

FOR NTI USE ONLY							
Received		Completed		Issue Period			
File #		Name		Appr		Rej	

APPLICATION

FOR AN

INUIT OWNED LANDS

MINERAL EXPLORATION

AGREEMENT

This Application Form replaces all previous versions.

Application Forms may be updated from time to time by NTI. It is recommended that you contact NTI to verify that this form is the most recent.

Application Periods are January, March, May, September and November

NUNAVUT TUNNGAVIK INCORPORATED

10 JAN 2006

Section 1

Applicant					
Address					
City		Province		Postal Code	
Phone			Fax		
Email					
Contact Person					

FOR CORPORATE APPLICATIONS ONLY

Territory/Province of Incorporation				
Is this corporation registered in Nunavut?	YES		NO	

FOR INDIVIDUAL APPLICATIONS ONLY

Are you 18 years of age or older?	YES		NO	
Are you a resident of Nunavut?	YES		NO	
Are you a beneficiary of the Nunavut Land Claim Agreement	YES		NO	

FOR BENEFICIARIES OF THE NUNAVUT LAND CLAIM AGREEMENT ONLY

Enrollment Card Number				
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Section 2

Indicate the type of application	Corporate		Individual	
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A \$500 fee is required with the submission of a Corporate application.

Is this application for an addition to an existing Exploration Agreement?	YES		NO	
Name of existing Exploration Agreement				

Is this application being submitted in response to a Request for Offers?	YES		NO	
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1. An application submitted in response to a Request for Offers must be accompanied by a covering letter, documentation detailing the offer (e.g. a Term Sheet), a description of the area of offer, a map of the area of offer, a brief summary of any field exploration work you have carried out in the area of offer, and a \$500 fee.
2. If the area of offer will require more than one Exploration Agreement and/or more than one IOL Parcel, completion of section 3 of this application is not required provided the area is clearly defined in an attachment.
3. If the offer is accepted and the area will require more than one Exploration Agreement, an application fee of \$500 will be required for each additional Exploration Agreement upon execution.

Section 3

Region (check one)	Baffin		Keewatin		Kitikmeot	
IOL Parcel						
NTS Sheet(s)						
Area (hectares)						
Project Name						
Description of the Exploration Area (all coordinates to be given in latitude and longitude)						

1. If the space provided is insufficient to describe the Exploration Area, the description must be submitted on a separate document with this application.
2. This application must be accompanied by a map showing the boundaries of the Exploration Area, including all subareas.
3. If you have carried out any field exploration work in the Exploration Area, or in this IOL Parcel, please attach a brief description of that work.

Section 4

BENEFICIARIES ONLY

Are you applying for the limited annual fee exemption as provided under the Terms and Condition?	YES		NO	
Does the Exploration Area applied for exceed the area allowed under the Terms and Conditions (exempt area cannot exceed 100 hectares)?	YES		NO	

If both of the preceding questions are answered “Yes”, the map submitted with the application must clearly indicate the part of the Exploration Area to be exempted from annual fees. This will be considered a subarea of the Exploration Area.

Section 5

1. I acknowledge that I have read and understand the Terms and Conditions, including the procedures therein, which form part of and are attached to this application.
2. I understand and acknowledge that, in accordance with the Terms and Conditions, receipt of this application by NTI in no way obligates NTI to enter into an Exploration Agreement with respect to any IOL Parcel or part thereof.
3. I have made appropriate inquiries and to the best of my knowledge, the land within the boundaries of the Exploration Area is not subject to an existing mineral right or a pending Exploration Agreement.
4. I release NTI from all legal liability arising from information supplied to me by NTI about the status of land within the Exploration Area and agree to indemnify NTI against claims made against NTI by others based on such information.
5. I have attached a map of the Exploration Area applied for.
6. The information on this form is true and correct.

