



General Water Licence Application
(Application for a new Water Licence)

April 2010

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OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

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DOCUMENT AMENDMENTS

	Description	Date
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GENERAL WATER LICENCE APPLICATION (APPLICATION FOR NEW WATER LICENCE)

The applicant is referred to the NWB's Guide 4: Guide to Completing and Submitting a Water Licence Application for a New Licence for more information about this application form.

LICENCE NO: (for NWB use only)	
1. APPLICANT (PROPOSED LICENSEE) CONTACT INFORMATION (name, address) Shear Diamonds (Nunavut) Corp. Suite 220, 17010 – 103 rd Ave Edmonton, AB T5S 1K7 Phone: (780) 435-0045 Fax: (780) 428-3476 e-mail: info@shearminerals.com	2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address) Phone: _____ Fax: _____ e-mail: _____ (Attach authorization letter.)
3. NAME OF PROJECT (including the name of the project location) Carat Property, Kitikmeot Region, NU	
4. LOCATION OF UNDERTAKING Project Extents NW: Latitude: (111° 38 ' 29 " N) Longitude: (66 ° 4 ' 50 " W) NE: Latitude: (111° 21 ' 12 " N) Longitude: (66 ° 3 ' 4 " W) SE: Latitude: (111° 18 ' 55 " N) Longitude: (65 ° 52 ' 15 " W) SW: Latitude: (111° 38 ' 49 " N) Longitude: (65 ° 52 ' 12 " W) Camp Location(s) The exploration program at Carat will be based out of the Jericho mine. Latitude: _____ Longitude: _____	
5. MAP - Attach a topographical map, indicating the main components of the undertaking. NTS Map Sheet No.: 76E/13, 14; 76L/3,4 Map Name: _____ Map Scale: 1:50,000	

6. NATURE OF INTEREST IN THE LAND - Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

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: **Spring 2011** Date of expiry: _____

☒ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: **Spring 2011** Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

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

Name of entity(s) holding authorizations: _____

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the project 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 checked="" type="checkbox"/> West Kitikmeot

Is a land use plan conformity determination required?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy _____

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

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Is an Article 12 Part 4 screening determination required?

☒ Yes

☐ No

If Yes, indicate date issued and attach copy: **Application submitted.**

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

9. DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal.

Please refer to the attached Project Summary and Description.

10. OPTIONS – Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

Please refer to the attached Project Summary and Description.

11. CLASSIFICATION OF PRIMARY UNDERTAKING - Indicate the primary classification of undertaking by checking one of the following boxes.

☐ Industrial

☐ Agricultural

☒ Mining and Milling (includes exploration/drilling/exploration camps)

☐ Conservation

☐ Municipal (includes camps/lodges)

☐ Recreational

☐ Power

☐ Miscellaneous (describe below):

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

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be submitted with a New Water Licence Application. 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

12. WATER USE - Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

☐ 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: _____

- 13. QUANTITY AND QUALITY OF WATER INVOLVED** - For each type of water use indicated in Block 12, provide the source of water, the quality of the water source and available capacity, the estimated quantity to be used in cubic meters per day, method of extraction, as well as the quantities and qualities of water to be returned to source.

Name of water source(s) (show location(s) on map):

Water for drills will come from the lakes near and/or under the drill targets, see attached list and map.

Describe the quality of the water source(s) and the available capacity: **For on-ice drilling, water quality sampling will be conducted prior to, during and after drilling. The natural hydrograph will not be affected.**

Provide the overall estimated quantity of water to be used: 50 m³/day

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

Each drill target will take approximately 2-3 days to drill at a maximum of 50 m³/day

Indicate the estimated quantities to be used for each purpose (camp, drilling, etc.)

Water is only required for drilling. No camp will be established for this program.

Describe the method of extraction(s): **Water will be pumped to the drill through a water intake line with mesh cover to prevent the entrapment of fish.**

Estimated quantity(s) of water returned to source(s) 0 m³/day

Describe the quality of water(s) returned to source(s): NA

- 14. WASTE** – Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

☐ Sewage

☒ Solid Waste

☐ Hazardous

☐ Bulky Items/Scrap Metal

☐ Animal Waste

☐ Other (describe): _____

☐ Waste oil

☐ Greywater

☐ Sludges

☐ Contaminated soil and/or water

- 15. QUANTITY AND QUALITY OF WASTE INVOLVED** – For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal. **See attached workplan.**

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Solid waste	Wastes from drill sites	minimal		Back haul to Jericho Mine Site for disposal
Waste Oil	From drill	minimal		Backhaul to Jericho for storage followed by shipping offsite to a licenced disposal facility.

- 16. OTHER AUTHORIZATIONS** – In addition to the sub-surface and surface land use authorizations provided in Block 6, indicate any other authorizations required in relation to the proposed undertaking. For each provide the following:

Authorization: **None.**

Administering Agency: _____

Project Activity: _____

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

- 17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES –**

- 18. Minimal impacts are anticipated with the drill program. Drilling is temporary and mobile. Each site will be cleaned up prior to the completion of the drill program. Drill cuttings and water will be pumped to a sump to be located a minimum of 31 metres from the normal high water mark of any water body and such that they do not reach any receiving waters.**

19. WATER RIGHTS OF EXISTING AND OTHER USERS OF WATER

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent 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.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

Not applicable.

20. INUIT WATER RIGHTS

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and 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 Designated Inuit Organization (DIO).

The quality and quantity of waters will not be impacted by this exploration/drilling program.

21. 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 refer to Shear's attached consultation log attached.

22. SECURITY INFORMATION

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.

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.

Based on the proximity to and use of the Jericho Mine Site for all activities planned under this application, we deem that there is no security required.

23. FINANCIAL INFORMATION

Provide a statement of financial responsibility. **See attached financial statements.**

If the applicant is a business entity, provide a list of the officers of the company.

Pamela Strand, P. Geo – President and Director
Julie Lassonde B.Sc. - Director

If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name. **See attached**

24. STUDIES UNDERTAKEN TO DATE - List and attach copies of studies, reports, research, etc.

Shear is not aware of any studies undertaken to date. The exploration will be near the Jericho mine, there is baseline and operational information for the main site and some of the surrounding area.

25. PROPOSED TIME SCHEDULE – Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

Construction

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: **March 2011** Proposed Completion Date: **fall each year**
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(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

26. PROPOSED TERM OF LICENCE

Number of years (maximum of 25 years): 5 years

Requested Date of Issuance: March 2011 Requested Expiry Date: March 2016
(month/year) (month/year)

(The requested date of 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)

27. ANNUAL REPORTING – If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

28. CHECKLIST – The following must be included with the application for the water licensing process to begin.

Written confirmation from the NPC confirming that NPC's requirements regarding land use plan conformity have been addressed.

☐ Yes ☐ No If no, date expected _____

Written confirmation from the NIRB confirming that NIRB's requirements regarding development impact assessment have been addressed.

☐ Yes ☐ No If no, date expected _____

Completed General Water Licence Application form.

☐ Yes ☐ No If no, date expected _____

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

☐ Yes ☐ No If no, date expected _____

English Summary of Application.

☐ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of 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 _____

29. SIGNATURE

<u>Pamela Strand</u>	<u>President</u>	<u>Pamela Strand</u>	<u>Feb 11 / 2011</u>
Name (Print)	Title (Print)	Signature	Date