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Effective January 1, 2004

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

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

Stornoway Diamond Corporation
860-625 Howe Street
Vancouver, BC
V6C 2T6

Phone: **604-331-2259**

Fax: **604-689-5041**

e-mail: info@stornowaydiamonds.com

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

Stornoway Diamond Corporation
860-625 Howe Street
Vancouver, BC
V6C 2T6

Phone: **604-331-2259**

Fax: **604-689-5041**

e-mail: info@stornowaydiamonds.com

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

See Attached Figure

Possible Camp Locations:

Latitude: -72° 14'N Longitude: 65° 10'W NTS Map No. 36 H/1 Scale 1:200,000

Latitude: -72° 07'N Longitude: 65° 07'W NTS Map No. 36 H/1 Scale 1:200,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

The purpose of the activities under this water license application is to begin to evaluate the potential for economic concentrations of minerals within the central Baffin Island region, west of Amadjuak Lake. Stornoway's long term plan is to conduct geological mapping, rock and soil sampling, ground geophysical surveys, prospecting, and diamond drilling on our respective landholdings in this region, all activities which have a low impact on the environment.

Weather and other logistical factors will ultimately determine the scale and scope of the activities undertaken during the 2006 exploration season, however activities planned at this time include till sampling and a surficial geophysical survey program utilizing a small crew, and light helicopter support.

If data collected by the ground geophysical survey should warrant it, drilling with a small portable drill rig may be necessary. If drilling is conducted, all operations will be in compliance with the respective operating guidelines of the permit, with impact upon the site designed to be minimal.

Field crews will be working from a small, temporary camp designed to accommodate approximately 10 people at a time. Personnel will vary in number and job description but typically will consist of 4-5 drillers, 1 cook/first aid attendant, 1 helicopter pilot, 1 helicopter engineer, and 2 geologists. The duration of the camp will again depend on weather, logistics, and results obtained during the early part of the program, however it will most likely be occupied for 5 weeks time.

Fixed wing support for the camp will be variable and temporary, utilizing a Twin Otter aircraft for the movement of personnel, supplies and equipment. A Hughes 500D Helicopter will transport field and drilling crews to their work/sampling areas and will remain on site with the personnel for emergency support. Concerns raised by communities across the north with regard to flight altitude and wildlife will be respected.

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): Ground geophysical surveys, Exploratory

Drilling, Till Sampling, Mapping & Prospecting

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)

Water use for the described camp is estimated to be at ~ 0.4 cubic metres per day (includes consumption, cooking and washing)

Drilling activities will likely consume approximately 10 to 15 cubic metres per day (while actually drilling).

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

Greywater, sewage and sumps will all be backfilled.

Any on ice drill cuttings (sludges) will be scraped clean and removed to an on-land sump.

All garbage (solid waste) will be incinerated or removed for disposal to an appropriate facility in Iqaluit.

All scrap material (scrap metal), waste oil, non-combustibles and equipment will be returned to Iqaluit for proper disposal. Fuel drums will be returned to a local agent in Iqaluit or Igloodik for proper treatment.

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

Land Use Permit

DIAND ☐ Yes ☒ No If no, date expected **An application for a DIAND land use permit is being submitted concurrently with this application**

Regional Inuit Association ☐ Yes ☐ No If no, date **N/A**

Commissioner ☐ Yes ☐ No If no, date expected _____

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)NIRB Screening ☐ Yes ☐ No If no, date expected:**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)

Contractors will be determined once the exploration program has been finalized. Expediting will be conducted by Nunavut Expediting Services (Yellowknife and Cambridge Bay) and aircraft services are likely to be obtained from Great Slave Helicopters, Ken Borek Air, or Nanuk Ventures.

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

N/A

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 _____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: April 2006Completion Date: April 2008 (ongoing)

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.: _____