Signature of Applicant or Authorized Person

Date

Title

Make cheques payable to “Nunavut Tunngavik Incorporated” and mail applications and cheques to:
Nunavut Tunngavik Incorporated
Attn: Administrative Geologist
PO Box 1269
Cambridge Bay, NU X0B 0C0
Phone: (867) 983-5600 Fax: (867) 983-5624

APPLICATION FOR AN INUIT OWNED LANDS MINERAL EXPLORATION AGREEMENT

Terms and Conditions

1. General

1.1 The following definitions apply:

- “Application” means an Application For An Inuit Owned Lands Mineral Exploration Agreement;
- “Carving Stone” means utkuhighak and hananguagahaq, which means serpentinite, argillite, and soapstone in the Nunavut Settlement Area where those substances are suitable for use for carving purposes;
- “CMR” means Canada Mining Regulations;
- “Existing Mineral Right” means an existing claim, lease, or permit under the Canada Mining Regulations and any other right to minerals granted by NTI;
- “Exploration Agreement” means the Inuit Owned Lands Mineral Exploration Agreement, including all attachments thereto;
- “Exploration Area” means the area subject to an Exploration Agreement;
- “Inuit” means the Inuit of Nunavut as defined under paragraph (b) of the definition of Inuit set out in section 1.1.1 of the Nunavut Land Claims Agreement;
- “Inuit Owned Lands” means, in the context of this Application, those lands held in the form described in section 19.2.1(a) of the NLCA;
- “IOL” means Inuit Owned Lands;
- “Lease” means a lease of a recorded claim granted to the holder of the claim pursuant to section 58 of the CMR or an Inuit Owned Lands Mineral Production Lease;
- “NLCA” means the Nunavut Land Claims Agreement;
- “NTI” means Nunavut Tunngavik Incorporated;
- “NTS” means National Topographic System;
- “RIA” means the Kitikmeot Inuit Association, the Kivalliq Inuit Association, or the Qikiqtani Inuit Association, or their successors;
- “Rules” means the Rules and Procedures for the Management of Inuit Owned Lands;
- “Specified Substance” means construction stone, sand and gravel, limestone, marble, gypsum, shale, clay, volcanic ash, earth, soil, diatomaceous earth, ochre, marl, peat, and Carving Stone;
- “Subsurface Rights” means a right granted by NTI pursuant to the Rules;
- “Surface Rights” means a right granted by an RIA pursuant to the Rules.

1.2 An individual applicant must be 18 years of age or older. A corporation must be registered to operate in Nunavut.

1.3 Exploration Agreements issued by NTI do not grant Subsurface Rights for Specified Substances, water, or for petroleum, natural gas and related hydrocarbons.

1.4 Certain parcels, or portions thereof, will be opened to exploration only upon approval of the appropriate RIA, which may make this determination following the selection of

a successful applicant by NTI.

2. NTI Discretion

- 2.1 NTI retains sole discretion to accept, reject, request changes to any Application wholly or in part, whether it is complete or incomplete, or to enter into an Exploration Agreement.
- 2.2 Without limiting section 2.1, NTI may, in its sole discretion, either in advance of or during an Application period, before or after the receipt of Applications, at any time before an Exploration Agreement in respect of an Application is executed, and decide:
- (i) that an area is not open for Applications for a certain period;
 - (ii) to specify a different procedure for the submission and processing of Applications with respect to an area (which may be one or more parcels or portions thereof), which may include the request for competitive offers from applicants and other interested parties and (or) negotiation with any parties;
 - (iii) with respect to competitive offers or bids, to accept or reject any offer or bid, including the highest offer, and to choose the successful applicant by employing any criteria which NTI considers appropriate;
 - (iv) to enter into negotiations with one or more applicants or other parties with respect to the terms of the Exploration Agreement; or,
 - (v) to not issue any Exploration Agreements with respect to an area at that time.
- 2.3 NTI retains sole discretion as to the terms of the Exploration Agreement and, prior to the execution of the Exploration Agreement by a successful applicant, may amend these terms without notice.
- 2.4 NTI may request data and other records (including supporting invoices) to verify statements made by the applicant for the purpose of section 2.1. Such information would be held confidential and returned to the applicant within such period as agreed by NTI and the applicant.

3. Size and description of the Exploration Area

- 3.1 (a) The area being applied for must be within one IOL parcel.
- (b) The area being applied for must, at the time of the start of the Application period, not be subject to an existing mineral right or be an area for which an Exploration Agreement is pending. Areas subject to existing mineral rights or for which an Exploration Agreement is pending are excluded from the Exploration Area, regardless of whether such areas are indicated on the Application.
- 3.2 (a) The maximum Exploration Area for each Exploration Agreement shall be

10,000 hectares.

