



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

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P.O. BOX 119
GJOA HAVEN, NUNAVUT
XOB 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT IMALIRIYIN KATIMAYIT
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 4	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	Update NWB logo	April 2013
(4)		
(5)		
(6)		
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(9)		
(10)		



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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)	
<p>1. APPLICANT (PROPOSED LICENSEE) CONTACT INFORMATION (name, address)</p> <p>Kivalliq Energy Corporation Suite 1020-800 West Pender Street Vancouver, British Columbia, V6C 2V6</p> <p>Phone: 1 (604) 646-4527 _____ Fax: 1 (604) 646-4526 _____ e-mail: jward@kivalliqenergy.com</p>	<p>2. APPLICANT REPRESENTATIVE CONTACT INFORMATION if different from Block 1 (name, address)</p> <p>Andrew Berry, Chief Operating Officer</p> <p>Phone: 1(604) 765-1892 _____ Fax: 1 (604) 646-4526 _____ e-mail: andrewb@kivalliqenergy.com _____ (Attach authorization letter.)</p>
<p>3. NAME OF PROJECT (including the name of the project location)</p> <p>Baffin Gold Property, Baffin Island, Qikiqtani Region, Nunavut</p>	
<p>4. LOCATION OF UNDERTAKING</p> <p>The Baffin Gold Property is wholly located on Baffin Island, in the Qikiqtani Region in Nunavut. It is 260 kilometres southwest of Clyde River and 360 kilometres west-northwest of Qikiqtarjuaq.</p> <p>Project Extents</p> <p>NW: Latitude: (68° 45' 00" N) Longitude: (74° 30' 00" W) NE: Latitude: (68° 45' 00" N) Longitude: (70° 30' 00" W) SE: Latitude: (68° 22' 30" N) Longitude: (70° 30' 00" W) SW: Latitude: (68° 22' 30" N) Longitude: (74° 30' 00" W)</p> <p>UTM Coordinate Extents</p> <p>7,584,000mN to 7,615,000mN and 520,500mE to 622,500mE, NAD83, Zone 18 7,586,000mN to 7,628,500mN and 377,500mE to 439,500mE, NAD83, Zone 19</p>	

Camp Location(s):

Proposed temporary fly camp locations:

Latitude: (68° 30' 06" N) Longitude: (72° 27' 08" W) (Malrok Fly Camp) (on IOL BI-35)
Latitude: (68° 37' 10" N) Longitude: (73° 12' 45" W) (Tuktu Fly Camp)

5. MAP - Attach a topographical map, indicating the main components of the undertaking.

NTS Map Sheet No.: **37 A, 27 B** Map Name: **Foley Island, Ekalugad Fiord** Map Scale: **1:250,000**

027 B/05, 027 B/12, 027 B/11, 037 A/06, 037 A/07, 037 A/08, 037 A/09 and 037 A/10

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~~ **Exploration Agreements** from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: Jan 01 2017____ Date of expiry: Jan 01 2037____

Mineral ~~Lease~~ **Claims** from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _Sept 28 2009____ Date of expiry: Sept 28 2019____

Prospecting Permits from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _Feb 01 2017__ Date of expiry: Feb 01 2022__

Surface

Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: **Application Submitted** Date of expiry: **unknown**

Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

IOL Authorization from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: **Application submitted** Date of expiry: **unknown**

Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

Other: **All applications are currently under NPC and NIRB review.**
Date (expected date) of issuance: **under review** Date of expiry: **unknown**

Name of entity(s) holding authorizations:

