



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

April 2010

P.O. BOX 119
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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

| | Description | Date |
|------|-------------|------|
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NUNAVUT WATER BOARD
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OFFICE DES EAUX DU NUNAVUT

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) Northquest Ltd Suite 1000 – 36 Toronto St. Toronto, ON M5C 2C5 Phone: (416) 306-0202 Fax: (416) 342-1973 e-mail: jon@northquest.biz | 2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address) Dwayne Car P.O.Box 209 Wahnapitae, ON P0M 3C0 Phone: (705) 694-5777 Fax: e-mail: dwayne.car777@gmail.com (Attach authorization letter.) |
| 3. NAME OF PROJECT (including the name of the project location) Pistol Bay Project, Pistol Bay area, Nunavut | |
| 4. LOCATION OF UNDERTAKING Project Extents NW: Latitude: (62° 37' 30" N) Longitude: (93° 30' 00" W) NE: Latitude: (62° 37' 30" N) Longitude: (92° 30' 00" W) SE: Latitude: (62° 15' 30" N) Longitude: (92° 33' 00" W) SW: Latitude: (62° 22' 30" N) Longitude: (93° 30' 00" W) Camp Location(s) Latitude: (62° 21' 05.2" N) Longitude: (92° 45' 19.7" W) | |
| 5. MAP - Attach a topographical map, indicating the main components of the undertaking. NTS Map Sheet No.: 55K7SE Map Name: Proposed Drilling & Camp Location 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: _____

x☐ Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: May, 2011 Date of expiry: May, 2013

Surface

x☐ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: April, 2011 Date of expiry: April, 2013

☐ 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: April, 2011 Date of expiry: April, 2013

☐ 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: _____

x☐ Other: Municipality of Hamlet Cove
Date (expected date) of issuance: March, 2011 Date of expiry: Open Ended

Name of entity(s) holding authorizations:

Northquest Ltd

7. **NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION**

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

| | |
|---------------------------------------|---|
| <input type="checkbox"/> North Baffin | x <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Is a land use plan conformity determination required?

x☐ Yes ☐ No

If Yes, indicate date issued and attach copy March 22, 2011

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 | <p>Is an Article 12 Part 4 screening determination required?</p> <p>x <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, indicate date issued and attach copy <u>Pending</u></p> <p>If No, provide written confirmation from NIRB confirming that a screening determination is not required.</p> |
| 9. | DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal. | <p>A description of planned activities is attached.</p> |
| 10. | OPTIONS – Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. | <p>This was considered to be the best method and location for the project.</p> |
| 11. | CLASSIFICATION OF PRIMARY UNDERTAKING - Indicate the primary classification of undertaking by checking one of the following boxes. | <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> Industrial <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"/> Power </div> <div style="width: 50%;"> <input type="checkbox"/> Agricultural <input type="checkbox"/> Recreational <input type="checkbox"/> Miscellaneous (describe below): </div> </div> <hr/> <p>See Schedule II of <i>Northwest Territories Waters Regulations</i> for Description of Undertakings.</p> <p>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.</p> <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input type="checkbox"/> Hydrostatic Testing <input type="checkbox"/> Tannery <input type="checkbox"/> Tourist / Remote Camp <input type="checkbox"/> Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil <input type="checkbox"/> Onshore Oil and Gas Exploration Drilling <input checked="" type="checkbox"/> Mineral Exploration / Remote Camp <input type="checkbox"/> Advanced Exploration <input type="checkbox"/> Mine Development <input type="checkbox"/> Municipal <input type="checkbox"/> General Water Works <input type="checkbox"/> Power </div> </div> |
| 12. | WATER USE - Check the appropriate box(s) to indicate the type(s) of water use(s) being applied for. | <div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"> <input checked="" type="checkbox"/> To obtain water for camp/ municipal purposes <input checked="" type="checkbox"/> To obtain water for industrial purposes <input type="checkbox"/> To cross a watercourse <input type="checkbox"/> To alter the flow of, or store water <input type="checkbox"/> Other: _____ </div> <div style="width: 50%;"> <input type="checkbox"/> To divert a watercourse <input type="checkbox"/> To modify the bed or bank of a watercourse <input type="checkbox"/> Flood control </div> </div> |

- 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 and drill sites will be obtained from unnamed small ponds

Describe the quality of the water source(s) and the available capacity: _____

The water sources are small melt-water/rain-fed ponds

Provide the overall estimated quantity of water to be used: 0.4 m³/day when no drilling is being done, and 51.0 m³ when the diamond drill is in operation

Provide the estimated quantity(s) of water to be used from each source:

Each pond will provide from 40 to 400 m³ of water

Indicate the estimated quantities to be used for each purpose (camp, drilling, etc.)

Camp will use about 40 m³ derived from one pond. Drilling will use about 1000 m³ of water in total over a period of about 20 days of actual diamond drilling. The drilling will occur at up to 5 separate locations, and duration of drilling at each site will vary from 2 to 8 days. This means that at some locations, 100 m³ will be used and at other locations, 400 m³ will be used.