- (b) The minimum size of an Exploration Area (or each subarea) shall be 100 hectares and the minimum length of any side shall be 500 metres unless the Exploration Area or any side is restricted by boundaries of existing or pending (section 6.3) mineral rights or by boundaries of Inuit Owned Land, or unless the Exploration Area or subarea is subject to the Fee Exemption for Inuit.
- (c) For the purposes of the Exploration Agreement, including the payment of fees and the requirement to carry out Exploration Work, an Exploration Area less than 100 hectares shall be deemed to be 100 hectares.

3.3 Subject to section 5.2, there is no limit to the number of Exploration Agreements an applicant may apply for and hold within one IOL parcel or within Nunavut.

3.4 An Exploration Agreement will comprise no more than five subareas. A portion of each subarea must lie within one single circle with a radius of 5 kilometres.

3.5 a) The Exploration Area and each subarea shall be described by defining its boundary or geographical location in writing, making reference to the accompanying map. The description shall, to the extent necessary to clearly define the Exploration Area, identify points of intersection between the Exploration Area or subarea boundary and the boundary of the IOL parcel or area of existing or pending mineral rights.

(b) The boundary shall be lines of latitude or longitude, except where part or all of the boundary of the Exploration Area is defined by the boundary of the IOL parcel or an area of existing or pending mineral rights.

(c) All boundary lines which follow lines of latitude and longitude must correspond to a "grid" in which the lines running north-south are spaced at intervals of 30" (i.e. lines of longitude can only be at 30" or 00") and lines running east-west are spaced at intervals of 15" (i.e. lines of latitude can only be at 15", 30", 45" or 00"), except that north of 70°N, the lines running north-south are spaced at intervals of 1' (i.e. lines of longitude can only be at 00"). For greater clarity, a single unit of this "grid" will be approximately 15 hectares to 30 hectares.

(d) Where the proposed Exploration Area totally surrounds an area of existing mineral rights or an area for which an Exploration Agreement is pending, this area must be noted on the description which is part of the Application and the boundary with such area must be described in the manner above. Such area is excluded from the Exploration Area.

3.6 The datum is NAD83.

4. Submission of Applications

- 4.1 Applications are accepted during several periods a year, the “Application periods”, and are processed in batches. The Application periods will be announced in advance. Applications shall be submitted to NTI at the address indicated on the Application. The Application and additional material may be submitted by letter, by fax or may be brought to NTI. If an application fee is required as per section 5.1, the Application material sent by fax shall be mailed simultaneously.
- 4.2 An Application for an addition to the Exploration Area of an existing Exploration Agreement is made by submitting an Application, which will be processed in the same way and subject to the same application fees as an Application for a new Exploration Agreement.
- 4.3 All Applications shall remain confidential until after the close of the Application period.
- 4.4 A complete Application is defined as an Application which is completed on NTI’s Application form and which according to NTI’s assessment adequately contains the following information:
- (i) the name, address, and, as applicable, telephone and fax numbers of the applicant;
 - (ii) the written description of the area applied for as indicated in section 3.5, and furthermore indicating that the area applied for does not overlap existing or pending mineral rights;
 - (iii) a map that clearly shows the location of the area applied for in relation to geographic features, as well as the boundary of the IOL parcel (as required) and the location of existing or pending mineral rights if these are known to the applicant;
 - (iv) a brief outline of the applicant’s history of field exploration work, during the previous 12 months, within the specific area applied for and elsewhere within the IOL parcel; and,
 - (v) any other information which may be required by NTI as per the Application.
- 4.5 If an Application is incomplete or otherwise deficient, NTI will notify the applicant with indication of the reason for this. The applicant may then submit additional material.
- 4.6 The applicant shall ensure that the Application contains correct and adequate information including a correct delineation of the area applied for. Prior to submitting an Application the applicant should obtain information from NTI as indicated in section 4.7.
- 4.7 NTI will on request forward the following information to an applicant, a potential applicant or others as regards a specific geographic area:
- (i) a description of areas (including maps) for which one or more Exploration

- (ii) Agreements has been granted;
a description of areas applied for but for which one or more Exploration Agreements is pending (section 6.3).

