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General Water Licence Application
(Application for a new Water Licence)

April 2010

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OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

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DOCUMENT AMENDMENTS

	Description	Date
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GENERAL WATER LICENCE APPLICATION
(APPLICATION FOR NEW WATER LICENCE)

The applicant is referred to the NWB's Guide 4: *Guide to Completing and Submitting a Water Licence Application for a New Licence* for more information about this application form.

LICENCE NO: (for NWB use only)	
1. APPLICANT (PROPOSED LICENSEE) CONTACT INFORMATION (name, address) **IronOne Inc.** **130 King St. West, Suite 2500** **Toronto, Ontario** **M5X 1A9** **Phone: 416 643 3880** **Fax: 416 362-7360** **e-mail: ddonofrio@poweronecapital.com**	**2. APPLICANT REPRESENTATIVE CONTACT INFORMATION** if different from Block 1 (name, address) **Paul Sobie** **MPH Consulting Ltd** **Suite 501, 133 Richmond St. W** **Toronto, On, Canada M5H 2L3** **Phone: 416 365 0930** **Fax: 416 365 1830** **e-mail: psobie@mphconsulting.com** **Authorization letter attached – Attachment A**
3. NAME OF PROJECT (including the name of the project location) **Maguse River Project, Kivalliq Region, Nunavut**	
4. LOCATION OF UNDERTAKING **Project Extents** **NW: Latitude: (61°45'00" N) Longitude: (95°15'00" W)** **NE: Latitude: (61°52'30" N) Longitude: (93°45'00" W)** **SE: Latitude: (61°30'00" N) Longitude: (94°00'00" W)** **SW: Latitude: (61°30'00" N) Longitude: (95°00'00" W)** **Camp Location(s)** **Latitude: (61°45'10" N) Longitude: (93°59'11" W)**	
5. MAP - Attach a topographical map, indicating the main components of the undertaking. **Figure 1 – Attached 1:250,000 scale map showing location of all IronOne's Prospecting Permits** **Figure 2 – Attached 1:50,000 scale map showing detailed area with camp and area of drilling** **NTS Map Sheet No.:055E09, 055F12 and 055F13** Map Name: _____ **Map Scale: 1:50,000**	

6. NATURE OF INTEREST IN THE LAND - 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 Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

Surface

X Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: **Summer 2011_(Expected)** Date of expiry:

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

X IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance**: Spring 2011 (Expected**)___ 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: _____

Name of entity(s) holding authorizations: **IronOne Inc**.
_____

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

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

☐ North Baffin
☐ South Baffin
☐ Akunniq
X Keewatin
☐ Sanikiluaq
☐ West Kitikmeot

Is a land use plan conformity determination required?

X Yes ☐ No

If Yes, indicate date issued and attach copy: **being applied for with this application**
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

Is an Article 12 Part 4 screening determination required?

X Yes ☐ No

If Yes, indicate date issued and attach copy _**APPLICATION SUBMITTED**
If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal.

See Attachment B – Project Proposal and Figure 3: Site Plan

10. OPTIONS – Provide a brief explanation of the alternative methods or locations that were considered to carry out the project.

Three alternate campsite locations were considered. However after examination by air and consultation with various local persons from Arviat, a final campsite location was chosen based on perceived ease of access by float or tundra tire equipped, fixed wing aircraft.

11. CLASSIFICATION OF PRIMARY UNDERTAKING - Indicate the primary classification of undertaking by checking one of the following boxes.

☐ Industrial ☐ Agricultural
X Mining and Milling (includes exploration/drilling/exploration camps)
☐ Conservation
☐ Municipal (includes camps/lodges) ☐ Recreational
☐ Power ☐ Miscellaneous (describe below):
_____

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

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be submitted with a New Water Licence Application. Indicate which SIG(s) are applicable to your application.

☐ Hydrostatic Testing
☐ Tannery
☐ Tourist / Remote Camp
☐ Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
☐ Onshore Oil and Gas Exploration Drilling
X Mineral Exploration / Remote Camp
☐ Advanced Exploration
☐ Mine Development
☐ Municipal
☐ General Water Works
☐ Power

12. **WATER USE -** Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for.

