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

Document Date: April 2013

Application Submission Date: 02/11/2025
Month/Day/Year

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

kNK5 wmoEp5 vtmpq
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 4	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	Update NWB logo	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

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

kNK5 wmoEp5 vtmp5
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

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)

Alexandre Jones Vilela da Silva
c/o 1501253 B.C. Ltd
329 HOWE STREET
VANCOUVER BC V6C 3N2
CANADA

Phone: +61 459298209
Fax: _____
e-mail: alex.vilela@sentinelresources.com.au

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)

Coppermine Project, Kugluktuk

For Project Summary please see attached document "1. 1501253 B.C. Ltd Coppermine Project Summary"

4. LOCATION OF UNDERTAKING

Project Extents

NW:	**Latitude: (67° 50' 16.7568" N)**	**Longitude: (-118° 0' 7.7112" W)**
NE:	**Latitude: (67° 50' 16.7568" N)**	**Longitude: (-115° 1' 22.2816" W)**
SE:	**Latitude: (67° 13' 26.2056" N)**	**Longitude: (-115° 1' 22.2816" W)**
SW:	**Latitude: (67° 13' 26.2056" N)**	**Longitude: (-118° 0' 7.7112" W)**

Camp Location(s)
Staying in Kugluktuk at a hotel:
Latitude: (67° 49' 20.1792" N) Longitude: (-115° 7' 13.735" W)

5. **MAP** - Attach a topographical map, indicating the main components of the undertaking.
ATTACHED – please see "2. Maps Water Application"

1:50k maps that the project overlaps with are:

NTS_SNRC	NAME_ENG	NOM_FRA	Scale
086N01	ROCKY DEFILE RAPIDS	ROCKY DEFILE RAPIDS	1:50k
086N07	TESHIERPI MOUNTAIN	TESHIERPI MOUNTAIN	1:50k
086N08	TUKTUVAK LAKE	TUKTUVAK LAKE	1:50k
086N11	IMPACT LAKE	IMPACT LAKE	1:50k
086O06			1:50k
086N10	BORNITE LAKE	BORNITE LAKE	1:50k
086N12			1:50k
086N09			1:50k
086O04			1:50k
086N13			1:50k
086O05	BURNT CREEK	BURNT CREEK	1:50k
086O11	ESCAPE RAPIDS	ESCAPE RAPIDS	1:50k

NTS Map Sheet No.: **86N, 86O** Map Name: **Dismal Lakes, Kugluktuk** Map Scale: **250k**

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: **November 1st 2024.** Date of expiry: **October 31st 2044.**

☐ 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: **Applied 31st January 2025.** Date of expiry: **TBC**
See attached document "3. CIRNAC Land Use Permit 1501253 B.C". Determination may take up to 30 days from application date.

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: **Applied 31st January 2025.** Date of expiry: **TBC**
See attached document "4. KIA 1501253 B.C. Ltd Application". Determination may take up to two weeks(?) days from application date.

☐ 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: **January 10th 2025.** Date of expiry: **2nd January 2028.**
See attached document "5. 2025-01-10-NPC File # 150589 Coppermine Project"

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

Name of entity(s) holding authorizations:
1501253 B.C. Ltd
For full list of mineral claims and exploration agreements held by 1501253 B.C. Ltd, please see attached document "6. Claim 1501253 B.C. Ltd"

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

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

☐ North Baffin
☐ South Baffin
☐ Akunniq
☐ Keewatin
☐ Sanikiluaq
☒ West Kitikmeot

Is a land use plan conformity determination required?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy: **NPC determination attached, called "5. 2025-01-10-NPC File # 150589 Coppermine Project"**

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: **NPC determination attached stating a determination is not required.**
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.
Project proposal and maps attached **"2. Maps Water Application". Please also see "0. 1501253 B.C. Ltd Coppermine Project Summary".**

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

The Company has targeted the areas of highest geological prospectivity for mineral exploration, building off historic data and regional interpretation. The Company has meticulously selected the proposed locations for drilling and field work, to best increase our chances of success. Drilling is required to test the continuity of surface mineralization below surface, and is the only exploration method capable of doing this. There are no suitable alternatives available. The Company will endeavor to drill as little holes as possible while trying to extract the maximum amount of geological information.

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: Obtain water for drilling

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):

Names of water sources are numbered and attached in the **"7. Water Sources"** table.

Describe the quality of the water source(s) and the available capacity:
The lakes are large and thought to be very capable of having a small amount of water taken (up to 0.1 m per metre of surface area per year) for drilling. Please see attached the "7. Water Sources" table with size of lakes and their area.