Describe the method of extraction(s): Electric pump for camp and Diesel pump for drill.

Estimated quantity(s) of water returned to source(s) none m³/day

Describe the quality of water(s) returned to source(s): _____

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

See attached "Waste and Disposal of Waste"

| Type of Waste | Composition | Quantity Generated | Treatment Method | Disposal Method |
|---------------|-------------|--------------------|------------------|-----------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

- 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: Authorization to dispose of waste

Administering Agency: Hamlet of Whale Cove

Project Activity: Geology and Diamond Drill Program, Pistol Bay Project

Date (expected date) of issuance: March 25 Date of expiry: Open Ended

This authorization is attached.

Authorization: Authorization to temporarily store equipment at Whale Cove airport until early June

Administering Agency: Hamlet of Whale Cove

Project Activity: Transportation of equipment to a staging site prior to final move to camp site in June

Date (expected date) of issuance: March 25 Date of expiry: Open Ended

This authorization is attached.

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

If calcium chloride brine is used for bit changes at the drill, there may be some damage to nearby vegetation. However, the brine will be quickly diluted by additional fresh water being used by the drill. All other drill additives are environmentally friendly and will not pose any negative impacts to the environment.

- 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.

- 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).

There will be no substantial effect to the quality, quantity or flow of waters.

| |
|--|
| <p>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.</p> <p>A meeting was held with the Whale Cove Hamlet Council on February 11, 2011 in Whale Cove. The only concern expressed by one councilor was that Northquest Ltd had not involved the council in earlier stages of planning. We informed them that we had only recently obtained our complete land package and were attempting to involve the council as early as possible.</p> |
| <p>21. SECURITY INFORMATION</p> <p>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. <u>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.</u> The estimate must also include contingency factors appropriate to the particular work to be undertaken.</p> <p>It is estimated that it would cost approximately \$10,000 to carry out a final reclamation.</p> <p>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 <i>Mine Site Reclamation Policy for Nunavut</i>, Indian and Northern Affairs Canada, 2002.</p> |
| <p>22. FINANCIAL INFORMATION</p> <p>Provide a statement of financial responsibility.</p> <p>If the applicant is a business entity, provide a list of the officers of the company.</p> <p>If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name.</p> |
| <p>23. STUDIES UNDERTAKEN TO DATE - List and attach copies of studies, reports, research, etc.</p> <p>No studies have been undertaken to date.</p> |

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 Proposed Completion Date: June, 2011
(month/year) (month/year)

Operation

Proposed Start Date: June, 2011 Proposed Completion Date: September, 2011
(month/year) (month/year)

Closure

Proposed Start Date: September, 2011 Proposed Completion Date: September, 2011
(month/year) (month/year)

Post - Closure

Proposed Start Date: June, 2012 Proposed Completion Date: September, 2012
(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

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: June, 2011 Requested Expiry Date: June, 2015
(month/year) (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 April, 2011

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

| Name (Print) | Title (Print) | Signature | Date |
|--------------|---------------|-----------|------|
|--------------|---------------|-----------|------|

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 April, 2011

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

Dwayne Car
Name (Print)

VP Exploration
Title (Print)

Dwayne Car
Signature

Mar 25, 2011
Date

Satellite Image Showing
Location of Proposed
Camp Infrastructure
Pistol Bay Project

Northquest Camp at $62^{\circ}21'05''$ N
 $92^{\circ}45'20''$ W

Water Source
Sleep Tents
Wash Tent
Outhouses
Kitchen Core
Office
Logging Tent
Cutting Tent
Fuel Cache
Helipad