X To obtain water for camp/ municipal purposes
X To obtain water for industrial purposes
☐ To cross a watercourse
☐ To alter the flow of, or store water
☐ Other: _____
☐ To divert a watercourse
☐ To modify the bed or bank of a watercourse
☐ Flood control

13. **QUANTITY AND QUALITY OF WATER INVOLVED -** For each type of water use indicated in Block 12, provide the source of water, the quality of the water source and available capacity, the estimated quantity to be used in cubic meters per day, method of extraction, as well as the quantities and qualities of water to be returned to source.

Name of water source(s) (show location(s) on map):
Water for camp use (cooking, cleaning, personal hygiene, and rock sawing will come from the Wallace River system (see Figure 3). Water for each drill site will come from nearby lakes and/or ponds (see Figure 2).

Describe the quality of the water source(s) and the available capacity:
All water sources are freshwater lakes unaffected by human activities therefore water quality will be good. The quality and quantity of waters will not be impacted by this proposed undertaking.

Provide the overall estimated quantity of water to be used: **110-120 m^3/day (includes camp and drill use)**

Provide the estimated quantity(s) of water to be used from each source:
CAMP LAKE (Wallace River): 20-30 m^3/day
LAKE near DRILL: 45 m^3/day (two 12 hr drill shifts) and drill would draw water for approximately 5-6 days from each source (lake)

Indicate the estimated quantities to be used for each purpose (camp, drilling, etc.)
CAMP LAKE (Wallace River): 20-30 m^3/day
LAKE near DRILL: 45 m^3/day (two 12 hr drill shifts) and drill would draw water for approximately 5-6 days from each source (lake)
_____

Describe the method of extraction(s): **Water will be pumped to holding tanks in camp and to the drill through a water intake line. All water intake lines will be equipped with a screen with an appropriate mesh size to ensure no entrapment of fish.**

Estimated quantity(s) of water returned to source(s) **0** m^3/day

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

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

X Sewage	**X** Waste oil
X Solid Waste	**X** Greywater
X Hazardous	**X** Sludges
X Bulky Items/Scrap Metal	☐ Contaminated soil and/or water
☐ Animal Waste	

☐ Other (describe): _____

15. QUANTITY AND QUALITY OF WASTE INVOLVED – 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	Human Excrement	20 person X 60 days	N/A	Incinerated
Solid Waste	Wood, food scraps, packaging, plastic, cloth	5 lbs per day	Collected in 205 L drums and sealed	Backhauled to Arviat for disposal, or incinerated
Hazardous	Drill additives, See MSDS Sheets	minimal	Collected and properly stored at camp	Backhauled to Arviat and/or Rankin Inlet for disposal at nearest Hazardous Waste disposal facility
Bulky Items/Scrap	Steel drums, metal, empty propane tanks,	250 - 205litre drums 100lb propane tanks	Collected in 205 L drums and sealed	Backhauled to Arviat for disposal/ reuse
Waste Oil	Motor Oil	minimal	Collected and properly stored at camp	Backhauled to Arviat for disposal at nearest disposal facility
Greywater		Domestic use and drill use 110-120 m3/day	Collected in hand dug sump at least 31m away from high water mark of any water body.	
Sludge	Drill Sludge	0.14 m^3/ 100m drilled (estimated 6000-7000 m / 60 days)	Collected in hand dug sump at least 31m away from high water mark of any water body. Sludges will be allowed to settle.	Settled sludges will be disposed off down the drill hole.

16. **OTHER AUTHORIZATIONS** – In addition to the sub-surface and surface land use authorizations provided in Block 6, indicate any other authorizations required in relation to the proposed undertaking. For each provide the following:

Authorization: **None**_____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES - Describe direct, indirect, and cumulative impacts related to water and waste.

IronOne Inc. is fully committed to implementing its proposed exploration project in an environmentally responsible manner to protect and sustain the environment.

Water usage will be minimal (~110-120 cubic metres/day) and restricted to drill and domestic use at the temporary camp only. All domestic greywater and water/drill cuttings used by the drill will be drained to sumps located a minimum of 31 metres from the normal high water mark of any water body. Drill operations will be conducted in an environmentally friendly manner and fuel caches will be checked daily for potential leakage. All trenches/pits/sumps will be backfilled and contoured when operations are complete.

The total estimated surface disturbance for all of the drill sites (approximately 30-50 for each year of the permit) is estimated to be a maximum of 0.3-0.5 ha/year. The small quantities of benign drill cuttings (0.14 m^3/ 100m drilled) generated at each drill site will be re-deposited back down the hole if possible before freezing, or deposited in natural depressions or sumps and will affect small areas of sparsely vegetated tundra within the footprint of the disturbed area at each drill site. All garbage, fuel drums and equipment will be removed from each drill site.

