angilak Project, Last updated: March 4, 2014 02:30 PT', attached.

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

Yes No

Does the proposed amendment change the estimate of the total financial security for final reclamation?

Yes No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment. **None. N/A**

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

This section does not apply to the project. Under the *Mine Site Reclamation Policy for Nunavut*, the policy does not apply to activities undertaken during the prospecting, exploration or advanced exploration stages of the development of a mineral property.

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence? **N/A**

Yes No

Provide an updated statement of financial security.

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

Yes No

Provide a list of the officers of the company.

A list of the officers of the company is attached.

Is the Certificate of Incorporation or evidence of registration of the company name the same?

Yes No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

Please find copies of the company name registration and Certificate of Incorporation attached.

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

Please see inspection reports and responses attached.

24. PROPOSED TIME SCHEDULE

When are proposed amendments scheduled to be undertaken: June 1, 2014

Does the proposed amendment change the time schedule considered in the existing licence for any phase of development?

Yes No

Indicate the start and completion dates for each applicable phase of development (construction, operation, closure, and post closure). Identify proposed changes.

Construction

Proposed Start Date: N/A Proposed Completion Date: N/A
(month/year) (month/year)

Operation

Proposed Start Date: March 2014 to 2023 Proposed Completion Date: October 1 2014 to 2023
(month/year) (month/year)

Closure

Proposed Start Date: October 1, 2014 to 2023 Proposed Completion Date: October 31, 2014 to 2023
(month/year) (month/year)

Post - Closure

Proposed Start Date: N/A Proposed Completion Date: N/A
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

Winter Spring Summer Fall All season

Operation

Winter Spring Summer Fall All season

Closure

Winter Spring Summer Fall All season

Post - Closure

Winter Spring Summer Fall All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? **March 3, 2018**

Is the Licensee applying for a combined renewal and amendment of the existing licence?

Yes No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): _____

Requested date of renewal issuance: _____ Requested Expiry Date: _____
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

Yes No

If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

Yes No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)

Yes No If no, date expected **_No changes_**

Compliance Assessment / Status Report (see Block 23).

Yes No If no, date expected _____

Indication of Renewal Requirement (see Block 26)

Yes No If no, date expected _____

English Summary of Amendment Application.

Yes No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Amendment Application.

Yes No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

Yes No If no, date expected _____

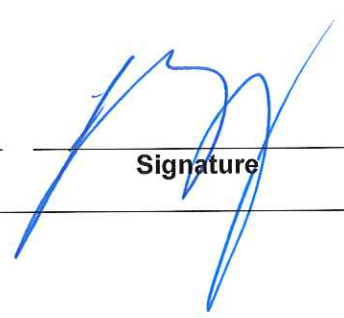
Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

Yes No If no, date expected _____

28. SIGNATURE

ANDREW BERRY
Name (Print)

COO
Title (Print)


Signature

MARCH 25/14
Date