__**Kivalliq Energy Corporation**_____

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

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

North Baffin

Keewatin

<p><input checked="" type="checkbox"/> South Baffin <input type="checkbox"/> Akunnig</p> <p><input type="checkbox"/> Sanikiluaq <input type="checkbox"/> West Kitikmeot</p> <p>Is a land use plan conformity determination required?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, indicate date issued and attach copy. The NPC conformity review is pending. If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.</p>
<p>8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION</p> <p>Is an Article 12 Part 4 screening determination required?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If Yes, indicate date issued and attach copy. NIRB screen decision pending. If No, provide written confirmation from NIRB confirming that a screening determination is not required.</p>
<p>9. DESCRIPTION OF UNDERTAKING – List and attach plans and drawings or project proposal.</p> <p>The proposed exploration program for the Baffin Gold Property includes; prospecting and geological mapping; geochemical sampling: soils, lake sediments, vegetation; airborne and ground geophysical surveying; baseline environmental observations. Work programs will be undertaken entirely within the area of Kivalliq Energy’s prospecting permits, mineral claims and lands held under Mineral Exploration Agreements on Inuit Owned Land Parcel BI-35. The Dewar Lakes Camp permitted (pending) by Commander Resources Ltd. will be used as a base for exploration activities. Due to the size of the Baffin Gold Property, two temporary fly camps have been proposed to facilitate access to areas where distances from the Dewar Lakes Camp is too far for daily transit. The proposed Malrok Fly Camp is located on IOL BI-35 and the Tuktu Fly Camp on Crown Lands. Refer to the “Project Description and Work Plan” for detailed descriptions of activities and fly camps.</p> <p>The attached documents include:</p> <ul style="list-style-type: none">General Water Licence Application – EnglishGeneral Water Licence Application - InuktitutProject Description and Work Plan - includes figuresExecutive Summary - English and InuktitutAbandonment and Restoration PlanSpill Contingency PlanFuel Management PlanWaste management PlanEnvironmental and Wildlife Management PlanAudited Financial StatementList of OfficersCertificate of IncorporationCertificate of Name Change

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

The proposed 2017 exploration program includes low-impact activities that are consistent with grassroots exploration such as prospecting, geological mapping, rock and channel sampling, soil/till sampling, airborne geophysics, ground geophysics, drone surveying and environmental baseline monitoring.

There are no alternatives to the proposed project activities that have been described.

If proposed temporary fly camp locations are deemed unsuitable then alternate locations may be considered.

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 |
| <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"/> 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
- 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.

- To obtain water for camp/ municipal purposes
- To obtain water for industrial purposes
- To divert a watercourse
- To cross a watercourse
- To modify the bed or bank of a watercourse
- To alter the flow of, or store water
- Flood control
- Other: _____

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):

Malrok Lake (IOL BI-35) and Nadluardjuk Lake (Crown Lands)

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

Water quality is predicted to be in pristine condition. Water will be drawn from water bodies with sufficient capacity to accommodate the proposed usage quantity without impact to lake level or flow rates.

Provide the overall estimated quantity of water to be used: 3 m³/day

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

Only one temporary camp will be operating at a time. Less than 3 m³/day will be used.

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

Camp: 3 m³/day for approximately 4 months (122 days) = 366 m³/year

Describe the method of extraction(s): A portable gasoline-powered water pump will be used to pump water to a camp storage tank. The pump will be operational for approximately 15 minutes per day. When operating the pump will be staged on a containment platform adjacent to the water source. When not operating the pump will be staged within secondary containment no less than 31m from the high water mark of the water source. Waterlines will be properly placed and screened in accordance with the "Freshwater Intake End-of-Pipe Screen Guideline" (DFO). Refer to the "Project Description and Work Plan, section 6.2.1" for additional information.

Estimated quantity(s) of water returned to source(s) : None

Describe the quality of water(s) returned to source(s): No water will be returned directly to the source. Waste water will be discharged to a grey water sump for slow infiltration into the surrounding soils. The waste water sump will be located at least 31 metres away from any water body. A grease trap and screens will be installed on kitchen drains to ensure grease and food solids do not enter the waste water sump. The discharge pipe in to the sump will be inaccessible to wildlife.

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

Refer to the "Waste Management Plan" attached for complete list of waste types and waste management procedures.

