



## Application for Water Licence Renewal

Document Date: April 2013

Application Submission Date:                   \_01/20/2014\_  
Month/Day/Year

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NUNAVUT IMALIRIYIN KATIMAYIT  
NUNAVUT WATER BOARD  
OFFICE DES EAUX DU NUNAVUT

## ***DOCUMENT MANAGEMENT***

Original Document Date: April 2010

### **DOCUMENT AMENDMENTS**

	<b>Description</b>	<b>Date</b>
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo and request for background information	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



**2. LICENSEE REPRESENTATIVE CONTACT INFORMATION** – If different from Block 1.

Name:

Address:

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

e-mail: \_\_\_\_\_

(Attach authorization letter.)

**3. NAME OF PROJECT**

Is the name of the project the same as that considered in the existing water licence?

☒ Yes    ☐ No

Indicate the name of the project including the name of the location: Mouse Lake Project, Mouse Lake Area, Kitikmeot Region, Nunavut, about 100 km south of Kugluktuk

**4. LOCATION OF UNDERTAKING**

Is the location of the undertaking the same as that considered in the existing water licence?

☒ Yes    ☐ No

**Project Extents**

NW: Latitude: (67° 10' 41" N)

Longitude: (116° 28' 52" W)

NE: Latitude: (67° 10' 41" N)

Longitude: (115° 20' 50" W)

SE: Latitude: (66° 38' 40" N)

Longitude: (115° 20' 50" W)

SW: Latitude: (66° 38' 40" N)

Longitude: (116° 28' 52" W)

**Camp Location(s)**

Latitude: (67° 05' 58" N)

Longitude: (115° 44' 12" W)

**5. MAP**

Are the locations of the main components of the undertaking the same as those considered in the existing licence?

X Yes    ☐ No

Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: Parts of 86J, 86K, 86N, 86O

Map Name: HBME Nunavut (Kitikmeot) Mineral Claims and Mining Leases

Map Scale: 1:250,000

Additional maps

Map Name: Proposed 2014 Drilling Program – Eastern Half of Northern Coppermine Property

Map Scale: 1:50,000

Map Name: Proposed 2014 Drilling Program – Western Half of Northern Coppermine Property

Map Scale: 1:50,000

Map Name: Proposed 2014 Drilling Program - Southern Coppermine Property

Map Scale: 1:50,000

## 6. NATURE OF INTEREST IN THE LAND

Is the nature of the interest in the land the same as that considered in the existing water licence?

☒ Yes ☐ No

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

### Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)  
Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☒ Mineral Leases from Indian and Northern Affairs Canada (INAC)  
Date of issuance: September 08, 2006 Date of expiry: September 08, 2027, for 18 mining leases  
Date of issuance: February 01, 2007 Date of expiry: February 01, 2028, for 22 mining leases  
(see also attached lists of mineral claims and mining leases)

### Surface

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC) - N2011C0007  
Date (expected date) of issuance: April 12, 2011 Date of expiry: April 11, 2014  
Renewal Application was submitted to the AAND; Expected date of renewal: April 12, 2014

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)  
Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)  
Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)  
Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ Commissioner's Land Use Authorization  
Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

☐ Other \_\_\_\_\_

Date (expected date) of issuance: \_\_\_\_\_ Date of expiry: \_\_\_\_\_

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations: Hornby Bay Mineral Exploration Ltd.

Note: Mineral Claims CD 23, CD 24, CD 25 and mining lease 5011 are underlain by IOL Parcel CO-52, which has surface rights. These mineral claims and mining lease are part of the Company's Joint Venture with MIE Metals Corporation (formerly Adriana Resources Inc; see also attached map at scale 1: 250,000 and the attached lists of claims and leases). MIE Metals Corporation is the Operator of mineral Claims CD 23, CD 24, CD 25 and mining lease 5011. According to the JV agreement, the Operator is responsible for obtaining the permits and licenses required for exploration activities conducted on the claims and leases it operates.

## 7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Is the undertaking located in the same land use planning area as that considered in the existing licence?

