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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

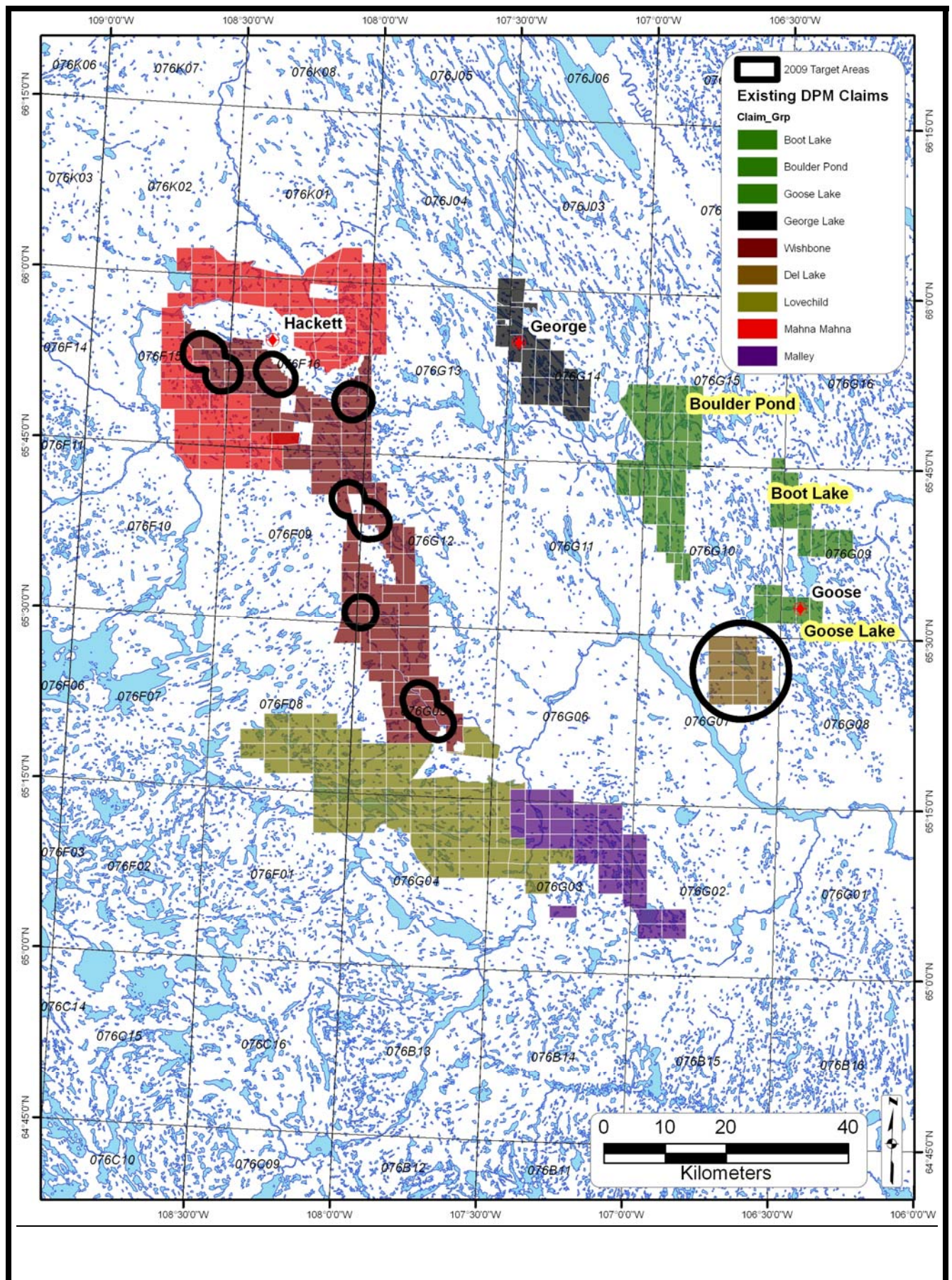
Application for: (check one)

☐ New
 ☐ Renewal
 ☒ Amendment
 ☐ Assignment
 ☐ Cancellation

LICENCE NO:

