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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

WATER LICENCE APPLICATION FORM

Application for: (check one)

☐ New ☒ Renewal ☐ Amendment ☐ Assignment ☐ Cancellation

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE <u>Commander Resources Ltd</u> <u>Suite 510, 510 Burrard St</u> <u>Vancouver, BC</u> <u>V6C 3A8</u> Phone: <u>(604) 685-5254</u> Fax: <u>(604) 685-2814</u> e-mail: <u>as.geovector@bellnet.ca</u>	2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable) _____ Phone: _____ Fax: _____ e-mail: _____
3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) Nadluardjuk Lake to Dewar Lakes Central Baffin Island, Nunavut Between 71° and 73° W and 68° 30' and 68° 40' N Latitude: (° ' " N) Longitude: (° ' " W) NTS Map Sheet No. <u>37A and 27B</u> Scale: <u>1:250,000</u>	
4. DESCRIPTION OF UNDERTAKING (attach plans and drawings) The proposed exploration program is a continuation of Commander's gold and base metal exploration that has been on going in central Baffin Island since 2003. Future programs continue to employ conventional exploration methods that are designed to locate and test particular rock types for their gold potential. Future programs will be operated out of a 25 person camp located on Dewar Lakes, immediately adjacent to the DEW site Fox-3 airstrip, which is identified on the accompanying map. The programs will be multistage. Early work may comprise ground geophysics, and minimal diamond drilling on the snow and ice in the April-May period. The bulk of our exploration will be completed in the June to September period, once the snow and ice has melted. During these months, work will be site specific and will involve geological mapping, sampling and ground geophysics. The ground geophysical program will require a wooden picketed grid for ground control. Crews for the summer program will be shuttled to and from work sites via a helicopter based in the camp for the summer. The 2008 drill programs will start in late July and run through to the end of September. Any	

drilling programs to be conducted in subsequent years will start in early June. Core samples will be collected, assayed and results will be evaluated. A single drill rig will be used for this work. The drill unit will be heli-portable and surface disturbance at drill sites will be localized and minimal. Each drill site will cover approximately 20 square metres and these areas will be returned as near as possible to their original state. A wooden stake with a metal tag will be left marking the location of the drill collar for future reference. All garbage and empty drums will be backhauled to camp. Garbage will either be burned on site in a high temperature fuel fed barrel incinerator or backhauled to the landfill site in Iqaluit; empty drums will be backhauled to Iqaluit.

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 (includes exploration/drilling) | <input type="checkbox"/> Conservation |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input checked="" type="checkbox"/> Miscellaneous (describe below): |

Mineral Exploration

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"/> Flood control |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> To divert 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"/> Other (describe): | |

7. **QUANTITY OF WATER INVOLVED** (cubic metres per day including both quantity to be used and quantity to be returned to source)

- Water use** ☐ 100m³/day or less
☒ Greater than 100m³/day; if greater, indicate quantities to be used for each purpose (camp, drilling, etc.)

Camp Use: Water to be used for domestic purposes and core sample cutting. The camp will house on average 16 people over a 3 month period consuming 60 litres of water per day per person. Discharge of grey water and rock cuttings will be confined to hand dug sumps (2x3x3 metres) located more than 30 metres from the high water mark of the source and so no water will be returned to the source.

Diamond Drilling: Estimated consumption of water at the drill is 30,000 litres per 24 hour shift, over a 60 day drill program. All drill water is collected in natural depressions. As drill sites and water discharge hoses are located more than 30 metres from the high water mark of any lake, no water will be returned to the source

Water returned to source

0 m³/day

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

Sewage: To be contained in a latrine pit, positioned no closer than 30 metres from any body of water, treated with lime and buried.

Garbage: Burnable solid waste will be burned in a high temperature fuel-fed burn barrel incinerator. Non burnables, waste oil, scrap metal, and ashes from the burn barrels will be backhauled to Iqaluit for disposal.

Gray water: Discharge of grey water will be confined to hand dug sumps (2x3x3 metres) located more than 30 metres from any body of water.

9. **OTHER 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 _____

Regional Inuit Association ☒ Yes ☐ No If no, date expected _____

Commissioner ☐ Yes ☐ No If no, date expected _____

10. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.)

The proposed program should have minimum impact on the environment and will be restricted to foot traffic in most areas. The heaviest piece of equipment will be the drill rig, which will minimally affect 10-20 areas of no more than 20 square metres per area. The diamond drill rig will be moved by helicopter, and therefore areas outside of the drill pad and between pads will be affected at most by foot traffic. All oils and greases from the drills will be cleaned up with absorbent matting when the drill is dismantled for moving. Water return and rock cuttings from the drill will be directed into a local depression where it will settle and slowly disperse with rain and snow fall.

Some of the sparse local flora around the camp area may be flattened by the tent floors and by foot traffic and may be deprived of sunlight so there will be bare patches when the tents and floors are removed which should recover naturally. Fertilizers can be added to the ground to try and speed up growth recovery.

A Honda 4 wheel bike or small tractor may be used for transport of gear between camp and the airstrip and will utilize a preexisting trail.

Minimal wildlife was observed on the property over the last 4 years and was restricted to a few scattered caribou, no more than 10 at a time, in later August and early September, a few arctic foxes, and a wolf. Geese, ducks, and various small birds were seen throughout the field season but in very small quantities. The property does not appear to be used by different wildlife species as a major calving area or a migratory route for large herds. The impact on wildlife by our exploration activities will be minimal.

NIRB has screened and accepted all previous Land Use applications and Water Licence application for the Baffin Island Project. As this renewal application covers a continuation of the original work program, it is anticipated that no problems will arise with any additional screening.

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. All work will be conducted to ensure no impact to local water bodies occurs and that water quality is not compromised.

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)

Geological and geophysical work will be conducted by GeoVector Management Inc. Helicopter contractor has not yet determined.

Drill Contractor: Cabo Drilling (Ontario) Corp. P.O. Box Duncan Avenue North, Kirkland Lake, Ontario, P2N3L3

Cook and First Aid Services: 1984 Enterprises Ltd., Vancouver B.C.

Camp Contractor and Expediting: Matrix Aviation Solutions of Yellowknife

Charter Aircraft: First Air, Air Nunavut and Ken Borek Air of Iqaluit

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

As this project is still in the early stages of exploration, no impact studies have yet to be completed. Technical reports from each year of work are filed with the Nunavut government in Iqaluit

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 and/or Inuinnaqtun/English Summary of Project ☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 (Payee Receiver General for Canada) ☒ Yes ☐ No If no, date expected _____

Water Use fee of \$30.00 (unless otherwise indicated in Section 9 of the *NWT Waters Regulations*; Payee Receiver General for Canada)

☒ Yes ☐ No If no, date expected _____

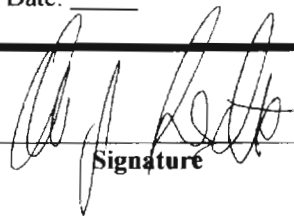
15. PROPOSED TIME SCHEDULE (unless otherwise indicated, the NWB will consider the application for a five (5) year term)

☐ one year or less (or) ☐ Multi Year

Start Date: _____ Completion Date: _____

Alan Sexton
Name (Print)

Project Manager
Title (Print)


Signature

June 9, 2008
Date

For Nunavut Water Board office use only

APPLICATION FEE Amount: \$ _____ Pay ID No.: _____

WATER USE DEPOSIT Amount: \$ _____ Pay ID No.: _____