Provide the overall estimated quantity of water to be used: **less than 20 m^3/day. It is likely to be much less as RC drilling doesn't use water, and diamond drilling can recycle water. For the total amount of water used for the season, it will be less than 1,200 m3.**

Provide the estimated quantity(s) of water to be used from each source: **100-200 m^3**

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

Describe the method of extraction(s): **4cyl Kubota Deisel Water Pump and rubber/plastic water line from lake to drill rig. Intake hose will be fitted with mesh.**

Estimated quantity(s) of water returned to source(s) **0 m^3/day**

Describe the quality of water(s) returned to source(s): **No water will be returned to the source. Water will be deposited more than 31m away from the ordinary high-water mark of any water body, in a hand dug sump. Wastewater will be deposited in the designated sumps, which will have GPS coordinates and photos recorded. Sumps will be up to 2mx1mx0.5m in dimension, and filled in afterwards to best contour of the original land, and restore topsoil and any plant material carefully. The drill rigs used are likely to be an RC drill rig (such as a Super Hornet 200) which don't use any water, or possibly a small diamond drill rig (such as a HydraCore 2000) which will recycle any water used and then deposit wastewater into a sump. If diamond drilling occurs, water will be recycled in a tank to minimize amount needed to be drawn. It is possible only 1-2 m^3 of water will be used a day.**

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
- ☐ Waste oil
- ☐ Greywater
- ☐ Sludges
- ☐ Contaminated soil and/or water
- ☒ Other (describe): **Muddy water from drilling**

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. **Please also see attached document "8. Waste Management plan 1501253 B.C. Ltd".**

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
RC drilling return wastewater	Muddy water	<2-3 m3/day	Let solids settle out in sump, water will percolate	Dispose of in hand dug sump, fill in over after to

			out of sump	original land contour
Diamond Drilling water return	Muddy water	<2-3 m3/day	Re-use water in a holding tank to reduce amount needed	Let water setlle in hand dug sump. Fill in by hand afterwards and re-contour to original land

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: **N/A**

Administering Agency: _____

Project Activity: _____

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

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES - Describe direct, indirect, and cumulative impacts related to water and waste.

Predicted Environmental Impacts of Undertaking and Proposed Mitigation Measures

The proposed drilling activities have been carefully planned to minimise environmental impacts, particularly concerning water and waste. Through robust mitigation strategies, potential risks are effectively managed to ensure minimal disturbance to the environment.

Water Quality & Habitat Degradation

Potential Impact: Drilling operations pose a risk of contaminating surface and groundwater, which could impair aquatic ecosystems and degrade fish habitats.

Mitigation Measures:

- Water use will be strictly limited to the specific, calculated available water capacity of each lake, preventing over-extraction and maintaining natural hydrological balance.
- A closed-loop system for drilling fluids will be implemented, ensuring that freshwater is recirculated using a holding tank and sedimentation process, significantly reducing overall water consumption.
- Non-toxic drilling additives will be used to avoid chemical contamination, and the use of salt will be minimized to protect water quality.
- Wastewater will be discharged into designated sumps or natural depressions located at least 31 meters from the Ordinary High-Water Mark (OHWM) of any watercourse, reducing the risk of water contamination.
- Sumps will be designed with sufficient capacity and structural stability, and they will be properly closed and restored upon project completion to prevent long-term environmental impacts.

With these measures in place, risks to water quality and aquatic habitats are expected to be minimal.

Soil Contamination

Potential Impact: Accidental leaks or spills of drilling fluids and additives could infiltrate the soil, leading to localised pollution.

Mitigation Measures:

- Strict containment and monitoring procedures will be implemented to prevent leaks and spills, including bunding of hydrocarbons.
- A closed-loop drilling system will minimize fluid discharge, reducing the likelihood of soil contamination.
- Drilling equipment will be positioned using helicopters to avoid ground disturbance and prevent unnecessary soil disruption.
- In the unlikely event of a spill, immediate containment and remediation measures will be enacted to prevent further spread, including the use of absorbent pads, socks, and booms to soak up spilled fluids. Contaminated materials will be safely collected and disposed of in designated hazardous waste containers, ensuring minimal environmental impact and compliance with waste management protocols.

These proactive measures significantly reduce the risk of soil contamination and ensure that any potential impacts are quickly and effectively managed.

Land Destabilization & Erosion

Potential Impact: The disturbance of vegetation and permafrost could contribute to land instability, erosion, and long-term environmental degradation.

Mitigation Measures:

- The project will utilise helicopter-supported drilling to eliminate ground disturbance and protect permafrost integrity.
- Water management strategies, including controlled discharge and sump restoration, will help maintain soil stability and prevent erosion.
- The project footprint will be kept to a minimum, ensuring that vegetation is preserved as much as possible to reduce the risk of destabilisation.
- Post-operation site rehabilitation will be conducted to further mitigate any potential long-term environmental effects.

These measures ensure that land stability is maintained, and any potential erosion risks are effectively controlled.

Cumulative Impacts

Due to the comprehensive mitigation measures in place, cumulative environmental impacts from the drilling activities are expected to be minimal. The closed-loop water system, strict waste management practices, and careful operational planning significantly reduce the overall environmental footprint.

For further details on environmental and wildlife management strategies, please refer to:

- 8. Waste Management Plan (1501253 B.C. Ltd)
- 9. Wildlife Management Plan (1501253 B.C. Ltd)
- 10. Spill and Fuel Management Plan (1501253 B.C. Ltd)

By adhering to these best practices, the project remains low-risk with a well-defined environmental management framework in place.

