



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

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DOCUMENT MANAGEMENT

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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)		
(4)		
(5)		
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(10)		



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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) Patrick Downey, President, CEO and Director Lupin Mines Incorporated – an indirect wholly owned subsidiary of Elgin Mining Inc. #1104 – 750 West Pender Street Vancouver, BC Canada V6C 2T8 Phone: <u>604-682-3366</u> Fax: <u>604-682-3363</u> e-mail: <u>vpark@elginmining.com</u>	2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address) NA Phone: _____ Fax: _____ e-mail: _____ (Attach authorization letter.)
3. NAME OF PROJECT (including the name of the project location) Lupin Project Exploration	
4. LOCATION OF UNDERTAKING Project Extents NW: Latitude: (65°789'691" N) Longitude: (111°345'341" W) NE: Latitude: (65°787'817" N) Longitude: (111°134'127" W) SE: Latitude: (65°680'411" N) Longitude: (111°127'935" W) SW: Latitude: (65°680'319" N) Longitude: (111°349'132" W) Camp Location(s) Latitude: (65° 45' 54 " N) Longitude: (111° 14' 5 " W)	
5. MAP - Attach a topographical map, indicating the main components of the undertaking. NTS Map Sheet No.: <u>76E/14</u> Map Name: <u>Unit Lake</u> Map Scale: <u>1:50 000</u>	

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: _____ Date of expiry: _____

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ 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	Type	Description	Expiry
2428	Mining Lease	Lot 1, Group 1216 Quad 76E/14	July 12, 2013
3275	Mining Lease	Lot 1003 Quad 76E/14	July 27, 2030
3276	Mining Lease	Lot 1003 Quad 76E/14	July 27, 2030
3277	Mining Lease	Lot 1003 Quad 76E/14	July 27, 2030
3278	Mining Lease	Lot 1003 Quad 76E/14	July 27, 2030
76E/14-1-9	Surface Lease	Minesite, TCA	March 13, 2012
76E/14-2-10	Surface Lease	Airstrip	March 13, 2012
76E/11-2-3	Surface Lease	Fingers Lake Quarry, access road	March 13, 2012
76E/11-3-4	Surface Lease	Fingers Lake Waterlot – dock	March 13, 2012
76E/14-10-3	Surface Lease	VOR Navigation aid site	March 13, 2012

Name of entity(s) holding authorizations: _____ Elgin Mining Inc. _____

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

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

☐ North Baffin ☐ Keewatin

<input type="checkbox"/> South Baffin <input type="checkbox"/> Akunnig	<input type="checkbox"/> Sanikiluaq <input checked="" type="checkbox"/> X West Kitikmeot
<p>Is a land use plan conformity determination required?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> X No</p> <p>If Yes, indicate date issued and attach copy _____</p> <p>If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.</p> <p>See attached email correspondence dated October 4, 2011</p>	
<p>8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION</p> <p>Is an Article 12 Part 4 screening determination required?</p> <p><input checked="" type="checkbox"/> X Yes <input type="checkbox"/> No</p> <p>If Yes, indicate date issued and attach copy Project proposal acknowledged by NIRB for screening on September 16, 2011.</p> <p>If No, provide written confirmation from NIRB confirming that a screening determination is not required.</p>	
<p>9. DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal.</p> <p>See attached map, Spill Contingency Plan, and Abandonment and Restoration Plan –</p> <p>Elgin Mining is proposing to conduct an exploration program including a detailed magnetic survey, helicopter borne Induced Polarization (IP) Survey and diamond drilling program.</p> <p>The first stage drilling program will be limited to 5,000 meters of diamond drilling at seven (7) known targets at or nearby the existing Lupin mine site and related infrastructure. Elgin Mining plans to drill three (3) to five (5) holes at each target to a maximum depth of 500 meters. If results warrant, then further drilling will be planned on these targets. The expanded program would be 25,000 meters and take place from April 2012 to September 2012. Depending on the results of the 2012 program, a third phase of 25,000 to 50,000 meters of drilling may be warranted with the objective of defining reserves.</p> <p>The drill program will <u>not</u> require a new camps, domestic water supply or infrastructure such as sewage and greywater disposal, landfill, diesel fuel storage or power generation systems. The existing Lupin Project will provide these components as well as an airstrip and various warehouse and maintenance shops.</p> <p>The exploration program will cause very little disturbance as many of the targets are accessible from existing road infrastructure. In winter, under sufficient snow cover, drill rigs will be transported on skids. During the remainder of the year the rigs will be transported between drill sites by helicopter.</p> <p>If necessary short spur roads will be developed off of existing mine roads to access drill sites. If needed, these roads will be constructed from material obtained from existing sources (i.e. existing quarry), will be constructed a minimum of thirty (30) meters from any waterbody and will not involve any water crossings.</p>	

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

There were no alternate methods or locations considered. The drill program is following up on previous exploration work completed by previous mine owners.

