

# Hornby Bay Exploration Limited

July 6, 2005

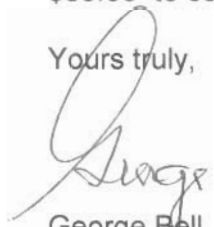
Ms. Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
PO Box 119  
Gjoa Haven, Nunavut X0B 1J0

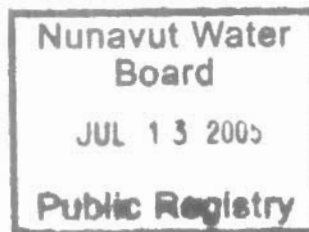
Re: Hornby Bay Exploration Limited Nunavut Water Board  
Water Licence Application

Dear Phyllis:

As advised, please find enclosed a new duly executed application, a second cheque for \$30.00 to cover the water use deposit and a digital copy of the 1:250,000 map.

Yours truly,

  
George Bell  
President & CEO



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EXT.	



Effective January 1, 2004

P.O. Box 119  
GJOA HAVEN, NU X0E 1J0  
TEL: (867) 360-6338  
FAX: (867) 360-6369  
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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**

**Hornby Bay Exploration Limited**  
Suite 700, 357 Bay Street  
Toronto, Ontario  
M5H 2T7

Phone: 416 - 368 - 0114  
Fax: 416 - 368 - 0198  
e-mail: info@hornbybay.com

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

Nunavut Water  
Board

JUL 13 2005

Public Registry

Phone: \_\_\_\_\_  
Fax: \_\_\_\_\_  
e-mail: \_\_\_\_\_

#### INTERNAL

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

**The Company holds the mineral rights to three blocks of claims in the Mouse Lake area, Kitikmeot region of Nunavut. The properties are located approximately 100 kilometers south of Kugluktuk and 525 kilometers north of Yellowknife.**

**The three claim blocks are located between Latitude 66° 37' N to 67° 04' N and Longitude 114° 10' W to 115° 20' W on NTS Sheets 86 J, K, N and O.**

**The Mouse Lake Camp is located at:**

Latitude: 67° 05.973' N Longitude: 115° 44.198' W NTS Map No. 86O/4 Scale 1:<sup>250,000</sup>~~50,000~~

**4. DESCRIPTION OF UNDERTAKING** (attach plans and drawings)

The exploration program for 2005 will include mapping, geochemical sampling, airborne/ground geophysical surveys, surveying of claim boundaries and diamond drilling.  
Please see attached Project Description for details

**5. TYPE OF PRIMARY UNDERTAKING** (A supplementary questionnaire must be submitted with the application for undertakings listed in "bold")

- |   |  |
|---|--|
| <input type="checkbox"/> <b>Industrial</b>                        | <input type="checkbox"/> <b>Agricultural</b>   |
| <input type="checkbox"/> <b>Mining and Milling</b>                | <input type="checkbox"/> <b>Conservation</b>   |
| <input type="checkbox"/> <b>Municipal</b> (includes camps/lodges) | <input type="checkbox"/> <b>Recreational</b>   |
| <input type="checkbox"/> <b>Power</b>                             | <input checked="" type="checkbox"/> <b>Miscellaneous</b> (includes exploration/drilling) |
- (describe): Diamond drilling, geophysics, till sampling

See Schedule II of *Northwest Territories Waters Regulations* for Description of Undertakings

☒ To obtain water  
☐ To modify the bed or bank of a watercourse  
☐ To alter the flow of, or store, water  
☐ To cross a watercourse

☐ To divert a watercourse  
☐ Flood control  
☐ Other (describe): \_\_\_\_\_

For drilling, consumption is estimated at 15,000 litres (15 cu m) per day. Drill water will be recirculated so actual consumption will depend on the friability of the rock.

☒ Sewage                      ☒ Waste oil  
☒ Solid Waste                ☒ Greywater  
☐ Hazardous                  ☒ Sludges  
☒ Bulky Items/Scrap Metal     Other (describe): \_\_\_\_\_

Solid waste will be incinerated. Waste oil and all non-combustible items will be removed from the site for proper disposal. Greywater, sewage and sump sludges will be backfilled. Empty fuel drums will be back-hauled to Yellowknife.

### Land Use Permit

DIAND	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, date expected <b>_N2004C002 (expires March 21, 2006)</b>
Regional Inuit Association	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, date expected <b>_KTL105COO8 (expires April 2, 2007)</b>
Commissioner	<input type="checkbox"/> Yes <input type="checkbox"/> No	If no, date expected _____

NIRB Screening  X  Yes   No If no, date expected

The project was reviewed by NIRB as part of the DIAND permitting process.

The Company has a Land Use License 1 covering the portions of Parcels CO-52 and CO-63 (surface ownership) that coincide with areas within the mineral claims which form this Project. There will be no substantive effect on water flowing through the IOL's

**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?

At this stage the Land Use License I covers activities that will have no compensational effect on the Inuit Owned Lands.

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

Logistics - Braden Burry Expediting - Yellowknife, NWT  
 Logistics - MULCO - Kugluktuk, Nunavut  
 Helicopter Support - Canadian Helicopters - Edmonton, Alberta  
 Airborne Geophysics - FUGRO Airborne Surveys - Ottawa, Ontario  
 Ground Geophysics - Patterson Geophysics - La Ronge, Saskatchewan  
 Diamond Drilling - Peak Drilling - Yellowknife, NWT  
 Assaying - Saskatchewan Research Council - Saskatoon, Saskatchewan  
 Assaying - Loring Laboratories - Calgary, Alberta

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

Subsequent to 1996, the area has been subject to a variety of airborne geophysical surveys on behalf of Hornby Bay Exploration. Initial ground follow-up campaigns were conducted in 1998-99 and 2003-04.

**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: July, 2005

Completion Date: July, 2007 (probably continuing)

George P. Bell  
Name (Print)

President  
Title (Print)

Signature

July 16, 2005  
Date

For Nunavut Water Board use only

**APPLICATION FEE**

Amount: \$ \_\_\_\_\_ Pay ID No.: \_\_\_\_\_

**WATER USE DEPOSIT**

Amount: \$ \_\_\_\_\_ Pay ID No.: \_\_\_\_\_