☒ Yes ☐ No

Indicate the land use planning area in which the project is located.

☐ North Baffin  
☐ South Baffin  
☐ Akunnig

☒ Keewatin  
☐ Sanikiluaq  
☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☐ Yes ☒ No

If Yes, indicate date issued and attach copy. \_\_\_\_\_

Does the proposed renewal change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No\*

\*See attached Email Communication with the NPC

If Yes, indicate date issued (or expected) and attach a copy. \_\_\_\_\_

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

## 8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes\* ☐ No

\*See Decision Section of current NWB Licence 2BE-MOU0914

If Yes, indicate date issued and attach copy. \_\_\_ See attached Email Communication with the NIRB \_\_\_

Does the proposed renewal change the original NIRB screening determination or the need to obtain one?

☐ Yes ☐ No\*

\*See attached Email Communication with NIRB

If Yes, indicate date issued (or expected) and attach a copy. \_\_\_\_\_

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

## 9. DESCRIPTION OF UNDERTAKING

Is the description of the undertaking the same as that considered in the existing water licence?

☒ Yes ☐ No

List and attach plans and drawings or project proposal.

The program includes prospecting, geological mapping, ground geophysics and diamond drilling.

See also attached: Maps (Proposed 2014 Drilling Program); Table (Proposed 2014 Drillholes and Water Intake Points); and Executive Summary.

**10. OPTIONS**

Are the alternative methods and locations that were considered to carry out the project the same as those considered in the existing water licence?

☐ Yes    ☒ No

Project methods remain the same as in the existing licence.

Project has decreased in extent but current project boundaries are within those of the existing licence.

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.  
See attached Maps and Table indicating proposed Drilling Locations and Water Intake points.

**11. CLASSIFICATION OF PRIMARY UNDERTAKING**

Is the primary undertaking the same as that considered in the existing water licence?

☒ Yes    ☐ No

Indicate the primary classification of undertaking by checking one of the following boxes.

- |  |   |
|--|---|
| <input type="checkbox"/> Industrial  | <input type="checkbox"/> Agricultural                             |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) |   |
| <input type="checkbox"/> Conservation  |   |
| <input type="checkbox"/> Municipal (includes camps/lodges)   | <input type="checkbox"/> Recreational                             |
| <input type="checkbox"/> Power   | <input type="checkbox"/> Miscellaneous (describe below):<br>_____ |

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

**12. WATER USE**

Is the type(s) of water use(s) the same as that considered in the existing water licence?

☒ Yes    ☐ No

Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> To obtain water for exploration camp purposes |   |
| <input type="checkbox"/> To obtain water for industrial purposes                  | <input type="checkbox"/> To divert a watercourse                    |
| <input type="checkbox"/> To cross 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"/> Flood control                              |
| <input checked="" type="checkbox"/> Other: To obtain water for drilling           |   |



### 13. QUANTITY OF WATER INVOLVED

Is the source of water the same as that considered in the existing licence?

☒ Yes

☐ No

Name of water source(s): The water source for the camp is Mouse Lake. The water supply for drilling is from the largest lake or pond in the vicinity of each hole. An annual report is prepared at the end of each season with a table showing the coordinates of the completed drill holes and corresponding water intake points. Proposed drill locations and water intake points proposed for the 2014 exploration season are shown in a table and on maps appended to this application.

Is the quality of the water source and its available capacity the same as that considered in the existing licence?

☒ Yes

☐ No

Describe the quality of the water source(s) and the available capacity(s): Permanent fresh water lakes.

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Is the overall estimated quantity of water to be used the same as that considered in the existing licence?

☒ Yes

☐ No

Provide the overall estimated quantity of water to be used: up to a max. of 65 m<sup>3</sup>/day

Are the quantity(s) of water to be used from each source the same as those considered in the existing licence?

☒ Yes

☐ No

Provide the estimated quantity(s) of water to be used from each source: up to 5 m<sup>3</sup>/day from the Mouse Lake for camp purposes; up to 60 m<sup>3</sup>/day from largest lakes in the vicinity of drillholes.

