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Effective January 1, 2004

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN

WATER LICENCE APPLICATION FORM

Application for: (check one)

_X_ New ___ Amendment ___Renewal ___Assignment

LICENCE NO:
(for NWB use only)

1. NAME AND MAILING ADDRESS OF APPLICANT/LICENSEE

Mr. Andrew Mitchell
Project Manager
Wolfden Resources Inc.
403 – 1113 Jade Court
Thunder Bay, Ontario
P7B 6M7

Phone: 807 346-1668
Fax: 807 345-0284
e-mail andrew.mitchell@wolfdenresources.com

2. ADDRESS OF CORPORATE OFFICE IN CANADA (if applicable)

Wolfden Resources Inc.
403 – 1113 Jade Court
Thunder Bay, Ontario
P7B 6M7

Phone: 807 346-1668
Fax: 807 345 - 0284
e-mail andrew.mitchell@wolfdenresources.com

3. LOCATION OF UNDERTAKING (describe and attach a topographical map, indicating the main components of the Undertaking)

High Lake is located approximately 550 km north-northeast of Yellowknife in the Kitikmeot region of Nunavut.

The proposed Weatherhaven camp is located at: Latitude: 67º 22' 24" N Longitude: 110º 51' 33" W
The proposed Sand Lake camp is located at: Latitude: 67º 29' 12" N Longitude: 110º 49' 16" W
NTS Map No.: 76M/7 and 76M/10 Scale: 1:50,000

4. DESCRIPTION OF UNDERTAKING (attach plans and drawings)

The undertaking will consist of the following activities:

- Mobilization from Ulu to the High Lake and Sand Lake sites
- Development of a 12 km all-season access road, including three watercourse crossings
- Construction of a 1450m gravel airstrip near Sand Lake
- Construction of a 30-person temporary construction camp (Sand Lake camp)
- Construction of a 70-person seasonal camp near High Lake (Weatherhaven camp)
- Surface compaction and dust suppression for road/airstrip construction and maintenance activities

A complete description of proposed activities is provided in the appended Project Description, Relicensing Program, High Lake Project.

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

___ Industrial
___ Mining and Milling
___ Municipal (includes camps/lodges)
___ Power
___ Agricultural
___ Conservation
___ Recreational
_X_ **Miscellaneous** (includes exploration/drilling)
Water withdrawal and waste disposal for camp use and construction activities; watercourse crossing,

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 (store)
X 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)

Total water use will not exceed 100 m^3/day. Water for the proposed Weatherhaven camp will be withdrawn from lake L22, located west of the proposed Weatherhaven camp site. Water for the temporary construction camp located near the proposed airstrip will be withdrawn from Sand Lake.

Camp Water Use
Weatherhaven Camp: Approximately 17.5 m^3/day
Sand Lake Camp: Approximately 7.5 m^3/day

Other
Road construction and maintenance; dust suppression: Up to 75m^3/day

Although camp water use will fluctuate with the number of persons on site throughout the construction period, total water use for all proposed activities will not exceed 100 m^3/day.

All domestic sewage and greywater generated from the Weatherhaven camp will be treated onsite to acceptable standards utilizing a Rotating Biological Contactor system. Treated effluent from the Weatherhaven camp will be discharged into Lake L20. Recent studies indicate that this lake does not support fish. The Sand Lake camp will be equipped with Pacto toilets. Toilet waste will be incinerated. Greywater from the kitchen and shower drains will be discharged to a sump located a minimum of 30 m from the high water mark of surrounding surface water bodies. Camp locations and the above mentioned water bodies are illustrated in Figures 1 and 2 in the appended Project Description.

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

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

Sewage & Greywater

Domestic sewage and grey water generated from camp activities will be treated to acceptable standards using a Rotating Biological Contractor system. This unit is designed by Biodisk Corporation, and is a small flow wastewater treatment system that uses a rotating biological contactor (RBC) as the form of aeration. The Biodisk unit has been designed for the following characteristics:

Design effluent BOC	300mg/l
Design influent SS	300 mg/l
Outdoor temperature	-40° to + 25° C
Indoor temperature	10° to 25°C
Location	Outdoors
Operating	24 hr/365 days

This unit has been designed to meet the following effluent requirements:

BOD	40mg/l
SS	60mg/l
Fecal coliform	10,000 CFU/100ml
Oil and grease	<5 mg/l
PH	6-9

Efficacy of this treatment has been successfully demonstrated at Wolfden's camp at the Ulu property. Additional information on the advantages of the Biodisk can be found at www.Biodisk.ca. The quantity of sewage and grey water produced will vary with the number of personnel on site at any given time, however, combined sewage and grey water discharge is not expected to exceed 17.5 m^3/day at the Weatherhaven camp, and 7.5 m^3/day at the Sand Lake construction camp.

