



P.O. Box 119
GJOA HAVEN, NU X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

Effective January 1, 2004

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

Revised Apr 28/04
PB

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** (for contact re this Water License renewal application prepared by Dallas Davis on behalf of Twin Mining and with contributions by Richard Roy, Nordquest, and Greg Rogers, Kennecott Canada Exploration Inc.)

Twin Mining Corporation
Suite 1250, 155 University Avenue
Toronto, Ontario M5H 3B7
Attention: Hermann Derbuch, Chairman,
President and CEO

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Phone: 416-777-0013
Fax: 416-777-0014
e-mail: info@twinmining.com

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

(same as in item #1)

Phone: _____
Fax: _____
e-mail: _____

3. **LOCATION OF UNDERTAKING** (see attachments: "Regional Location Map.ppt", "Twin_ClaimOutline&SoilSampl.ppt" and "Twin_Topo,Camp,Fuel&Drill.ppt")

Twin Mining's Jackson Inlet mineral claims cover an area of 5,086 square kilometers in the mid-portion of the Brodeur Peninsula of Baffin Island. The first diamond-bearing kimberlite pipe discovered to date ("Freightrain") is located on the west side of the Brodeur Peninsula within 10 kilometres of Jackson Inlet, a natural deep-sea harbour accessible from the regular shipping lane. In 2001, a second pipe, Cargo 1, was discovered by drilling at a site approximately 4.5 kilometers north north east of Freightrain. Evaluation of these pipes and exploration of the overall claim group has been ongoing since the summer of year 2000.

Project camp site:

Latitude: N 73°16'36.2" Longitude: W 88°16'15.5" NTS Map No. 58 D/8 Scale 1:50,000 (or as indicated on attachments)

4. **DESCRIPTION OF UNDERTAKING** (see attachments listed under 3, "TwinMngJacksonProjectCamp.jpg" and "DescriptionOfUndertaking04.doc")

The project camp was erected in 2001 and in 2004 will remain the same size and with the same facilities, i.e. 8 wood frame canvass tents capable of housing 20 persons. Exploration has consisted of a 6,641-line km airborne magnetic survey (2001), pitting to excavate a total of 248 t of kimberlite from the Freightrain pipe (2000, -1 & -2), ground magnetic surveys, soil sampling over two thirds of the mineral claims and diamond core drilling - 17 holes/1108 m at Freightrain in 2001, 5 holes/669 m at Cargo 1 (2001-2) and 8 holes/951 m at 4 other sites.

Work planned in 2004 will include an airborne magnetic survey conducted by a survey company (Fugro) on contract to Kennecott Canada Exploration Inc., drilling by another contractor to Kennecott of an estimated 1,500 m of core at 6 sites within 31 km of the project camp. Twin Mining plans to undertake no drilling, but will conduct soil sampling in the most southerly and easterly portion of the mineral claim group. This soil sampling will be done with helicopter and sampling crew based in the project camp, but for portions of the claim group that are approximately one hour flying time from the

project camp, the samplers and helicopter pilot/engineer will spend periods of a week, or so, away from the project camp and will sleep in two small portable tents (fly camp) at each of several sites central to the areas being sampled at the time.

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 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 checked="" type="checkbox"/> Miscellaneous (includes exploration/drilling) |
- (describe): Exploration/Drilling managed by and under the control of Kennecott Canada Exploration Inc. as part of their overall Brodeur program.
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"/> To divert a watercourse |
| <input type="checkbox"/> To modify the bed or bank of a watercourse | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To alter the flow of, or store, water | <input type="checkbox"/> Other (describe): _____ |
| <input type="checkbox"/> To cross a watercourse | |

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

Domestic use at an average of approximately 20 litres per day per person (total of about 300 litres per day). The low average usage is because during a portion of July and August the project camp will serve as a base camp to which field personnel will return for a few days after soil sampling forays of a week, or so.

No drilling use of water by Twin mining Corporation.

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Other (describe): _____ |

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

Land Use Permit

- | | | |
|----------------------------|---|---------------------------------|
| DIAND | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | If no, date expected _____ |
| Regional Inuit Association | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If no, date expected <u>N/A</u> |
| Commissioner | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | If no, date expected <u>N/A</u> |

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.) No environmental impactsNIRB Screening ☐ Yes ☒ No If no, date expected N/A**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)

NordQuest: Richard Roy 110 Curé Roy Val d'or, consulting geologist (contract not finalized). Alternate is Dallas Davis, Dalmin Corporation, 407 Dufferin St., Fredericton, NB E3B 3A8.

Function would be supervision and coordination of a soil sampling crew of 6 persons and, possibly, a ground geophysical crew of 2 persons.

Helicopter contractor yet to be determined

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

See #4 on previous page and attached "DescriptionOfUndertaking04.doc"

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGINSupplementary 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 _____
(Fee accompanied printed and signed version of this document sent by Canada post 31/03/04 and which is amended herewith to reflect a Twin Mining-Kennecott agreement of April 2004 covering 269,433 acres of Twin Mining's 1,254,029.3 acres of mineral claim holdings on the Brodeur Peninsula. Kennecott will conduct all drilling in the "Description of Undertaking". Twin Mining will conduct no drilling on the remaining acreage and Twin Mining's only use of the exploration remote camp will be as a base for conducting soil sampling, geological and, possibly, geophysical surveys. (see attachment "JI_TwinCl_Ind Min_Kenn_04.ppt").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 YearStart Date: July 2004Completion Date: September 2004

Name (Print)Title (Print)SignatureEffective January 1, 2004Date

For Nunavut Water Board use only			
APPLICATION FEE	Amount: \$	Pay ID No.:	
WATER USE DEPOSIT	Amount: \$	Pay ID No.:	