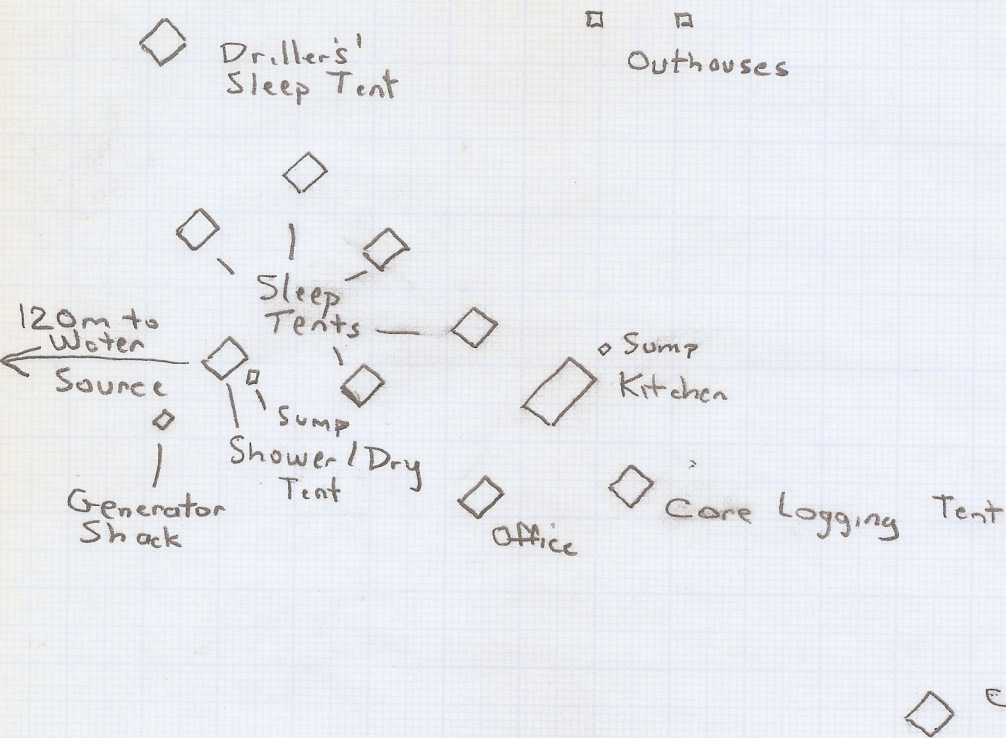
183 m

366 m

Image © 2011 DigitalGlobe
© 2011 Europa Technology
© 2011 Google

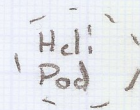
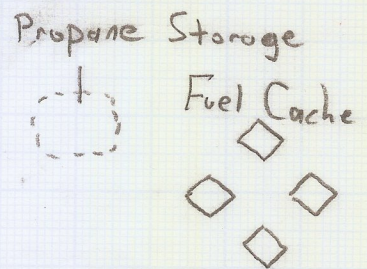
Imagery Date: Sep 2, 2006

$62^{\circ}21'04.46''$ N $92^{\circ}45'10.99''$ W

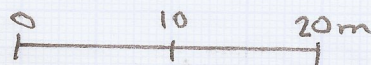


92° 45' 20" W

+ 62° 21' 05" N



Sketch Map Showing
Proposed Distribution of
Pistol Boy Camp Infrastructure





P.O. Box 2101
Ikaluktutiak, NU X0B 0C0
867-983-4625
867-983-4626

This conformity determination applies only to the above noted applications as submitted. Therefore, the proponent must ensure other applications for a permit under this project proposal not listed above are forwarded to NPC for a conformity determination against the KRLUP, and please notify the NPC immediately if any material change to the project proposal is made before authorizations are issued.

hulu

CC. Dwayne Car, Northquest Ltd.

HAMLET OF WHALE COVE

POST OFFICE BOX 120
WHALE COVE, NUNAVUT, X0C 0J0
Telephone: (867) 896-9961 ~ Fax: (867) 896-9109



March 24, 2010

Dwayne Car
Vice President
Northquest Ltd
Suite 1000
36 Toronto Street
Toronto, ON M5C 2C5

Re: Waste Management

Dear Dwayne,

Pursuant to our conversation regarding the mining camp, the Hamlet of Whale Cove is pleased that you will be disposing of your waste using the Hamlet's facilities. This will ensure that the land is left the way it was found.

You will be responsible for bringing all solid waste (garbage) in sealed bags. Any metals, cardboard and or wood should be separated. Any sewer waste must be brought in containers that are leak proof. All the waste will have to be brought to the airport. You will need to inform the Hamlet as to when the waste is to be delivered so that we may arrange for pick up and proper disposal. The Hamlet will only be able to offer this service Monday through Friday and from 9:00 to 4:00, excluding holidays.

Garbage pickup will be \$25.00 per call out, plus a distribution fee of \$100.00. Please note that this is per trip. Sewage rates will be a set fee of \$50.00 per call out. An invoice will be prepared at the end of your mining camp. It is recommended that you make a delivery schedule so that we can ensure no down time for either parties involved.

Should you require further information please feel to contact me at your earliest convenience. I may be reached by telephone at 867-896-9961 or by email at sao@whalecove.ca. I look forward to working with you on this project.

Kind Regards,

"original signed"

Shawn A. Trépanier
Senior Administrative Officer

HAMLET OF WHALE COVE

POST OFFICE BOX 120
WHALE COVE, NUNAVUT, X0C 0J0
Telephone: (867) 896-9961 ~ Fax: (867) 896-9109



March 24, 2010

Dwayne Car
Vice President
Northquest Ltd
Suite 1000
36 Toronto Street
Toronto, ON M5C 2C5

Re: Storage of Supplies at Whale Cove Airport

Dear Dwayne,

This letter is to inform you that North Quest will be allowed to store your supplies at the Whale Cove Airport for the duration of your mining camp.

Please be informed that the Hamlet of Whale Cove, nor the Government of Canada, nor the Government of Canada will be held liable for any of the items that are stored at, on or around the Whale Cove Airport site.

You will need to coordinate the storage locations with both the airport maintainer and myself. There are also various regulations as to the locations of where certain items can be stored, primarily the use of any items that are flammable or explosive.

Should you require further information please feel to contact me at your earliest convenience. I may be reached by telephone at 867-896-9961 or by email at sao@whalecove.ca. I look forward to working with you on this project.

Kind Regards,

“original signed”

Shawn A. Trépanier
Senior Administrative Officer

c.c. Nunavut Airports