Mitigation measures to be undertaken to reduce, control or eliminate potential environmental effects include:

1. Only environmentally acceptable and approved muds and additives (as per DIAND regulations) are to be used during drilling operations.
2. Drill holes to be plugged and permanently sealed if artesian flow is encountered.
3. All fuel caches will be located a minimum of 30 meters from the normal high water mark. Spill kits will be present at all fuel caches and drilling operations.
4. IronOne possesses and maintains a current Emergency Response Plan including a Fuel Spill Contingency Plan (Attachment C) that all employees and contractors are required to adhere to. These policies also include safety, emergency, fire and medi-vac procedures and are described in detail in IronOne's Safety Manual/Field Guide (Attachment D).
5. All incinerator residual, non-combustible garbage, bulk metal scraps, hazardous waste, empty drums and propane tanks will be backhauled to Arviat for disposal in approved facilities.

Any environmental impacts as a result of the proposed exploration activities can be mitigated. In total, the residual environmental effects of IronOne's entire exploration program on the Maguse River project are expected to be negligible. No other mineral exploration activities or other industrial development projects are currently known or planned for the area, which further reduces the potential for cumulative effects.

18. WATER RIGHTS OF EXISTING AND OTHER USERS OF WATER

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.

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

N/A

19. INUIT WATER RIGHTS

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).

The quality and quantity of flow of waters flowing through IOL will not be affected as no drilling will be carried out on IOL.

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.

Presentation made to Arviat Hamlet Council March 29, 2011. Subsequent meetings held with Arviat CEDO John Main and SAO Ed Murphy March 30, 2011. Primary concern was for utilization of local services and hiring of local labour, to which IronOne has agreed. Also a meeting was held with Biologist Mitch Campbell on March 30, 2011 regarding caribou management and procedures IronOne will implement, should the migration cross the permits.

21. SECURITY INFORMATION

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.

Demobilization of the camp, fuel and drill would be the highest liability. Estimated cost of demobilization to Arviat is $50,000

22. FINANCIAL INFORMATION

Provide a statement of financial responsibility. **See Attachment F**

If the applicant is a business entity, provide a list of the officers of the company.

Paul Sobie
Alec Rowlands

If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name. **See Attachment G and H**

23. STUDIES UNDERTAKEN TO DATE - List and attach copies of studies, reports, research, etc.

Iron One is not aware of any studies undertaken to date.

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

Construction
Proposed Start Date: **June 2011** (month/year) Proposed Completion Date: **July 2011**___ (month/year)

Operation
Proposed Start Date: ___**July 2011_(March in subsequent years)**____ (month/year) Proposed Completion Date: __**Fall each year**____ (month/year)

Closure
Proposed Start Date: ___**unknown**_____ (month/year) Proposed Completion Date: **unknown**_____ (month/year)

Post - Closure
Proposed Start Date: ___**unknown**_____ (month/year) Proposed Completion Date: _____**unknown** (month/year)

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

Construction
☐ Winter ☐ Spring **X** Summer ☐ Fall ☐ All season

Operation
☐ Winter **X** Spring **X** Summer **X** Fall ☐ All season

Closure
☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure
☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

Number of years (maximum of 25 years): **5** years

Requested Date of Issuance: **July 2011** (month/year) Requested Expiry Date: **July 2016** (month/year)

(The requested date of 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 – 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 the water licensing process to begin.

Written confirmation from the NPC confirming that NPC's requirements regarding land use plan conformity have been addressed.

☐ Yes ☐ No If no, date expected _____

Written confirmation from the NIRB confirming that NIRB's requirements regarding development impact assessment have been addressed.

☐ Yes ☐ No If no, date expected _____

Completed General Water Licence Application form.

☐ Yes ☐ No If no, date expected _____

Information addressing Supplemental Information Guideline (SIG) , where applicable (see Block 11)

☐ Yes ☐ No If no, date expected _____

English Summary of Application.

☐ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Application.

☐ Yes ☐ No If no, date expected _____

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

☐ 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.

☐ Yes ☐ No If no, date expected _____

28. **SIGNATURE**

PAUL SOGLE	PRESIDENT		12 APRIL 2011
Name (Print)	**Title (Print)**	**Signature**	**Date**