



BY FEDEX COURIER

August 11, 2004

Nunavut Water Board
P.O. Box 119
Gjoa Haven, Nunavut
X0E 1J0

Attention: Phyllis Beaulieu, Licencing Administrator

Dear Madam:

RE: NORTH JAMES RIVER PROPERTY

- **Application for a Water Licence, Cygnet Lake Area, Kitikmeot, Nunavut**

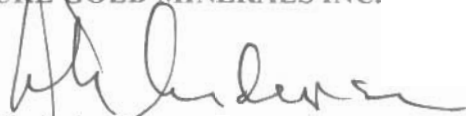
We enclose in duplicate our Application for a Water Licence respecting our proposed program of diamond drilling on Block 2 of our North James River Property. Also enclosed is our cheque for \$60.00 made payable to the Receiver-General as payment of the Application Fee of \$30.00 and the Water Use Fee of \$30.00.

The work will be carried out on the CYN 19 and 40 mineral claims, claim numbers F75849 and F73309. A copy of our Application for a Land Use Permit dated July 13, 2004 is also appended as supplementary data in support of this water licence application.

We look forward to your reply in this matter and should you have any questions with respect to this submission, please do not hesitate to call either myself or Geoff Goodall at 604-687-2038. Due to the lateness of the season we are anxious to commence work on the property and would appreciate any possibility of having the approval of this application expedited.

Yours very truly,

PURE GOLD MINERALS INC.



Erik Andersen
Land Administrator

Encl:

cc: Lawrence Barry, Hunter Exploration Group
Eugene Beukman, Pure Gold Minerals Inc. and Bard Ventures Ltd.
Geoff Goodall

c:\north james river\water licence-01



Effective January 1, 2004

P.O. Box 119

GJDA HAVEN, NU XOE 1J0

TEL: (867) 360-6338

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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

WATER LICENCE APPLICATION FORM

Application for: (check one)

☒ New ☐ Amendment ☐ Renewal ☐ Assignment

LICENCE NO:

(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Pure Gold Minerals Inc.
1255 West Pender Street
Vancouver B.C.
V6E 2V1

Phone: 604-687-2038
Fax: 604-687-3141
e-mail: eandersen@dsm.ca

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

Same as 1.

Phone: _____
Fax: _____
e-mail: _____

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

Cygnat Lake area for drill sites.
Hook Lake for camp.

- see attached portion of 1:50 000 map 76M/10

Latitude: 67°35 Longitude: 110°45 NTS Map No. 76M/10 Scale 1:50 000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Diamond drilling program and base camp to support drill program.

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

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

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

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 (cubic metres per day including both quantity to be used and quality to be returned to source)

30 m³ (5 gpm) used and returned. Water and drill cuttings to be contained on site and sediment removed prior to water being released.

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

Nil.

- ☐ Sewage
☐ Solid Waste
☐ Hazardous
☐ Bulky Items/Scrap Metal
- ☐ Waste oil
☐ Greywater
☐ Sludges
☐ Other (describe): _____

9. 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 Application submitted July 13/04
File # N2004C0018
- Regional Inuit Association ☐ Yes ☐ No If no, date expected _____
- Commissioner ☐ Yes ☐ No If no, date expected _____

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

- NIRB Screening ☐ Yes ☒ No If no, date expected In progress

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

11. (Continued)

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?

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

Peak Drilling
P.O. Box 457
Yellowknife, NWT
- contract driller

Discovery Mining Services
P.O. Box 2248
Yellowknife NWT
- camp construction and reclamation

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

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 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee (see Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE

☒ Annual (or) ☐ Multi Year

Start Date: Sep 01, 2004 Completion Date: Oct 30, 2004

ERIK ANDERSEN LAND ADMINISTRATOR
Name (Print) Title (Print)