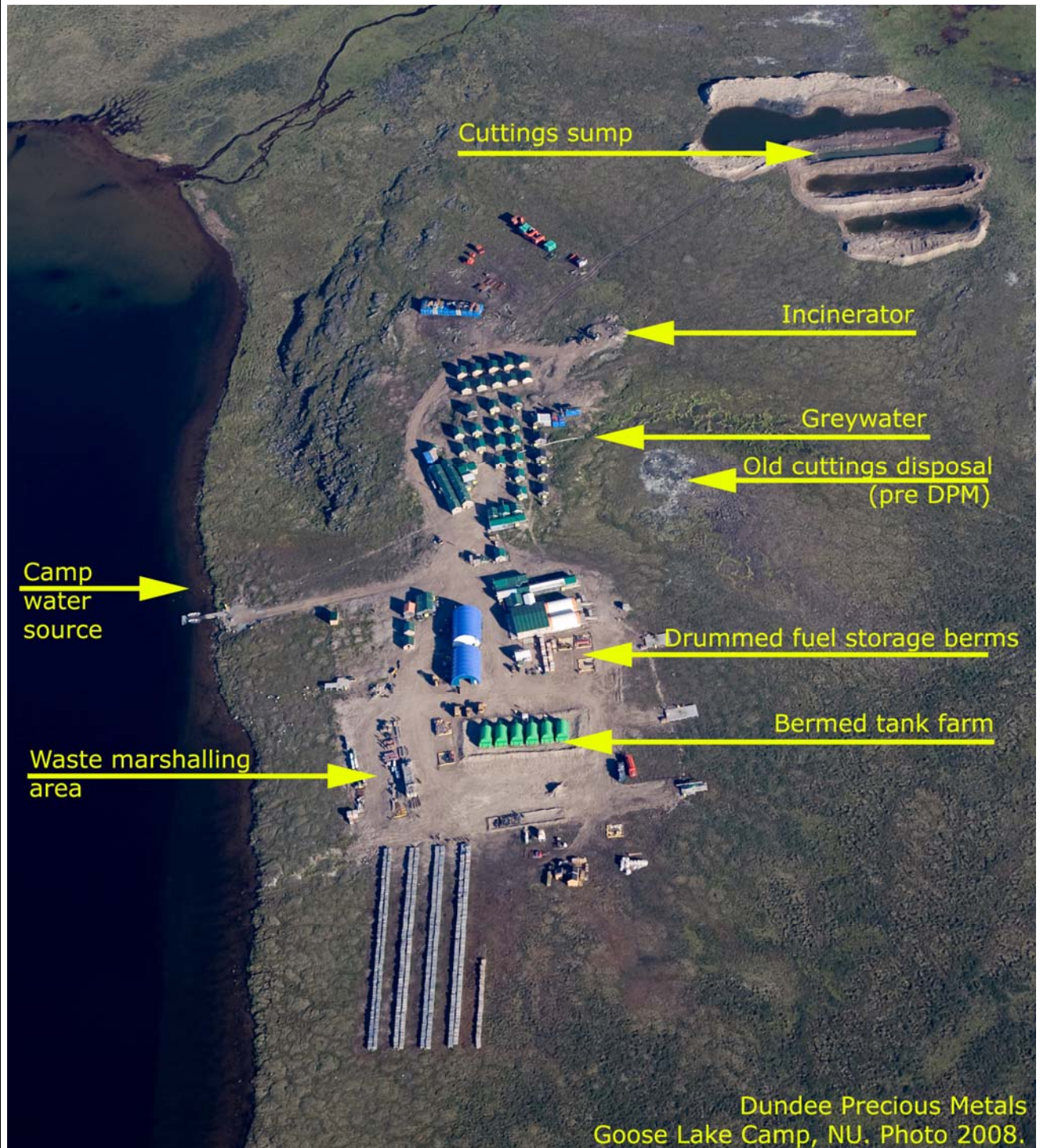
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE Dundee Precious Metals, Inc. 3060-200 Bay Street Toronto, ON M5J 2J1 Phone: 416-365-5191 Fax: 416-365-9080 E-mail: drussell@dundeeprecious.com	2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable) Dundee Precious Metals, Inc. 3060-200 Bay Street Toronto, ON M5J 2J1 Phone: 416-365-5191 Fax: 416-365-9080 E-mail: drussell@dundeeprecious.com
3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) <p>Goose Lake camp, with exploration drilling activities on the Goose Lake, Boot Lake and Boulder Pond claim groups, the Wishbone Trend and the Del Lake claims. The license as it is currently written allows for water usage at the camp as well as for drilling activities on the first three claim groups. This amendment is, in part, to request permission to use water for drilling activities on the Wishbone Trend and Del Lake claims as well, which encompasses the Wishbone, Lovechild, Mahna Mahna, Malley and Del claim groups. Potential drill targets have been outlined for 2009 at the northern end of the Wishbone claim group (target areas in black outlines, claim group in dark red in the following figure), but have not been finalized. Currently, we anticipate the possibility of drilling targets on the Del claims (southwest of Goose Lake, indicated in brown in the following figure) in 2009 as well, however these have not been finalized as yet either. It is expected that drilling on the other claim groups in the Wishbone Trend will not commence until 2010.</p> Latitude: (65°32'40" N) Longitude: (107°27'35" W) – Goose Lake camp (base of operations) NTS Map Sheet No. portions of 76B, 76C, 76F, 76G, 76K Scale: 1:250,000	



4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

All activities will be supported out of the existing camp at Goose Lake. Daily activities at the camp will consist of regular maintenance of vehicles and facilities, office/administrative tasks, core logging/cutting/sampling, cooking, and other day-to-day type activities. Drilling operations will be helicopter-supported, with supplies stored at both Goose Lake and George Lake. Drill crews will operate on a 24-hour schedule (2 12-hour shifts), and return to Goose Lake at the completion of each shift.