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
Solid Waste	Combustibles Non-combustibles/plastics	~ 0.1 m ³ /day	Containment	205L ash drums & bulk bag of plastics shipped off site to authorized facility
Waste Oil	Oils from generators, helicopters	~ 0.001 m ³ /day	Containment	205L drums & shipped off site to authorized facility
Grey water	Shower/sink water	<3m ³ /day	Weeping bed	Weeping bed
Hazardous	Solvents, batteries, sorbents, light bulbs	Minimal	Collect in original container	Shipped off site to authorized facility
Sewage	Human Waste	~ 0.05 m ³ /day (<20 people for 6 weeks)	Lime-treated pit infilled or bags incinerated.	Latrine pit or Pacto toilet bags incinerated and ash collected for proper disposal.
Empty Drums	Fuel drums: diesel, jet fuel, propane, gasoline	Up to 5 drums/day	Drained, air dried	Shipped off site to the supplier or accredited recycling facility
Bulky Items	Scrap metal, mechanical equipment, electronics	Unknown	Collected in designated area	Shipped off site for proper disposal

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: **N/A** _____

Administering Agency: **N/A** _____

Project Activity: **N/A** _____

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.

Early stage grassroots exploration programs are low-impact and occur over a short period of time. The effects of these programs are expected to be minor and mitigable.

Changes in flow, quantity and the quality of groundwater and surface water will not be impacted by the exploration program. The proposed fly camps require <3m³/day and will operate seasonally. Water will be sourced from water bodies with sufficient capacity to accommodate the proposed usage quantity without impact to lake level or flow rates.

Waterlines for domestic use will be placed to minimize disturbance to the shoreline/riparian zones and substrate. Water and aquatic life is protected. Waterlines will be screened in accordance with the “Freshwater Intake End-of-Pipe Screen Guideline” prepared by the Department of Fisheries and Oceans. A copy of this guideline document is kept at the head office in Vancouver and at the field office at the project.

Mitigation measures are in place to minimize the environmental impacts of potential spills. All spills will be treated as per the “Spill Contingency Plan”. Approved mitigations and SOPs for water use and waste water management will be applied at Kivalliq Energy’s Baffin Gold Property.

No wastes enter any water bodies. This includes discharge from the camp and grey water sumps. The grey water sump will be located at least 31 meters from the high water mark of a water body and will be inspected regularly. Digging of the grey water sump may alter the permafrost layer; however, upon final closure the sump will be backfilled and restored to the pre-existing natural contours of the land. Water use is recorded for the domestic camp water daily.

The Baffin Gold Property is not expected to impact fish or fish habitats.

A water quality monitoring program will be established to generate baseline water quality data in areas of active exploration. Sample sites will be chosen on representative water bodies that focus on exploration targets and camp infrastructure locations.

The water and waste management practices have been used on Kivalliq Energy's Angilak Property in Nunavut and have been proven in cold climates.

In addition to the mitigation measures outlined above, the exploration program will not have an effect on the following environmental topics: Geologic structures, vegetation species composition and abundance, non-native species introduction, benthic invertebrates or plankton.

With the mitigation measures and SOPs in place there are no significant impacts or cumulative effects anticipated as a result of Kivalliq Energy's water use and waste water management at the Baffin Gold Property. Refer to the "Waste Management Plan", "Fuel Management Plan" and "Abandonment and Restoration Plan" for additional information.

Predicted environmental and wildlife impacts and proposed mitigation measures are outlined in detail in the "Environmental and Wildlife Management Plan" attached at the end of this document.

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.

This project will not affect the quality, quantity, or flow of water in the property area or on IOL BI-35.

Advise the Board if compensation has been paid and/or agreement(s) for compensation have been reached with any existing or other users.

Commander Resources Ltd. has applied to NWB for a General Water Use Licence (pending) for domestic water use at their Dewar Lakes Camp. On May 8, 2017, Kivalliq Energy entered into an option agreement with Commander Resources Ltd. (CMD) to acquire all of CMD's interests in the mineral exploration agreements, mineral claims and mineral leases comprising the Baffin Island Gold Project.