Solid Waste

Solid waste will be disposed of through utilization of a high efficiency incinerator for combustible, non-hazardous solid waste, located 0.5 km from camp, All combustible waste, including all food waste, will be incinerated on a regular basis to deter wildlife from the campsite.

Hazardous Waste

Any waste deemed hazardous will be shipped offsite to a proper disposal facility. All hazardous waste will be managed in accordance with regulatory requirements and the Nunavut Department of Environment guidelines. Hazardous waste will be removed from the site, and any requiring treatment or disposal will be packaged in accordance with TDG regulations and shipped using registered carriers to approved facilities. All shipments of hazardous waste will be tracked using the manifest system in compliance with Nunavut guidelines[1] and the federal Interprovincial Movement of Hazardous Waste Regulations (SOR/2002-301).

[1] Department of Sustainable Development, 2002 Environmental Guideline for General Management of Hazardous Waste.

Scrap Metal
Scrap metal will be stored in drums until it can be removed from site for proper disposal or recycling.

Waste Oil
Engine waste oil will be stored in drums on site and flown off site for disposal.

9. PERSONS OR PROPERTIES AFFECTED BY THIS UNDERTAKING (give name, mailing address and location; attach if necessary)

Please refer to Tables 1 and 2 attached to this application.
Table 1 provides a list of the active rights, licenses and permits related to this water license application. Table 2 lists the authorizations that are being applied for in relation to the proposed Relicensing Program.

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.)

NIRB Screening X Yes ___ No If no, date expected _____

The NIRB screening Decision Report (NIRB file 06EN048) was issued on August 11, 2006, a copy of which is attached to this application. A full listing of predicted environmental impacts and proposed mitigation measures is provided in Section 6 of the Project Description.

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?

12. CONTRACTORS AND SUB-CONTRACTORS (name, address and functions)

Potential contractors and subcontractors are not known at this time. Selection of contractors will take place closer to the commencement of construction activities, and can be forwarded to the Water Board at that time if required.

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

A comprehensive biophysical and socioeconomic baseline program was initiated in 2004 to provide background data on existing local conditions in regards to wildlife, vegetation, water, fish and aquatic life, and archaeology. Consultation and traditional knowledge gathering are also key components of this work. This baseline data collection has been undertaken to support the environmental impact assessment for the proposed High Lake mining project, and has contributed to the broader knowledge base of this area. This information and knowledge has been incorporated into the proposed Relicensing Program design, impact assessment and proposed mitigation measures.

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: February 1, 2007 Completion Date: March 1, 2012

Andrew Mitchell	Project Manager, High Lake		September 6, 2006
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.:** _____

Table 1 Active permits, licenses and other approvals related to this application

Property	Permit/License No.	Regulatory Body	Type	Expiry
High Lake Property	NWB2HIG0506	Nunavut Water Board	Water License Type B exploration and camp use	Nov. 1 2006
	76M/7-1-4	Dept. Indian Affairs and Northern Development	Surface Lease for existing camp at High Lake	Dec.31 2006
	N2006X0019	Dept. Indian Affairs and Northern Development	Land Use Permit for winter road	Aug. 21 2008
	KTL303C006	Kitikmeot Inuit Association	Land Use License exploration activities	April 30, 2007
	ML2372-2385; ML3290	Dept. Indian Affairs and Northern Development	Mining Lease	2013; 2010

Table 2 Authorizations being applied for in relation to the Relicensing Program

Activity	Regulator	Type of Permit
Establish winter trail from Ulu to Sand Lake, January/February 2007	KIA	IOL Land Use License
Construct Airstrip and temporary camp at Sand Lake Construct new Weatherhaven Camp near High Lake Construct 12 km all-season road between camp and airstrip (all the above activities scheduled in 2007)	KIA	Commercial Lease
All-season road construction	DIAND	Land Use Permit for 1-km portion of road that crosses Crown land
Road construction, including installation of culverts and bridge at specific creek crossings	Transport Canada – Navigable Waters Protection Program	Approval of Works (if deemed navigable)
Gravel extraction for airstrip, camp and road construction	KIA	Quarry Concession Permit
Water taking and waste disposal during Relicensing Program	NWB	Water License Type B