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

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <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.

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.

- | | |
|--|---|
| <input type="checkbox"/> To obtain water for camp/ municipal purposes (approved under 2AM-LUP0914) | |
| <input checked="" type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To alter the flow of, or store water | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> 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 drilling will generally come from the main Contwoyto Lake source, other

sources will be from lakes near targets.

Describe the quality of the water source(s) and the available capacity:

Water is raw water quality

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 target will take approximately 7-10 days to drill at a maximum of 45 m3/day

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

40-45 m3/day drilling

(5 m3/day will also be used for camp operations from Contwoyto Lake. This use is already permitted under water licence 2AM-LUP0914)

Describe the method of extraction(s):

For the drills water will be pumped through an intake water line with mesh cover to prevent entrapment of fish.

For the camp, water will be pumped to the camp from the existing permitted Contwoyto lake intake/pumping system.

Estimated quantity(s) of water returned to source(s) 5 m³/day

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

Camp sewage (grey water) will be returned to the permitted sewage lagoons existing on site – maximum 5 m3/day – sewage waste effluent will be deposited in the sewage containment ponds and released to the environment during the summer months as per previous practice. This discharge is permitted under water licence 2AM-LUP0914.

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

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |

X Other (describe): Drill waste

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.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Solid Waste	Combustible waste from drill sites	Minimal		Back haul to Lupin Mine site for disposal at mine camp incinerator or mine site landfill permitted under water licence 2AM-
	Non-			

	combustible waste from drill site			LUP0914.
Waste oil	From drills and gensets	Minimal		Back haul to Lupin Mine site for temporary storage, seal in drums and transport to Yellowknife for disposal.
Sewage and grey water		Minimal	Existing sewage pond system	Within existing Lupin Mine site sewage pond system permitted under water licence 2AM-LUP0914.
Drill waste	Cuttings			Either backhauled to the existing Lupin Mine tailings containment area or pumped to a sump located a minimum of thirty one (31) metres from the ordinary high water mark. A portable containment system will also be used to allow sediment to settle out.

- 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** - Describe direct, indirect, and cumulative impacts related to water and waste.

Minimal impacts are anticipated with the drill program. Drilling is temporary and mobile. Each site will be cleaned up at the end of each season.

- 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.

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
19. INUIT WATER RIGHTS	<p>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).</p> <p>The quality and quantity of waters will not be impacted by this exploration/drill program.</p>
20. CONSULTATION	<p>– 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. Not Applicable</p>
21. SECURITY INFORMATION	<p>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. <u>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.</u> The estimate must also include contingency factors appropriate to the particular work to be undertaken.</p> <p>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 <i>Mine Site Reclamation Policy for Nunavut</i>, Indian and Northern Affairs Canada, 2002.</p>
22. FINANCIAL INFORMATION	<p>Provide a statement of financial responsibility.</p> <p>See attached financial statements. Also, please note that the Lupin Mine site is fully bonded.</p> <p>If the applicant is a business entity, provide a list of the officers of the company.</p> <p>Patrick Downey, President, CEO and Director Brian Morales, Chief Financial Officer</p> <p>If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name.</p> <p>See attached documentation.</p>
23. STUDIES UNDERTAKEN TO DATE	<p>- List and attach copies of studies, reports, research, etc.</p>

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

Operation

Proposed Start Date: January 2012 Proposed Completion Date: January 2017
(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 (March until late November)

☐ 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): 5 years

Requested Date of Issuance: January 2012 Requested Expiry Date: January 2017
(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)

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

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 *-see attached* ☐ 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 *currently being translated as soon as complete*

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 _____

28. SIGNATURE

Patrick Downey

President, CEO and Director



Name (Print)

Title (Print)

Signature

Date