Commander Resources Ltd.
11th Floor, 1111 Melville Street,
Vancouver, BC

V6E 3V6

Phone: [\(604\) 685-5254](tel:6046855254)

Commanders land use and water use permits for the Dewar Lakes camp will be transferred to Kivalliq Energy when INAC, NWB and Kivalliq Energy are satisfied that there are no legacy issues impacting the Dewar Lakes camp location.

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).

The Baffin Gold Property area covers parts of IOL BI-35.

A separate application for authorization for domestic water use on IOL BI-35 has been submitted to the Qikiqtani Inuit Association (QIA). Kivalliq Energy's proposed exploration program requires domestic use of less than 3m³ per day to supply a temporary fly camp at Malrok Lake on the southwest boundary of IOL BI-35. Water is not required for any exploration activities (i.e. prospecting, sampling, geophysics, etc.).

The project will not affect the rights of the Inuit or the quality, quantity and flow of water flowing through Inuit Owned Land parcel BI-35.

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.

Community consultation visits are planned for Qikiqtarjuaq, Clyde River, Pangnirtung and Iqaluit prior to the start of the exploration program to discuss available Inuit Qaujimajatuqangit and traditional knowledge, the project proposal and any potential concerns the communities may have.

Consultation logs will include; a transcript of all meetings, discussions with Elders and information collected from communities regarding historic and traditional land and water use. Inuit Qaujimajatuqangit/Traditional knowledge will be integrated into the project.

The community consultation log will be provided once visits are conducted and will be included in the Annual Report to INAC, QIA and NIRB.

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.

Exploration activities are low-impact and only hand tools will be used. Hand tools required for exploration will be removed once work at a target area has been completed. Progressive reclamation related to activities will be conducted; i.e. replacing soil in holes dug for sampling.

Upon final abandonment and restoration, temporary fly camps will be dismantled and fully reclaimed. The cost to reclaim the temporary fly camps by a third-party contractor is estimated to be \$50,000 which includes a \$5,000 contingency.

22. FINANCIAL INFORMATION

Provide a statement of financial responsibility.

Please see the attached "Audited Financial Statements".

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

Please see the attached "List of Officers".

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

Please see the attached copy of the "Certificate of Incorporation" and the "Certificate of Name Change".

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

To the best of our knowledge, no studies have been undertaken on the property 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: **N/A** _____ Proposed Completion Date: **N/A** _____
(month/year) (month/year)

Operation

Proposed Start Date: **June/2017 to 2037** Proposed Completion Date: **October/2017 to 2037**
(month/year) (month/year)

Closure

Proposed Start Date: **Sept/2017 to 2037** Proposed Completion Date: **October/2017 to 2037**
(month/year) (month/year)

Post - Closure

Proposed Start Date: **N/A** _____ Proposed Completion Date: **N/A** _____
(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): **10 years**

Requested Date of Issuance: **July/2017** _____ Requested Expiry Date: **July/2027** _____
 (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.

Kivalliq Energy Corp. will use the NWB's Standardized Form for Annual Reporting and will include water related monitoring results, an outline of actions implemented at the suggestion of NIRB and any actions taken in response to direction by the Land Use Inspector.

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 __June 1 2017_____

Written confirmation from the NIRB confirming that NIRB's requirements regarding development impact assessment have been addressed.

Yes No If no, date expected __June 1 2017_____

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 _____

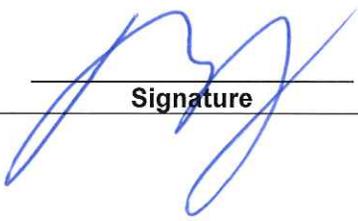
Application Fee of \$30.00 CDN (Payee Receiver General for Canada).

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

<u>Andrew Berry</u> Name (Print)	<u>Chief Operating Officer</u> Title (Print)	 Signature	<u>MAY 10, 2017</u> Date
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