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 NUNAVUT WATER BOARD
 NUNAVUT IMALIRIYIN KATIMAYINGI

Nunavut Water Board
 NOV 19 2004
 Public Registry

**WATER LICENCE
 APPLICATION FORM**

Application for: (check one)

New **Amendment** **Renewal** **Assignment**

LICENCE NO:
 (for NWB use only) NWB2ARN

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE
Kennecott Canada Exploration Inc
#354-200 Granville Street
Vancouver, BC V6C 1S4

Phone: 604-669-1880
 Fax: 604-669-5255
 e-mail: susan.ball@kennecott.com

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

Phone: _____
 Fax: _____
 e-mail: _____

INTERNAL	
CC	<u>dp</u>
MA	
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TA2	
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BRD	
EXT.	

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main compor of the Undertaking) South of Frost Lake 67°34'19" - 91°00'27" Camp
NTS Map Sheet 560 & 56P
Map attached

Latitude: _____ Longitude: _____ NTS Map No. 560 & 56P
 Scale _____

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)
An exploration camp and exploratory drilling on Kennecott's ArnaK project

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

Industrial **Remote/Tourism Camps**
 Mine Development **Municipal**
 Advanced Exploration Power
 Exploratory Drilling Other (describe) _____

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): _____

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)

*1800 L/day for 4-18 weeks per year
wastewater to be put into grey water sump*

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) _____

*All to be disposed
via sumps*

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

Land Use Permit

DIAND *N2004H0033* Yes No If no, date expected *Amendments to include camp/drilling under review*

Regional Inuit Association Yes No If no, date expected *KTL 204 C015
KTL 204 C016*

Commissioner Yes No If no, date expected _____

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

Minimal impact due to low water usage. No draw down

NIRB Screening Yes No If no, date expected *Nov 8, 2004*

11. INUIT WATER RIGHTS

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

No

11. (Continued)

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

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

Peter's Expediting, Baker Lake (expediting) Peak } diamond
Air Tindi } aviation support } drilling
Arctic Sunwest } Yellowknife }
Kititmeot Helicopters } Yellowknife }
Midwest } Yellowknife }

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

None to date

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/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: March 1, 2005 Completion Date: March 1, 2007

Susan Ball

Geologist

Susan Ball

19-Oct-04

Name (Print)

Title (Print)

Signature

Date

For Nunavut Water Board use only

APPLICATION FEE

Amount: \$ _____

Receipt No.: _____

WATER USE DEPOSIT Amount: \$ _____

Receipt No.: _____

KENNECOTT CANADA EXPLORATION INC.
YEAR 2005 ARNAK EXPLORATION PROGRAM
PROPOSED EXPLORATION CAMP

Non-Technical Program Summary

Kennecott Canada Exploration Inc. (Kennecott) plans to establish an exploration camp for the purpose of conducting surface mineral exploration for diamonds in the Kitikmeot District of Nunavut. The camp is proposed to be located on Kennecott Crown prospecting permits southwest of Kugaaruk at Latitude 67°34'19" and Longitude 91°00'27" at or near our existing fuel cache.

Kennecott plans to construct a 15 to 30 person capacity, all-season camp consisting of wood or aluminum frame tents and between one and three wooden buildings. From the camp, Kennecott intends to conduct surface and subsurface exploration, consisting of soil sampling of tills, beaches and eskers. The company also plans to complete airborne and ground geophysical surveys and rock drilling. Helicopter and fixed wing aircraft will support all activities.

The field crews will consist of a Kennecott Canada Exploration project geologist with seasonal field assistants, helicopter and airplane pilots, core drilling and survey crews. It is our plan to employ residents of Nunavut on these seasonal field crews, as we have on other exploration programs within Nunavut.

The proposed camp would be constructed between March and June 2005 at the site of an existing fuel cache near Frost Lake, at about the location shown in the map.

Kennecott Canada Exploration is committed to developing and maintaining excellent relationships with the communities affected by our exploration activities. Our company also has strict environmental policies for our own employees as well as for contractors who report to us. Protection of the land is an essential part of our exploration programs.

