

To: Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
Email: [licensing@nunavutwaterboard.org](mailto:licensing@nunavutwaterboard.org)

**Re: Water Licence Application for Muskox Diamond Property**

Dear Ms. Beaulieu,

Please accept this application for a General Water Licence for the Muskox Diamond Property.

The Muskox Diamond Property (the "Property") is located in the Kitikmeot Region of Nunavut, within the 1:250,000 scale NTS map sheets 76E, 76L and 86I. The Property is approximately 250 km southeast of the community of Kugluktuk and is in close proximity to the inactive Jericho and Lupin Mines. The Property consists of three project areas: the James River, Muskox and Contwoyto Prospects.

For 2015, a drill program of 5,000 to 10,000 m is proposed, utilizing one to two diamond drills. The average hole depth is expected to be approximately 200 m, up to a maximum proposed depth of 700 m. The areas of proposed drilling are currently uncertain as preliminary exploration work, such as ground geophysical surveys, is required to define precise targets. All exploration work will be strictly confined to within the authorized Prospecting Permits.

The proposed exploration program will be supported by a mobile, temporary, 10-12 person exploration camp. As the Property is separated into three projects areas, three camp locations have been identified to support exploration at each prospect. Each camp, with fuel cache, will be established and reclaimed sequentially and therefore no more than one camp will be in use at one time. Personnel and cargo will be transported to and from camp in the summer months by fixed wing (Twin Otter) from Yellowknife and due to the close proximity to the Tibbitt to Contwoyto Ice Road can be serviced by ground in the winter.

The proposed camp locations were selected due to appropriate terrain composed of a consolidated and durable surface, such as gravel or sand, which is able to withstand aircraft and camp use. Structures for each of the proposed camps may include 6 sleeper tents, medical tent, kitchen, dry, office, shop, core shack, generator housing, incinerator, and 2 outhouses. The majority of the structures will be aluminium tubed framed, Weatherhaven tents, or similar, with tarp floors.

Water used for camps and drilling will be taken from appropriate water bodies, which will have large enough capacity to avoid impact on level or flow. The overall water usage for the 2015, and subsequent exploration programs, is not anticipated to be greater than 100 m<sup>3</sup> per day. The camp is expected to use approximately 2 m<sup>3</sup> per day and the drills will each use approximately 40 m<sup>3</sup> per day.

For additional information please see the attached application and supplemental documents listed below.

**Supplemental Documents with the Water Licence Application include:**

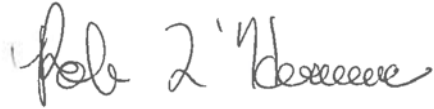
- 150421 General Water Licence Application Cover Letter.pdf (3p.)
- 150416 Application for General Water Licence.pdf (11p.)
- 150416 Exploration-Remote Camp Questionnaire.pdf (8p.)
- 150416 Exploration-Remote Camp Questionnaire Figure - Cotwoyto Camp Location within P-21 (1p.)
- 150416 Exploration-Remote Camp Questionnaire Figure - James River Camp Location within P-20 (1p.)
- 150416 Exploration-Remote Camp Questionnaire Figure - Muskox Camp Location (1p.)
- 150410 Cheque for General Water Licence Application Fee of \$30 (Included in hard copy submission 1p.)
- 150410 Photocopy of Cheque for General Water Licence Application Fee of \$30 (included in digital submission 1p.)
- 150410 Cheque for Water Use Fee Deposit of \$30 (included in hard copy submission 1p.)
- 150410 Photocopy of Cheque for Water Use Fee Deposit of \$30 (included in digital submission 1p.)
- 931209 APEX Certificate of Name.pdf (1p.)
- 150416 APEX List of Company Officers.pdf (1p.)
- 150410 Estimation for 3rd Party Reclamation of Camp (1p.)
- 150331 Figure 1 Muskox Proposed Exploration.pdf (1p.)
- 150406 Figure 2 Muskox Proposed General Camp Layout.pdf (1p.)
- 150414 Muskox Diamond Property Non-Technical Summary - English.pdf (3p.)
- 150414 Muskox Diamond Property Non-Technical Summary - Inuktitut.pdf (3p.)
- 150409 Muskox Diamond Property Abandonment and Restoration Plan.pdf (19p.)
- 150410 Muskox Diamond Property Emergency Response Plan.pdf (12p.)
- 150410 Muskox Diamond Property Environmental Management Plan.pdf (72p.)
- 150410 Muskox Diamond Property Fuel Management Plan.pdf (12p.)
- 150409 Muskox Diamond Property Spill Prevention and Response Plan (127p.)
- 150409 Muskox Diamond Property Waste Management Plan.pdf (18p.)

**General Water Licence Application Documents remaining to be submitted:**

- Muskox Diamond Property Non-Technical Summary - Inuinnaqtun.pdf (3p.)

Please do not hesitate to contact me with any questions or concerns or for any additional information.

Best Regards,

A handwritten signature in black ink, appearing to read "Rob L'Heureux". The signature is fluid and cursive, with the first name "Rob" being more prominent.

**Rob L'Heureux, M.Sc., P.Geol**  
**Vice President and Principal**

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