18. 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.

1501253 B.C. Ltd's water use for drilling will be constrained to 1501253 B.C. Ltd's claims, and the Company is not aware of any overlapping water users in these areas.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been

reached with any existing or other users.
N/A.

19. 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).

Due to the nature and scope of the Company's planned drilling activities, as well as the implemented and strictly adhered to mitigation and management measures outlined in this application, no substantial affect on the quality, quantity of flow of waters through Inuit Owned land is expected.

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.

10/12/2024 to 22/01/2025 – Email coms with Ryan Nivingalok Mayor of Kugluktuk and colleagues
23/01/2025 – Introductory call with Ryan Nivingalok Mayor of Kugluktuk and colleagues talking about the project and enquiring about any perceived community issues. No concerns were identified, the council were interested and supportive.
10/12/2024 to 30/03/2025 – Email communications with Amanda (HTO representative), requesting an introductory call to discuss project details and Caribou calving season dates. Amanda has been unable to take a call yet.

21. 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.

The Company acknowledges its obligation to provide financial security for final reclamation, ensuring that all outstanding reclamation liabilities for both land and water are adequately covered. Given the scale and scope of the proposed maiden exploration campaign—consisting of 10-15 shallow reverse circulation drill holes to a depth of approximately 75-100 metres—the total reclamation liability is expected to be minimal.

Reclamation Approach and Cost Basis
Reclamation will be conducted on a continuous basis throughout the program, reducing the outstanding liability at any given time. Specific measures include:

- **Infill of shallow sumps upon completion of each drill hole.**
- **Relocation of drill chips to a central sample storage area or their appropriate dispersal and scarification on-site.**
- **Adherence to all commitments outlined in the Land Use Permit, including the removal of**

rubbish.

To determine a reasonable financial security amount, the following key cost factors have been considered:

1. **Mobilisation/Demobilisation of Reclamation Equipment & Labour – A small, fixed wing aircraft charter from Yellowknife would be required to mobilise two labourers. Estimated cost: $5,000 - $10,000.**
2. **Labour & Equipment Rental – A third-party contractor would be required for minor surface contouring, sump infill, and site stabilization. Estimated cost: $3,000 - $5,000.**
3. **Contingency Factor – A contingency of 20% is applied to account for unforeseen conditions. Estimated contingency: $1,600 - $3,000.**

Total Estimated Reclamation Security
Based on these considerations, the total estimated financial security for final reclamation is in the range of $9,600 - $18,000. Given the continuous nature of reclamation throughout the program, the peak liability at any given time will be lower.
This estimate aligns with the principles outlined in the *Mine Site Reclamation Policy for Nunavut (Indian and Northern Affairs Canada, 2002)*, ensuring that third-party contractor costs are adequately covered should the operator default.

22. FINANCIAL INFORMATION

Provide a statement of financial responsibility.

1501253 B.C Ltd has entered into a binding agreement with Somerset Minerals Limited (ASX: SMM) for its acquisition, as outlined in the following announcement (see attached "11. Acquisition of Prescott Project"). The transaction is expected to be completed by mid-March 2025, prior to the commencement of any exploration activities.

Somerset Minerals Limited, a publicly listed company on the Australian Securities Exchange (ASX), had a reported cash balance of $1,435,783 as of its most recent financial year ending 30 June 2024 (please see attached "12. Annual Report"). In addition, the company is likely to undertake a capital raising before exploration activities commence, further strengthening its financial position.

Christopher Hansen, who currently serves as a director of both Somerset Minerals Limited and 1501253 B.C Ltd, provides continuity in management and oversight throughout the acquisition process and the subsequent exploration program.

This financial backing ensures that the necessary funds will be available to meet all exploration and reclamation commitments, including any financial security requirements associated with the project.

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

The directors of the Company are:
Alexandre Jones Vilela da Silva (Director)
Christopher Hansen (Director)

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

Please see attached "13. Cert of incorp and notice of Articles", and "14. Certificate_Registration".

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

N/A

24. 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: _____ (month/year) Proposed Completion Date: _____ (month/year)

Operation
Proposed Start Date: 05/2025 (month/year) Proposed Completion Date: 05/2027 (month/year)

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

Post - Closure
Proposed Start Date: _____ (month/year) Proposed Completion Date: _____ (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

Number of years (maximum of 25 years): **2 years**

Requested Date of Issuance: **April 2025** (month/year) Requested Expiry Date: **April 2027** (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)

26. 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.

The Company will report using the NWB's Standardized Form for Annual Reporting.

27. 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.
See "**15. Coppermine Project Summary Inuinnaqtun"**

☒ Yes ☐ No If no, date expected _____

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

☐ Yes ☒ No If no, date expected: **11/02/2025**

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: **11/02/2025**

28. SIGNATURE

Alexandre Jones Vilela da Silva **Exploration Manager** **10/02/2025**

Name (Print)	**Title (Print)**	**Signature**	**Date**