



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) Canada Nickel Limited 1500 – 885 West Georgia Street Vancouver, BC V6C 3E8 Phone: 604 – 696 - 9020 Fax: 604 – 488 - 0319 e-mail: gdickson@goldore.ca	2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address) GeoVector Management Inc. 312 – 10 Green Street Nepean, ON K2J 3Z6 Phone: 613- - 843 - 8109 Fax: 613 – 843 – 8110 e-mail: as.geovector@bellnet.ca (Attach authorization letter.)
3. NAME OF PROJECT (including the name of the project location) Peter Lake Project	
4. LOCATION OF UNDERTAKING Project Extents NW: Latitude: (63 ° 10' 00" N) Longitude: (92° 36' 00" W) NE: Latitude: (63 ° 10' 00" N) Longitude: (92° 27' 30" W) SE: Latitude: (63° 05' 00" N) Longitude: (92° 27' 30" W) SW: Latitude: (63° 05' 00" N) Longitude: (92° 36' 00" W) Camp Location(s) – Not applicable Latitude: (° ' " N) Longitude: (° ' " W)	
5. MAP - Attach a topographical map, indicating the main components of the undertaking. NTS Map Sheet No.: __55 N / 1 and 55 n / 2 Map Name: Peter Lake Map Scale: 1:25,000	

- 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

XX Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: October 10, 2013

☐ Mineral Lease from Indian and Northern Affairs Canada (INAC)

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

Surface

☐ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)

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

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

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

XX IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: September 9, 2011

☐ 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: _____

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

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

☐ North Baffin

X ☐ Keewatin

☐ South Baffin

☐ Sanikiluaq

☐ Akunnig

☐ West Kitikmeot

Is a land use plan conformity determination required?

X ☐ Yes

☐ No

If Yes, indicate date issued and attach copy - February 14, 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

Is an Article 12 Part 4 screening determination required?

X ☐ Yes

X ☐ No

If Yes, indicate date issued and attach copy Pending _____

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.

The proposed exploration program will consist of prospecting, geological mapping and rock sampling in the areas of airborne magnetic and electro-magnetic geophysical anomalies. Limited diamond drilling will also be completed. This work is designed to locate and test particular rock types for their gold, copper and nickel potential. The bulk of this work will be completed in the June to September period, once the snow and ice has melted. Crews for the summer program will be shuttled to and from work sites via a helicopter based in Rankin Inlet. 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 Rankin Inlet. The garbage will be taken to the Rankin Inlet landfill and empty drums will be taken back to the M&T warehouse area for re-use.

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

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

- | | |
|---|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| X <input 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): |
-

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.

- | | |
|---|---|
| <input type="checkbox"/> To obtain water for camp/ municipal 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 type="checkbox"/> Other: _water for diamond drilling_ | |

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):
_____ **Local Un-named lakes** _____

Describe the quality of the water source(s) and the available capacity: **pristine, capacity will be sufficient for the amounts requested for diamond drilling**

Provide the overall estimated quantity of water to be used: **30** _____ m³/day

Provide the estimated quantity(s) of water to be used from each source:
_____ **150 cubic metres from each of the water sources noted on the attached map** _____

Indicate the estimated quantities to be used for each purpose (camp, drilling, etc.)
_____ **900 cubic metres** _____

Describe the method of extraction(s): **water pump with a screened intake hose that allow the pumps to be at least 3 metres from the edge of the lake.**

Estimated quantity(s) of water returned to source(s) **0** m³/day

Describe the quality of water(s) returned to source(s): **No water will be returned to the sources.** _____

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

<input type="checkbox"/> Sewage	<input type="checkbox"/> Waste oil
<input type="checkbox"/> Solid Waste	<input type="checkbox"/> Greywater
<input type="checkbox"/> Hazardous	<input checked="" type="checkbox"/> Sludges
<input type="checkbox"/> Bulky Items/Scrap Metal	<input type="checkbox"/> Contaminated soil and/or water
<input type="checkbox"/> Animal Waste	
<input type="checkbox"/> 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
Drill cuttings	Fine grained silt to mud sized material.	1 to 2 cubic meters.	Non-toxic material so no treatment is required.	The cuttings will be left in a shallow depression on the tundra and cover with peat moss to assist in re-vegetation.

- 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: _____

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.

The proposed program should have minimum impact on the environment and will be restricted to the area of the drilling equipment. The heaviest piece of equipment will be the drill rig, which will minimally affect 8-10 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 not be affected. 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.

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 these exploration activities will be minimal.

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.

Not applicable.

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).

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

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.

No consultation has been completed to date.

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.

The only security deposit required would be to remove the drilling equipment and any empty / full fuel barrels fro the site back to Rankin Inlet. The costs for this are estimate as follows:

- 1) Helicopter time, including fuel = \$40,000.00**
- 2) Personnel time = \$10,000.00**
- 3) Accommodation and food in Rankin Inlet = \$5,000.00**
- 4) Airfares to and from Rankin Inlet = \$10,000.00**
- 5) Sub-Total = \$65,000.00**
- 6) Contingency (20%) = \$13,000.00**
- 7) TOTAL COST = \$78,000.00**

22. FINANCIAL INFORMATION

Provide a statement of financial responsibility.

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

If the applicant is a business entity attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

All financial information is attached.

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

No 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: _____ **Not applicable** _____ Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: 08 / 11 _____ Proposed Completion Date: 09 / 11 _____
(month/year) (month/year)

Closure

Proposed Start Date: _____ **Not applicable** _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ **Not applicable** _____ 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

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

Number of years (maximum of 25 years): 3 years

Requested Date of Issuance: 08 / 11 Requested Expiry Date: 07 / 14
(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.

Canada Nickel Limited will be using the NWB's "Standardized Form for Annual Reporting."

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 **May 31, 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

Alan Sexton	Project Manager		May 15, 2011
Name (Print)	Title (Print)	Signature	Date