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Board
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P.O. Box 119
 GJOA HAVEN, NT X0E 1J0 ᓄᓇᓂᓪᓴ ᐃᓕᓕᓂᓪᓴ ᓅᓂᓴᓂᓪᓴ
 TEL: (867) 360-6338 NUNAVUT WATER BOARD
 FAX: (867) 360-6369 NUNAVUT IMALIRIYIN KATIMAYINGI

**EXPLORATION/ REMOTE CAMP
 SUPPLEMENTARY QUESTIONNAIRE**

Applicant: Kennecott Canada Expl. Licence No: _____
 (For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: Susan Ball Tel: 604-669-1880 Fax: 604-669-5255 E-mail: susan.ball@kennecott.com
2. Project Manager: Biplob Chatterjee Tel: as above Fax: _____ E-mail: _____
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
 - Annual
 - Multi Year:
 If Multi-Year indicate proposed schedule of on site activities
 Start: March 1, 2005 Completion: March 1, 2007

CAMP CLASSIFICATION

6. Type of Camp
 - Mobile (self-propelled)
 - Temporary
 - Seasonally Occupied: Mining Exploration
 - 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? Camp population to vary between 2-30 persons
8. Provide history of the site if it has been used in the past.
None known

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies. *Southeast corner of Frost Lake*
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. *Based on proximity to project and a suitable lake for float plane support. The site is currently used for fuel storage (Crown permit N2004H0033) No assistance in site selection was undertaken.*
11. Is the camp or any aspect of the project located on:
- | | | |
|---|--------------------------------|--|
| <input checked="" type="checkbox"/> Crown Lands | Permit Number (s)/Expiry Date: | <i>N2004H003 Exp 8-Jul-06</i> |
| <input type="checkbox"/> Commissioners Lands | Permit Number (s)/Expiry Date: | |
| <input checked="" type="checkbox"/> Inuit Owned Lands | Permit Number (s)/Expiry Date: | <i>KTL204C015 2-Jun-06
KTL204C016 2-Jun-06</i> |
12. Closest Communities (distance in km):
*Kugaaruk 130 km Gjoa Haven 220 km
Taloyoak 240 km*
13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work? *yes. Open House meetings and information letters sent to Hamlets and Hunters & Trappers organizations.*
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?
Project to be of low impact due to very early exploration stage

PURPOSE OF THE CAMP

15. Mining
 Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.)
(Omit questions # 16 to 21)
 Other _____ (Omit questions # 16 to 22)
16. Preliminary site visit
 Prospecting
 Geological mapping
 Geophysical survey
 Diamond drilling
 Reverse circulation drilling
 Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)
 Other: _____

17. Type of deposit:

- Lead Zinc
- Diamond
- Gold
- Uranium
- Other: _____

DRILLING INFORMATION

18. Drilling Activities

- Land Based drilling
- Drilling on ice

19. Describe what will be done with drill cuttings?

Filtered through sumps

20. Describe what will be done with drill water?

Recirculated

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.

Attached

22. Will any core testing be done on site? Describe.

No

SPILL CONTINGENCY PLANNING

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

Yes. Attached

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

*2 at camp
1 at fuel cache
1 at drill site*

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

Diesel up to 200 drums
Gasoline for skidoos 5 drums
Jet A up to 200 drums

Propane 50 x 100 lb

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources. Frost Lake

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

- Domestic Use: $\pm 800 \text{ L/day}$ Water Source: Frost Lake
- Drilling Units: $\pm 1000 \text{ L/day}$ Water Source: lakes
- 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: Lift pump with mesh screen at intake

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency? Drinking water to be tested for potability yearly

30. Will drinking water be treated? How?
No treatment of lake water planned. Primary drinking water to be flown in (bottled water)

31. Will water be stored on site?
Yes, in 5000 L tanks

WASTE TREATMENT AND DISPOSAL

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

Camp Sewage (blackwater)

Pit Toilets (sump)

Camp Greywater

Sump

Solid Waste

combustibles burned/non-combustibles removed

Bulky Items/Scrap Metal

removed

Waste Oil/Hazardous Waste

removed

Empty Barrels/Fuel Drums

removed

Other:

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

Daily garbage to be incinerated in burn barrels

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

Baker Lake as coordinated by Peter's Expediting.

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

1-2 primary sumps 1x1x1 metre covered with plywood box to accommodate waste water from kitchen and dry.

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

No

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?

Yes, practice is to use basic sump disposal.

ABANDONMENT AND RESTORATION

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

attached

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.) *To be completed*
- 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:

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.