4.8 NTI may stipulate a fee for the forwarding of information under section 4.7

5. Application Fee

- 5.1 a) Upon the submission of an Application, the applicant shall pay the following application fee:

Corporation	\$500
Individual	\$0

- b) Upon submission of an Application in response to a Request for Offers, the applicant shall submit a \$500 application fee. If, upon successful conclusion of the negotiations, the applicant is issued more than one Exploration Agreement, a fee of \$500 per additional agreement will be required in addition to the annual fees required under section 6.1

5.2 Individuals who are Inuit may on application be exempted from the payment of annual fees for the first two years of the Exploration Agreement. The area subject to this exemption shall not exceed 100 (one hundred) hectares per applicant per IOL parcel. An individual may hold no more than three areas subject to this exemption in Nunavut. The total percentage of an IOL parcel that may be subject to this exemption shall not exceed 10 percent.

5.3 The application fee shall be paid to NTI in Canadian dollars. The fee shall be forwarded by cheque, except that on prior arrangement with NTI at the address above, payment may be made by bank transfer.

5.4 Payment must be received by NTI before the close of business not later than the close of the Application period. If payment is not received before the close of the Application period, the Application shall not be processed in that Application batch but may, at the request of the applicant, be included in the next Application batch.

5.5 If NTI does not offer an Exploration Agreement to an applicant in respect of a complete Application, NTI will refund the application fees of the applicant.

6. Notification of Applicants and Execution of Agreements

6.1 If NTI decides to offer an Exploration Agreement, it will forward copies of an Exploration Agreement to the applicant. An applicant must, before the close of business on the 40th day following the date the Exploration Agreement is mailed to the applicant by NTI, execute and return to NTI at the address indicated herein all copies of the Exploration Agreement, together with the initial annual fees, which payment is to be in the form indicated by NTI. NTI may on request and in its sole

discretion extend this period.

- 6.2 If an Application is for an addition to an existing Exploration Agreement, the annual fee that must be paid is that fee provided for in that Exploration Agreement. An amended Schedule “A” to the Exploration Agreement, which includes the additional area, will be sent to the applicant for approval. This must be returned to NTI with the annual fee.
- 6.3 An Exploration Agreement that has been sent to an applicant, including an applicant under the provisions of section 6.5, but that has not yet been executed is termed “pending” and the affected area is indicated as “pending” on NTI’s maps.
- 6.4 If the executed copies of the Exploration Agreement and fees are not received by NTI within the period required by section 6.1 or if the applicant notifies NTI in writing that it does not intend to execute the Exploration Agreement, the Application shall be cancelled. The application fee will not be returned to the applicant.
- 6.5 If an Application is cancelled under the provisions of section 6.4, NTI may offer an Exploration Agreement to another applicant who has made an Application for part or all of the same area. The provisions of sections 6.1 and 6.4 will apply.
- 6.6 If an Application is cancelled under the provisions of section 6.4, NTI will, on the written request of the applicant, enter the Application in the batch of Applications next following receipt by NTI of the written request, provided an Exploration Agreement in respect of the area being applied for has not been granted to another applicant.
- 6.7 NTI will notify all applicants who have not been successful in being offered Exploration Agreements.
- 6.8 Applicants for parcels that have not been opened by the RIA for exploration and mining will be notified if their Applications have been approved by NTI. Granting of Subsurface Rights to the applicant will be contingent upon the RIA declaring the parcel(s) in question open for exploration and mining.
- 6.9 In consultation with the successful applicant, NTI may amend the description of the Exploration Area to be attached to the Exploration Agreement for the purpose of providing greater certainty of the location of the Exploration Area.
- 6.10 If, following receipt of one or more Applications, or at any other time, NTI decides that it wishes to enter into a process of requesting offers and (or) negotiating with respect to the terms of the Exploration Agreement, it will so notify any applicant who has applied for the IOL parcels that are to be subject to this process.
- 6.11 Unless otherwise agreed by NTI in writing, the Application shall be deemed rejected if the Exploration Agreement, or an Agreement in Principle to complete the

Exploration Agreement, is not executed within 180 days of the end of the Application Period.

7. Other Rights Required

- 7.1 Before field exploration work can begin under an Exploration Agreement, the holder must obtain a Surface Right from the RIA. This will be in the form of a Land Use Licence or a Commercial Lease. The granting of a Subsurface Right does not convey any Surface Right. The applicant may also be required to obtain a Water Licence, and comply with other regulatory requirements, including any applicable Regional Land Use Plan.