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KATIMAYINGI

Effective January 1, 2004

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN

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

5050 Nunavut Limited (a subsidiary of Adriana Resources Inc.)
Gordon Addie, President
Suite 1818 - 701 West Georgia Street
Vancouver, BC
Canada V7Y 1C6

Phone: 604 629 0250
Fax: 604 629 0923
E-mail gaddie@adrianaresources.com

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

Adriana Resources Inc.
Suite 1818 - 701 West Georgia Street
Vancouver, BC
Canada V7Y 1C6

Phone: 604 629 0250
Fax: 604 629 0923
E-mail infor@adrianaresources.com

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

5050 Nunavut Limited's (5050 Nunavut) MIE property is approximately 540 km² in size and is centered over the northern half of the exposed portion of the Muskox Intrusion, 90 km south of Kugluktuk. See attached maps.

Latitude: 115°41'00" Longitude: 66°48'10" NTS Map No. 86J/11, 14, 86O/3,4,6
Scale 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

5050 Nunavut proposes to set up a camp on the southwest shore of McGregor lake to support their staking, prospecting and exploration work covered under KIA Land Use License KTL104C033, as well as to conduct a drilling program on their MIE property. Once all permits are in place 5050 Nunavut would like to begin fuel mobilization, set up a camp, etc., and start a spring geophysical program with drilling to take place in the summer. The project would be helicopter-supported drilling in summer, and snowmobile-supported in the winter. Access to their property would be by float plane in summer, ski plane in winter.

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): campsite and drilling 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 quality to be returned to source)

For camp use, it is estimated that 1.5 cubic meters of water will be used per day for a camp population of 15 people. The grey water will be returned to a sump to be biologically treated.

For drill use it is estimated that 132.49 cubic meters will be used for the whole drill program. Drill water will be re-circulated; therefore actual amount will depend on the friability of the rock.

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

Grey water – all camp discharge water; estimated for 15 people at 1.5 cubic metres per day of wash water, shower water and kitchen water, will be biologically treated in a sump. The Sump will be located 100m from the high water mark.

Sewage – All sewage will be collected with the PACTO toilet system. The resultant encapsulated waste will be burned in the incinerator.

Waste oil – Waste oil volumes from the camp and related activities will be less than 0.04 cubic metres per week. Waste oil will be incinerated or used for heating purposes.

Solid wastes – Volumes of solid waste will vary with the daily population of the camp and project activities. All combustible solid waste will be burned daily in an incinerator. The non-combustible solid waste will be packaged up and flown out to Yellowknife on the return flight that brought in supplies.

Hazardous Waste – In the chance of encountering Uranium in the drill cores, a Waste Generator Number will be attained to document hazardous waste that may occasionally be transported from the Project area for proper disposal. The same individual in charge of documenting the hazardous wastes will have completed a course in the Transportation of Dangerous Goods specifically designed to train geologists in the safe transport of nuclear substances.

For the long term storage of drill core, radiation levels will be reduced to less than 1.0 μSv measured at 1.0 meter from the surface and in no instance will the level be allowed to exceed 2.5 μSv . In practice, it is anticipated that major uranium intersections will be transported to the Saskatchewan Research Council for testing and storage at their nuclear materials storage facility.

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

The land affected by the undertaking is administered by the Kitikmeot Inuit Association. It lies within the Inuit land parcels: C053, C060, C061, C062. An amendment to 5050 Nunavut present Land Use License has been submitted to the Kitikmeot Inuit Association to build a new camp. 5050 Nunavut owns or has applied for all the mineral tenures underlying the sites.

Land Use Permit

DIAND ☐ Yes ☒ No If no, date expected June 26, 2006

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.)

Little environmental impact is anticipated from the placement of the weatherhaven tent camp. The proposed camp area is located in an area of very little to no vegetation. The camp layout will minimize the area of surface disturbance. Food will be stored inside closed buildings and garbage will be incinerated daily to avoid attracting animals. When the camp is no longer required all imported materials will be burned or removed from the site. Any pits or earthworks will be backfill and recontoured.

Fuel will be stored in 205 liter steel drums in approved containment according to regulations, and will be located 100m from the high water mark. Storage areas will be monitored regularly to detect and manage any leaks. Empty drums will be removed from the site. Spill kits will be maintained in all fuel storage and transfer areas and all staff will be trained regarding the spill contingency plan.

Camp domestic water will be drawn the mouth of Iceberg Creek, on the south west corner of McGregor Lake, in volumes that will not affect lake or creek habitats. All grey water will undergo biological treatment in a sump located 100m from the high water mark.

NIRB Screening ☐ Yes ☒ No If no, date expected June 26, 2006

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?

No.

The construction and operation of the proposed camp will not affect the quality, quantity or flow of water flowing through Inuit Owned Land.

Water from Muskox Intrusion area has been used for drilling and human consumption since the 1950s with no detectable adverse impacts.

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

Rescan Environmental Services (environmental contractors)

Sixth Floor, 111 West Hastings Street
Vancouver, B.C. Canada V6E 2J3

(604)689-9460 ph

(604)687-4277 fx

Attn: Latisha Heilman

1984 Enterprises Inc. (health, safety, camp staffing etc. contractors)

Suite 1000
355 Burrard Street
Vancouver, British Columbia
Canada, V6C 2G8

Phone: +1 604 736 8142

Fax: +1 604 736 8119

Attn: Lise Thompson

Contractors that may be hired once permits are in place:

Diamond Drill: Peak Drilling – Yellowknife, NT

Eric Raume – 867 766 2980 – peakex@theedge.ca

Fixed wing aircraft will be contracted from any of the following (depending on which contractor is available):

Air Tindi – Yellowknife NT, 1-888-545-6794

Adlair Aviation – Yellowknife NT, (867) 873-5161

Air Thelon – Yellowknife NT, (867) 920-7110

Arctic Air – Yellowknife NT, (867) 873-1210

Arctic Sunwest Charters – Yellowknife NT, (867) 873-4464

Buffalo Airways – Yellowknife NT, (867) 873-6112**13. STUDIES UNDERTAKEN TO DATE** (list and attach copies of studies, reports, research, etc.)

The Muskox Intrusion has been under exploration since 1956, numerous companies examined the intrusion but no significant deposits were outlined. Studies undertaken on the area include: geophysical and geochemical surveys and geological mapping of the Marginal Series near McGregor Lake; property-wide geophysical included: VLF, magnetics, gravity, UTEM, and HLEM, controlled Source Audiomagnetotelluric, and numerous, highly anomalous grab samples were collected from the Pyrrhotite Lake, Southeast Speers Lake, Sulphide Breccia, Trench 87-1, Chalco Cliffs, and Chromite Reef areas.

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: June 26, 2006 Completion Date: June 27, 2008

Latisha Heilman for **Environmental Coordinator**

May 16, 2006

Anthony Kovacs

Latisha Heilman

Name (Print)

Title (Print)

Signature

Date

For Nunavut Water Board use only

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

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