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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 <u>5050 Nunavut Ltd. (a subsidiary of Adriana Resources Inc.)</u> <u>Gordon Addie, President</u> <u>Suite 1818</u> <u>701 West Georgia Street</u> <u>Vancouver, BC V7Y 1C6</u> Phone: <u>604-629-0250</u> Fax: <u>604-629-0923</u> e-mail: <u>gaddie@adrianaresources.co</u>	2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable) <u>Adriana Resources Inc.</u> <u>Suite 1818</u> <u>701 West Georgia Street</u> <u>Vancouver, BC, V7Y 1C6</u> Phone: <u>604-629-0250</u> Fax: <u>604-629-0923</u> e-mail: <u>infor@adrianaresources.com</u>
3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) Latitude: (115°14'27" N) Longitude: (66°54'45" W) NTS Map Sheet No. <u>86J/11, 86O/3, 4, 6</u> Scale: <u>Attached figure 1-2 is 1:50,000</u>	
4. DESCRIPTION OF UNDERTAKING (attach plans and drawings) <p>55050 Nunavut Limited (5050 Nunavut), presently holds a Kitikmeot Inuit Association (KIA) Land Use License KTL306C016 permitting a camp (with airstrip), staking & prospecting, exploration (geophys-grd/air) drilling and bulk fuel storage at McGregor Lake. The purpose of the camp is to support exploration activities associated with their Mackenzie Igneous Event (MIE) and Bear Valley Uranium exploration projects in the area. 5050 Nunavut also holds a Nunavut Water Board License (2BE-MCG0608) which was amended in May 2007 to include their uranium exploration work. The KIA Land Use License and the NWB License are valid until July 15, 2008.</p> <p>These licenses were originally proposed to establish a new camp at Iceberg Creek along the southwest shore of McGregor Lake, however, as an alternative to setting up a new camp, the KIA required 5050 Nunavut use an abandoned exploration camp (now known as the McGregor Lake Campsite) along the north shore of McGregor Lake. This alternative location was used historically by other mining companies (Figure 1-1).</p> <p>5050 Nunavut is requesting an amendment and renewal of KTL306C016 and 2BE-MCG0608 to</p>	

conduct a 10,000m drilling program on their MIE and Bear Valley property and intends to use the McGregor Lake Campsite to support these activities. To facilitate this drilling program, the camp will be expanded to accommodate 25 – 30 personnel.

Water for the camp will be pumped from McGregor Lake using a hose&float system. The intake end of the pipe will be equipped with a screen to avoid fish entrapment. The screen size will be determined following the calculations outlined in DFO's Freshwaer Intake End-of-Pipe Fish Screen Guidelines.

Access to the camp will be by flaot plane in the summer and ski plane in the 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 (includes exploration/drilling) | <input type="checkbox"/> Conservation |
| <input checked="" type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input checked="" type="checkbox"/> Miscellaneous (describe below):
exploration camp and drilling |

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 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.)

For camp use, it is estimated that 3.0 cubic meters of water will be used per day for a camp population of 30 people. The grey water will be returned to a sump to be biologically treated. Pacto toilet systems will be used; these systems require no water for their operation.

For drill use it is estimated that 260 cubic meters of water 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.

Water returned to source

3.0 m³/day

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

Grey water – all camp discharge water; estimated for 30 people at 3.0 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.

Bulky Items/Scrap Metal - Bulky items and scrap metal will be back hauled from the site for recycling or disposal in the Yellowknife landfill

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 or Kugluktuk on the return flight that brought in supplies.

Hazardous Waste - 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. Uranium may also be encountered in the drill cores.

5050 Nunavut currently holds Nunavut Waste Generator # NUG 100022 (attached in the appendices). All such waste will be documented and 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

Please refer to the attached Uranium Exploration Plan.

9. OTHER 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/renewal to 5050 Nunavut present Land Use License has been submitted to the Kitikmeot Inuit Association to make use of the existing McGregor Lake Campsite located along the north shore of the lake. 5050 Nunavut owns or has applied for all the mineral tenures underlying the sites.

Land Use Permit

DIAND ☐ Yes ☒ No If no, date expected Application being processed

Regional Inuit Association ☒ Yes ☐ No If no, date expected KTL306C016

Commissioner ☐ Yes ☐ No If no, date expected N/A

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

NIRB Screening ☒ Yes ☐ No If no, date expected NIRB File # 06EN055 assessed the previous project proposal and decided to process it without a review.

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. The operation of the existing McGregor Lake 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.

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?

N/A

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

Franz Environmental Inc., 308-1080 Mainland Street, Vancouver, B.C. V6B 2T4
Tel: 604-632-9941, Fax: 604-632-9942 Attn: Carlos da Ponte

Kikiak Construction - Kugluktuk, Nunavut - Tel: 867-982-713, Inuit helpers and expediting

BBE Logistics#18 Yellowknife Airport Yellowknife NT, X1A3T2, Ph: 867-766-8655, Fax: 867-766-8651, Expediting
 Diamond Drill: Major Drilling – Winnipeg, Manitoba – Tel (204) 885-7532 – winnipeg@majordrilling.com
 Remote Helicopters, Box 1340 Slave Lake, AB, T0G 2A0 Ph: 780-849-2222, Fax: 780-849-2288
 remote@telusplanet.net, Helicopter support
 Fixed wing aircraft will be contracted from any of the following (depending on which contractor is available):
 Air Tindi – Yellowknife NT, (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
 1984 Enterprises Inc, Vancouver, BC, Ph: 604-736-8142 (First aid and cook)

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

An inspector from NWB visited the McGregor camp on Aug 11, 2007, collected water samples, results not available. A Phase I/II Environmental Site Assessment was conducted in 2004 by Golder and Associates on behalf of INAC. This report provides an inventory of the historical activities conducted at the camp.

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 and/or Inuinnaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ 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)

☒ 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: July 15, 2008 Completion Date: July 15, 2010

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.: _____