[Signature]
Signature

August 11, 2004
Date

For Nunavut Water Board use only

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

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



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NUNAVUT WATER BOARD

NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: Pure Gold Minerals Inc. Licence No: _____
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: — Tel: _____ Fax: _____ E-mail: _____
2. Project Manager: Geoff Goodall Tel: 604-687-2038 Fax: 604-687-3141 E-mail: ggoodall@axion.net
3. Does the applicant hold the necessary property rights?
Mineral claims held under agreement with owner.
4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)?
If so, please provide letter of authorization. Letter from owner, Hunter Exploration Group, dated May 18, 2004
5. Duration of the Project
☒ Annual
☐ Multi Year:
If Multi-Year indicate proposed schedule of on site activities
Start: _____ Completion: _____

CAMP CLASSIFICATION

6. Type of Camp
☐ Mobile (self-propelled)
☒ Temporary
☐ Seasonally Occupied: _____
☐ 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?
7 to 8 persons on site for 2 to 4 weeks.
8. Provide history of the site if it has been used in the past.
Not Known.

CAMP LOCATION

October 1998

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9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.
 - on low level land at the southeastern edge of Hook Lake in an area of rocky outcrops and sandy, moss-covered till.
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.
 Site selection based on level area adjacent to Fixed Wing accessible lakeshore. Site does not appear to have been previously used.
11. Is the camp or any aspect of the project located on:
☒ Crown Lands Permit Number (s)/Expiry Date: Application pending
☐ Commissioners Lands Permit Number (s)/Expiry Date: _____
☐ Inuit Owned Lands Permit Number (s)/Expiry Date: _____
12. Closest Communities (distance in km):
 Kugluktuk - 180 km west
 Bathurst Inlet - 150 km southeast.
13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?
 No
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?
 No

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?

Drill fluid to be contained in sump to settle cuttings. Sump levelled and cleared at end of hole.

20. Describe what will be done with drill water?

Clear water will overflow from sump and return to ground.

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.

All additives are non-toxic and have been accepted for use in Northwest Territories and Nunavut.

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

The drill core will be split on site and half the core to be submitted for analysis to outside laboratory.

SPILL CONTINGENCY PLANNING

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

Fuel will be held within containment tanks - Emergency spill kits and enviromatting on site.

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

One kit at the drill.

One kit at the fuel barrel storage depot at the camp.

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

10 barrels diesel fuel - 205 l drums
2 - 100 lb propane tanks

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

Camp water - Hook Lake
Drill water - Grumpy Lake or Cygnet Lake

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

○ Domestic Use: 30 litres per day per person Water Source: Hook Lake
○ Drilling Units: 30,000 litres Water Source: Grumpy Lake or Cygnet Lake
○ 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:

Electric pump with screen-covered intake hose - Water to be pumped to kitchen/dry area.

29. Will drinking water quality be monitored? What parameters will be analyzed and at what frequency?

No

30. Will drinking water be treated? How?

No

31. Will water be stored on site?

No

WASTE TREATMENT AND DISPOSAL

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

○ Camp Sewage (blackwater) - latrine pit toilet > 100m from lake shore. Pit to be back filled and covered at end of work.

○ Camp Greywater - directed into sump and filtered into ground > 50m from lake shore

○ Solid Waste - all combustible material to be burned.

○ Bulky Items/Scrap Metal - all metal to be removed from site and returned to disposal facility in Yellowknife

○ Waste Oil/Hazardous Waste - to be removed from site and returned to disposal facility in Yellowknife.

○ Empty Barrels/Fuel Drums - to be returned to fuel depot in Yellowknife.

○ Other:

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

Combustible materials such as paper, cardboard and wood to be burned in a fire pit. Pit to be back filled and covered at completion of work.

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

Non-combustible material will be removed to a disposal facility in Yellowknife.

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

—

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?

Not applicable.

ABANDONMENT AND RESTORATION

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

Drill sites and camp area to be cleared of all material used as part of the operation. The areas will be reclaimed and returned to as natural a state as possible.

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.

No

- ☐ Physical Environment (Landscape and Terrain, Air, Water, etc.)
- ☐ 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.