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Are the quantity(s) of water to be used for each purpose the same as those considered in the existing licence?

☒ Yes

☐ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.): up to 5 m<sup>3</sup>/day for camp (domestic) use; up to 60 m<sup>3</sup>/day for drilling

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Are the method(s) of extraction the same as those considered in the existing licence?

☒ Yes

☐ No

Describe the method(s) of extraction: Pumping at rates sufficiently low to prevent fish impingement on water intake screens. Mesh size of screens is sufficiently fine to prevent entrainment of fish.

Are the quantity(s) of water returned to source(s) the same as those considered in the existing licence?

☒ Yes

☐ No

Estimated quantity(s) of water returned to source(s): 0 m<sup>3</sup>/day

Are the quality(s) of water(s) returned to source(s) the same as those considered in the existing licence?

☐ Yes

☐ No

Describe the quality(s) of water(s) returned to source(s): N/A

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#### 14. WASTE

Are the type(s) of waste(s) to be generated and/ or deposited the same as those considered in the existing licence?

☒ Yes ☐ No

Check the appropriate box(s) to indicate the types of waste(s) generated and deposited.

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

☒ Waste oil  
☒ Greywater  
☒ Sludges  
☐ Contaminated soil and/or water

#### 15. QUANTITY AND QUALITY OF WASTE INVOLVED

Are the quantity(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the composition(s) of the types of wastes involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of treatment for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

Are the method(s) of disposal for the types of waste involved the same as those considered in the existing licence?

☒ Yes ☐ No

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Toilet waste	up to 0.15 m <sup>3</sup> /day	Lime treatment of pit toilets	Incineration of eco-toilet bags
Solid waste	Combustible waste (food, paper, wood)	up to 0.3 m <sup>3</sup> /day	Incinerator burning	Ash shipped to disposal facility
Hazardous & waste oil	Batteries, paint cans, bulbs, oil	Minor amounts		Shipped to disposal facilities
Bulky Items/ Scrap metal	Drilling related items; empty fuel drums			Drill. items back-hauled by co; drums shipped to supplier
Greywater	Used domestic water	less than 5 m <sup>3</sup> /day		Monitored sump
Sludge	Drill cuttings and water	less than 60 m <sup>3</sup> /day		Sumps that are reclaimed

**16. OTHER AUTHORIZATIONS**

In addition to the sub-surface and surface land use authorizations provided in Block 6, are the same authorizations required as considered in the existing licence?

X Yes ☐ No

For each provide the following:

Authorization: Prospector's Licence # N31483

Administering Agency: Aboriginal Affairs and Northern Development

Project Activity: Mineral Prospecting

Date (expected date) of issuance: April 1, 2013 Date of expiry: March 31, 2014 (licence is renewed annually; expected date of re-issuance is April 1, 2014)

**17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES**

Are predicted environmental impacts of the undertaking and proposed mitigation measures the same as those considered in the existing water licence?

X Yes ☐ No

Describe direct, indirect, and cumulative impacts related to water and waste.

No significant environmental impacts are predicted.

**18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS**

Are the effects of the undertaking on any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature, the same as those considered in the existing water licence?

X Yes ☐ No

Provide the names, addresses and nature of use for any known persons or properties that may be adversely affected by the proposed undertaking, including those that hold licences for water use in precedent to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature.

No known person or property will be adversely affected.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

**19. INUIT WATER RIGHTS**

Are the effects of the undertaking on the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL) the same as those considered in the existing water licence?

X Yes ☐ No

Advise the Board of any substantial affect of the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL), and advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more Designated Inuit Organization (DIO).

There are no substantial effects on the waters flowing through Inuit Owned Land.

- 20. CONSULTATION** - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

There were no consultation meetings since last application submission.

**21. SECURITY INFORMATION**

Is the financial security assessment the same as that considered in the existing water licence?

