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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN

Effective January 1, 2004

WATER LICENCE APPLICATION FORM

Application for: (check one)

___ New _X_ Amendment ___Renewal ___Assignment

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Commander Resources Ltd
Suite 510, 510 Burrard St
Vancouver, BC
V6C 3A8

Phone: (604) 685-5254
Fax: (604) 685-2814
e-mail: as.geovector@bellnet.ca

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 70 degrees 38 minutes and 74 degrees and 25 minutes West and 68 degrees 25 minutes and 68 degrees and 41 minutes North

Latitude:_____ Longitude:_____ NTS Map No. 37A and 27B
Scale 1:250,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

Commander Resources Ltd. made several significant gold discoveries in central-west Baffin Island during exploration from 2003 to 2009. The main discoveries are on the Qimmiq Agreements (Qimmiq 1, 2, 4, 5 & 6) on Inuit Owned Lands (IOL) while other showings are on the Talik Agreement and on federal lands covered by DIAND Land Use Permits. All of the most advanced showings are on IOL, the Qimmiq 1, 2, 4, 5 and 6 Agreements within BI-35.

In 2010 and 2011, Commander intends to undertake a comprehensive exploration program on the properties to evaluate the discoveries and search for others. The program will include diamond drill testing of the Malrok, Hebert, Durette, Brent and Ridge Lake Zones in 2010 and 2011. Percussion drilling is possible for all these zones during April and May of 2011, depending on the significance of the results from the 2010 work Regional to detailed ground geophysical surveys (magnetic, IP and electromagnetic), prospecting, geological mapping, detailed rock sampling, channel sampling, soil sampling, till sampling and lake sediment sampling.

The re-supply of the project is expected to start by mid-March, 2010 with supplies and fuel being flown into the Fox 3 airstrip which is adjacent to Commander's Dewar Lakes camp. Bulk fuel will be transported from the airstrip to fuel bladders in the Dewar Lakes camp using a 10,000 litre capacity fuel truck. All other supplies and drummed fuel for the Dewar Lake camp will be transported via small tractor or helicopter from the airstrip to the camp.

During mid to late March it will be necessary to create a new cat trail on IOL that will extend 18 kilometers south from the from the existing cat trail to the proposed Malrok camp site. This will require using a D6 bulldozer with a sled containing a tent, food, and minimal diesel fuel to move overland from the Dewar Lake camp to the proposed Malrok Lake camp site. Once at the new cat trail is in place the D6 bulldozer will construct an airstrip on the surface of Malrok Lake near the proposed Malrok camp site. The equipment and personnel used to transport these materials and fuel will be completed by Biogenie. Once the Malrok Lake airstrip is completed supplies, fuel and the materials to build the Malrok Lake camp will be flown from either the Fox 3 airstrip or Iqaluit.

The 2010 exploration program is expected to start in early April with ice based diamond drilling on Malrok Lake and snowmobile supported ground geophysical surveys.

During 2010 diamond drilling for the months of June to September will focus on the Malrok Lake and Hebert areas. Percussion drilling is possible for the Peninsula, Hebert, Hebert Southeast and Durette areas during 2011, depending on the significance of the results from the 2010 work. The regional to detailed ground geophysical surveys (magnetic, IP and electromagnetic), prospecting, geological mapping, detailed rock sampling, channel sampling, soil sampling, till sampling and lake sediment sampling will be done from late June until mid September during 2010 and 2011. Demobilization of personnel from the Dewar Lakes and Malrok Lake camps will occur late in September for 2010 and 2011.

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

___ **Industrial**
_X_ **Mining and Milling**
___ **Municipal** (includes camps/lodges)
___ Power
___ Agricultural
___ **Conservation**
___ Recreational
_X_ **Miscellaneous** (includes exploration/drilling) (describe):____**Mineral Exploration**_____

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

6. WATER USE

_X_ 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): _____

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

Water use ☐ $100m^3$/day or less
☒ Greater than $100m^3$/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 Dewar Lake camp will house on average 25 people over a 3-6 month periods consuming 60 litres of water per day per person. The Malrok Lake camp will house on average 25 people over a 3-6 month period consuming 60 litres of water per day per person.Discharge of grey water and rock cuttings in both camps 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 90 to 120 day drill program. Two drills will be used so a total of 60,000 litres of water will be used in a 24 hour shift. All drill water is collected in natural depressions. As drill sites and water discharge hoses are located more that 30 metres from the high water mark of any lake, no water will be returned to the source.

Water returned to source

0 m^3/day

8. WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of treatment and disposal, etc.)

_X_ Sewage
_X_ Solid Waste
___ Hazardous
_X_ Bulky Items/Scrap Metal
_X_ Waste oil
_X_ Greywater
___ Sludges
___ Other (describe): _____

Sewage: To be contained in a latrine pit, positioned no closer that 30 metres from any body of water, treated with lime and buried. During the March to May period pacto toilets will be used and all waste will be incinerated.
Garbage: Burnable solid waste will be burned in a high temperature fuel-fed two-stage 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. PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Land Use Permit

DIAND _X_ Yes ___ No If no, date expected _____

Regional Inuit Association ___ Yes _X_ No If no, date expected March 15, 2010

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. Water return from ice based drilling will be re-circulated, collected and removed from the lake surface to a sump that is at a distance of 50 metres or greater from the high water mark of any water body or

stream.

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.

At the Dewar Lakes camp a honda 4 wheel bike or small tractor may be used for transport of gear between the camp and the airstrip and will utilize a pre-existing trail during the summer months. During the months of MArch to May bulk diesel fuel will be transferred from the airstrip to fuel bladders in a 10,000 litre capacity fuel truck along a pre-existing trail. Also, during the months of March to May all equipment and supplies will be transported from the airstrip to the camp with a small tractor and sled along a pre-existing trail.

At the Malrok Lake camp two ski-doos with sleds will be used to transport people and supplies from the ice strip to the camp. These shi-doos will also be used to trasport the drill crews from te camp to the drills on a dialy basis. A D-6 bulldozer will be used to make the ice strip and to move the diamond drills on Malrok Lake.

Minimal wildlife was observed on the property over the last 4 years and was restricted to a few scattered caribou, no more that 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 miimal.

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 _X_ 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.

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)

Geological and geophysical work will be conducted by GeoVector Management Inc. Helicopter contractor will be Abitibi Helicopters out of Val D'Or, Quebec.
Drill Contractor: Cabo Drilling (Ontario), 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 and Arctic Sunwest of Yellowknife

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. Techincal reports from each year of work are filed with the Federal government (INAC) in Iqaluit and NTI in Cambridge Bay.

14. THE FOLLOWING DOCUMENTS MUST BE INCLUDED WITH THE APPLICATION FOR THE REGULATORY PROCESS TO BEGIN

Supplementary Questionnaire (where applicable: see section 5) _X_ Yes ___ No If no, date expected _____

Inuktitut/English Summary of Project _X_ Yes ___ No If no, date expected _____

Application fee $30.00 (Payee Receiver General for Canada) _X_ Yes ___ No If no, date expected _____

Water Use fee (see Section 9 of the *NWT Waters Regulations;* Payee Receiver General for Canada) _X_ Yes ___ No If no, date expected _____

15. PROPOSED TIME SCHEDULE

___ Annual (or) _X_ Multi Year

Start Date: March 15, 2010 Completion Date: March 15, 2015

Alan Sexton	Project Manager		January 8, 2010
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.:**