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 (includes exploration/drilling) | <input type="checkbox"/> Conservation |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below): |

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

6. **WATER USE**

- | | |
|---|--|
| <input checked="" type="checkbox"/> To obtain water | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To modify the bed or bank of a watercourse | <input checked="" type="checkbox"/> To alter the flow of , or store, water |
| <input type="checkbox"/> Other (describe): | |

7. **QUANTITY OF WATER INVOLVED** (cubic metres per day including both quantity to be used and quality to be returned to source)

- Water use** ☐ 100m³/day or less
☒ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Maximum daily use for camp (kitchen, dry, rock saws) of 15 m³; historical daily average is approximately 6-8 m³; up to 5m³ of this will be stored in a large plastic tank in the cutting room for use with the cutting saws on an as-needed basis.

Average daily use for drills of up to 35m³ per drill (up to 4 drills - 140 m³ total).

Total usage up to 155 m³/day.

Water returned to source
0 m³/day

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

- | | |
|---|---|
| <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 checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Other (describe): |

A pacto system is used for human waste. The resulting waste is disposed of in the camp incinerator, therefore no sewage is generated.

Greywater from camp use in the kitchen and dry will be screened for large particles before being deposited into a sump behind camp. The water will be allowed to percolate into the surrounding soil, and it is expected that it will eventually make its way back into the Goose Lake basin.

Sludge from the drills is captured using the megabag system and deposited in a sump dedicated to this purpose at the Goose Lake camp. Owing to the significant transport distance between potential drill sites on the Wishbone property, as per Part F, Section 2 of the current terms and conditions of the licence, a natural depression in the vicinity of drilling may be used for disposal of the cuttings in lieu of transporting them for

over 100 km by helicopter back to Goose Lake. Doing so will reduce both the costs of the operation as well as the risk of a spill by transporting the cuttings over such a long distance.

Waste generated at the drill, such as packaging, metal, etc. will be removed from the site to Goose Lake camp. Combustible waste will be disposed of in the camp incinerator, metal waste will be packaged with other metal scrap for backhaul, and oil and lubricants will be disposed of either in the waste oil heater (described below) or at an appropriate disposal facility.

A waste oil heater was installed in the north quonset during the 2008 field season. Waste oil from vehicle and generator maintenance will be thinned with diesel fuel and used to heat the quonset, providing a comfortable work place to conduct maintenance activities during the winter months. Waste oil in excess of what can reasonably be consumed in the heater will be stored for later use or backhaul and disposal at an appropriate facility.

9. OTHER 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 _____

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.)

Water from drilling operations will be recirculated to minimize the quantity used. The megabag system is used by Bradley Brothers to capture drill cuttings which are subsequently removed from the drill site by helicopter and deposited in a sump. Clarified water drains through the bag and is allowed to disperse on the tundra where it percolates into the ground and returns to the local watershed. Minimal quantities of rock flour and drill cuttings may end up being deposited on the tundra, however they will have a very similar composition to that of the local outcrop or overburden material and will therefore not represent a source of significant impact to the surrounding environment. Compression of vegetation in the vicinity of the drill set up will occur; this impact will naturally correct itself once the drill has been moved from the site.

No cumulative impacts are expected. No additional drills will be brought into site to conduct this operation, nor personnel beyond what have been used in the past - only the 4 drills which are currently located on the project site and have been used in the past will be used. A moderate increase in the amount of fuel consumed by helicopters is expected owing to the increased distance from the base of operations.

NIRB Screening ☐ Yes ☐ No If no, date expected _____

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?

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? _____

This project will not substantially affect the quality, quantity or flow of water flowing through Inuit Owned Lands

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

Bradley Brothers - Diamond drill contractor
 70 Industrial Blvd.
 Rouyn-Noranda QC, J9X 6T3

Great Slave Helicopters – Helicopter services
 106 Dickens Street
 Yellowknife, NT, X1A 2R3

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

Cover pages and executive summaries of the most recent environmental baseline studies are appended.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) X Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun/English Summary of Project ☐ Yes X No If no, date expected Dec. 15/08

Application fee of \$30.00 (Payee Receiver General for Canada) X Yes ☐ No If no, date expected _____

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

X Yes ☐ No If no, date expected _____

15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☒ Multi Year

Start Date: _____ Completion Date: _____

Dan Russell

**Environmental
Coordinator**

December 5, 2008



Name (Print)

Title (Print)

Signature

Date

For Nunavut Water Board office use only

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

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