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WATER LICENCE SCHEDULE III - APPLICATION FORM

| Application for: (check one) | | |
|---|--|--|
| New | lment | |
| LICENCE NO: (for NWB use only) | | |
| 1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE | 2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable) | |
| Stornoway Diamond Corporation 860-625 Howe Street Vancouver, BC V6C 2T6 | All Same As Section 1. Phone: Fax: | |
| Phone: 604-331-2259 Fax: 604-689-5041 e-mail: nwestcott@stornowaydiamonds.com | e-mail: | |
| 3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking) See attached figure and accompanying table delineating the coordinates of the outline of the proposed work area. Latitude: (° ' "N) Longitude: (° ' "W) | | |
| No. 1 Longitude: (W) NTS Map Sheet No. 46L/9, 46L/10, 46L/15, 46L/16, 46K12, 46K/13 Scale: 1:500,000 | | |
| 4. DESCRIPTION OF UNDERTAKING (attach plans and drawings) A two phase exploration program is being proposed which would include ground geophysics, till sampling, prospecting, and the drilling of both on ice and land based targets. Due to the proximity of the project area to the hamlet of Repulse Bay camp facilities will not be required at this time. Personnel for the project will be housed in, and work out of, Repulse Bay. If results should warrant, it is anticipated that a similar program (Spring and Summer) be conducted each year for the duration of the license. Please see attached project description for further details | | |
| TYPE OF PRIMARY UNDERTAKING (A supplication for undertakings listed in "bold") ☐ Industrial ☐ Mining and Milling(includes exploration/drillion of the composition o | Agricultural ing) | |

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

| 6. | WATER USE | | |
|-----|---|--|--|
| | ☐ To obtain water ☐ Flood control | | |
| | ☐ To cross a watercourse ☐ To divert a watercourse | | |
| | To modify the bed or bank of a watercourse To alter the flow of, or store, water | | |
| | | | |
| | 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 ⊠ 100m³/day or less | | |
| | Greater than $100\text{m}^3/\text{day}$; if greater, indicate quantities to be used for each purpose (camp, | | |
| | drilling, etc.) | | |
| | Water automodule and a second | | |
| | Water returned to source 0 m ³ /day | | |
| | UIII /day | | |
| | | | |
| 8. | WASTE (for each type of waste describe: composition, quantity (cubic metres per day), methods of | | |
| | treatment and disposal, etc.) | | |
| | | | |
| | Sewage Waste oil | | |
| | ☐ Solid Waste ☐ Greywater ☐ Hazardous ☐ Sludges | | |
| | ☐ Bulky Items/Scrap Metal ☐ Studges ☐ Other describe):On Ice Drill Cuttings | | |
| | Durky Tems/Sorup Metal | | |
| 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 Application Submitted | | |
| | concurrently with NWB application | | |
| | | | |
| İ | Regional Inuit Association Yes No If no, date expected No work planned on IOL | | |
| | Parcels at this time. | | |
| | Commissioner Yes No If no, date expected | | |
| | Commissioner | | |
| 10. | PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED | | |
| | MITIGATION MEASURES (direct, indirect, cumulative impacts, etc.) | | |
| | | | |
| | | | |
| | NIRB Screening Yes No If no, date expected | | |
| | NIKO Scieening | | |
| 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 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? | | | |
|---|---|--|--|
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| | | | |
| 12. CONTRACTORS AND SUB-CONTRACTORS (n | name, address and functions) | | |
| Helicopter contractor and drilling contractor are determined on an annual basis. | | | |
| | | | |
| 13. STUDIES UNDERTAKEN TO DATE (list and atta | ach copies of studies, reports, research, etc.) | | |
| <u>N/A</u> | | | |
| | | | |
| 14. THE FOLLOWING DOCUMENTS <u>MUST</u> 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 | | |
| 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 | | |
| 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: <u>April 1, 2007</u> Completion Date: <u>2012/Ongoing</u> | | | |
| | | | |
| Name (Print) Title (Print) | Signature Date | | |
| Name (Frint) | Signature Date | | |
| For Nunavut Water Board office use only | | | |
| APPLICATION FEE Amount: \$ Pay ID N | No.: | | |
| WATER USE DEPOSIT Amount: \$ Pay ID No.: | | | |