☐ Yes ☐ No

No financial security assessment was requested previously.  
See attached Email Communication with the NWB

Is the estimate of the total financial security for final reclamation the same as that considered in the existing water licence?

☐ Yes ☐ No

See attached Email Communication with the NWB

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

**22. FINANCIAL INFORMATION**

Is the statement of financial security the same as that considered in the existing water licence?

☐ Yes ☐ No

No statement of financial security was requested previously.

Provide an updated statement of financial security.

See attached Email Communication with the NWB

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a list of the officers of the company.

Mr. Maurice Colson – President and Chief Executive Officer

Ms. Rebecca Hudson – Chief Financial Officer

Mr. Christopher Irwin – Corporate Secretary

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

The Company only changed its name from UNOR Inc. to Hornby Bay Mineral Corporation Ltd. in 2010.  
Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

Certificate of name change of the company name is attached.

## 23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

Information pertaining to Block 23 is attached. See also attached Email Communication with the NWB.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

## 24. PROPOSED TIME SCHEDULE

Is the time schedule for all phases of development (construction, operations, closure and post closure) the same as that considered in the existing licence?

☒ Yes ☐ No

The project is on-going and field operations are conducted from April to September. The camp is temporary closed from October until April. The proposed operation completion date takes into consideration the exploration targets presented in the maps and table attached to this application, as well as new targets that are likely to emerge in the future based on the on-going exploration work. Depending on the on-going exploration results and the available funding, the Company may decide to extend its operations past 2023, within the time limits of the mining leases that it holds.

Indicate the proposed start and completion dates for each applicable phase of development (construction, operation, closure, and post closure).

### Construction

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

### Operation

Proposed Start Date: 04/2014 Proposed Completion Date: 09/2023  
(month/year) (month/year)

### Closure

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

### Post - Closure

Proposed Start Date: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_  
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

### Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

### Operation

☐ Winter ☒ Spring ☒ Summer ☐ Fall ☐ All season

### Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

The camp is temporary closed and field activities are suspended from October until April.

### Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

**25. PROPOSED TERM OF LICENCE**

On what date does the existing licence expire? April 30, 2014

Indicate the proposed term of the renewal (maximum of 25 years): 10 years

Requested date of renewal issuance: 05/2014  
(month/year)

Requested Expiry Date: 05/2024  
(month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

**26. ANNUAL REPORTING**

Is the annual report template expected to be the same as that considered in the existing licence?

☒ Yes ☐ No

If not using the NWB's *Standardized Form for Annual Reporting*, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

**27. CHECKLIST**

The following must be included with the application for renewal for the water licensing process to begin.

Completed Application for Water Licence Renewal form.

X Yes ☐ No If no, date expected \_\_\_\_\_

Updated plans, including designs and reports (see Block 23).

X Yes ☐ No If no, date expected \_\_\_\_\_

Updated security assessment (see Block 21).

☐ Yes X No\* If no, date expected \_\_\_\_\_

\*See attached Email Communication with the NWB.

Updated financial statement (see Block 22).

☐ Yes X No\* If no, date expected \_\_\_\_\_

\*See attached Email Communication with the NWB.

Compliance Assessment / Status Report (see Block 23).

X Yes\* ☐ No If no, date expected \_\_\_\_\_

\*See attached Email Communication with the NWB.

English Summary of Renewal Application.

X Yes ☐ No If no, date expected \_\_\_\_\_

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

X Yes ☐ No If no, date expected \_\_\_\_\_

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

X Yes ☐ No If no, date expected \_\_\_\_\_

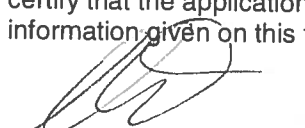
Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

X Yes ☐ No If no, date expected \_\_\_\_\_

**28. SIGNATURE**

I, CHRISTOPHER IRWIN, Corporate Secretary of Hornby Bay Mineral Exploration Ltd. (print name)

certify that the application requires no changes to water use or waste disposal as previously authorized and that the information given on this form is, to the best of my knowledge, correct and complete.

  
Signature

January 22, 2014  
Date