

## Conditions Annexed to and Forming Part of Land Use Permit Number MV2004C0001

### Part A: Scope of Permit

1. This Permit entitles Peregrine Holdings Ltd. to conduct the following activities:

Mineral exploration including till sampling, mapping, trenching, and diamond drilling of up to 40 holes and the establishment of support infrastructure including a camp at Afridi Lake and fuel caches in the Lac de Gras, MacKay Lake, and Thonokied Lake areas.

Location: Minimum latitude: 64°05' N; Maximum latitude: 64°37' N  
Minimum longitude: 109°15' W; Maximum longitude: 111°18' W

2. The Permit is issued subject to the conditions contained herein with respect to the use of land for the activities and area identified in Part A, Item 1 of this Permit.
3. Compliance with the terms and conditions of this Permit does not absolve the Permittee from responsibility for compliance with the requirements of all applicable federal, territorial, and municipal legislation.

### Part B: Definitions

“**Act**” means the *Mackenzie Valley Resource Management Act*.

“**Artesian Aquifer**” means a water-bearing stratum which, when encountered during drilling operations, produces a pressurized flow of groundwater that reaches an elevation above the ground surface.

“**Board**” means the Mackenzie Valley Land and Water Board established under Part 4 of the *Mackenzie Valley Resource Management Act*.

“**Drill Waste**” means all materials or chemicals, solid or liquid, associated with the drilling of boreholes and includes borehole cuttings.

“**Inspector**” means an Inspector designated by the Minister under the *Mackenzie Valley Resource Management Act*.

“**Sewage**” means all toilet wastes and graywater.

“**Sump**” means a man-made pit, trench, hollow, or cavity in the earth's surface used for the purpose of depositing waste material therein.

### Part C: Conditions Applying to All Activities (the headings correspond to subsection 26 of the Mackenzie Valley Land Use Regulations)

#### 26(1)(a) Location and area

1. The Permittee shall not conduct this land use operation on any lands not designated in the accepted application.

PLANS

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| 2. | When the Permittee is drilling within one hundred 100 m of the ordinary high water mark of a water body, they must employ a recirculating drill and ensure that cuttings do not enter any water body. | LOCATION OF DRILLSITES |
| 3. | The Permittee shall use an existing campsite.   | CAMP LOCATION          |
| 4. | Prior to the commencement of diamond drilling, the Permittee shall submit to the Inspector and the Board proposed drill targets on a 1:50,000-scale map with a list of collar coordinates attached.   | DRILL LOCATIONS        |

**26(1)(b) Time**

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| 5. | The Permittee's Field Supervisor shall <u>first</u> contact an Inspector at (867) 669-2757 and <u>then</u> the Board at (867) 669-0506 at least 48 hours prior to the commencement of this land use operation.  | CONTACT INSPECTOR/ BOARD |
| 6. | The Permittee shall advise an Inspector at least ten days prior to the completion of the land use operation of:<br>a) The plan for removal or storage of equipment and materials; and<br>b) When final clean-up and restoration of the land used will be completed.   | REPORTS BEFORE REMOVAL   |
| 7. | The Permittee shall provide in writing to the Board and Inspector, at least 48 hours prior to commencement of this land use operation, the following information:<br>(a) Name(s) of person, or persons, in charge of the field operation to whom notices, orders, and reports may be served;<br>(b) Names of alternates; and<br>(c) All methods for contacting the above person(s). | IDENTIFY AGENT           |
| 8. | To prevent disturbance to breeding migratory birds, the Permittee shall not conduct any activity associated with the land use operation between May 1 and July 31 of any year unless otherwise authorized by an Inspector.  | SHUT-DOWN PERIOD         |
| 9. | The Board and/or Inspector reserve the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe.  | CLOSURE                  |

**26(1)(c) Type and size of equipment**

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| 10. | The Permittee shall not use any equipment except of the type, size, and number that is listed in the accepted application. | ONLY APPROVED EQUIPMENT |
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### **26(1)(d) Methods and techniques**

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| 11. | The Permittee shall not conduct vehicle travel in areas without snow-covered surfaces.                                    | VEHICLE TRAVEL                       |
| 12. | The Permittee shall replace all excavated material from the test trenches prior to the expiry of this Permit.             | TEST PITS                            |
| 13. | The Permittee shall not erect camps or store material on the surface ice of streams.                                      | STORAGE ON ICE                       |
| 14. | The Permittee shall not store material other than that required for immediate use on the ice surface of water bodies.     | STORAGE ON ICE                       |
| 15. | The Permittee shall remove or cut off and seal all drill casings at ground level immediately upon completion of drilling. | REMOVAL AND SEALING OF DRILL CASINGS |
| 16. | The Permittee shall use drip pans when transferring fuel between storage containers and machinery.                        | DRIP PANS                            |

### **26(1)(e) Type, location, capacity, and operation of all facilities**

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| 17. | The Permittee shall not locate any sump within 100 m of the ordinary high water mark of any water body unless otherwise authorized in writing by an Inspector. | SUMPS FROM WATER |
| 18. | The Permittee shall ensure that the land use area is kept clean at all times.  | CLEAN WORK AREA  |

### **26(1)(f) Control or prevention of ponding of water, flooding, erosion, slides, and subsidence of lands**

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| 19. | (a) The Permittee shall, where flowing water from bore holes is encountered, plug the bore hole in such a manner as to permanently prevent any further outflow of water; and<br>(b) The artesian occurrence shall be reported to the Inspector immediately. | PLUG ARTESIAN WELLS        |
| 20. | The Permittee shall not use the bed of streams for access routes except for the purpose of crossing the streams.  | STREAM BEDS – ACCESS       |
| 21. | The Permittee shall suspend overland travel of equipment or vehicles at the first sign of rutting.  | SUSPEND OVERLAND TRAVEL    |
| 22. | The Permittee shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.  | VEHICLE MOVEMENT FREEZE-UP |

**26(1)(g) Use, storage, handling, and ultimate disposal of any chemical or toxic material**

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| 23. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application unless otherwise authorized by an Inspector.              | APPROVAL OF CHEMICALS                |
| 24. | The Permittee shall remove all Drill Waste containing poisonous or persistent chemical additives to an approved disposal facility.   | DRILL WASTE DISPOSAL                 |
| 25. | The Permittee shall deposit all non-toxic Drill Waste into a Sump.   | DRILL WASTE                          |
| 26. | The Permittee shall remove all Drill Waste from ice surfaces.  | DRILL WASTE DISPOSAL                 |
| 27. | The Permittee shall not allow any Drill Waste to spread to the surrounding lands or water bodies.  | DRILL WASTE CONTAINMENT              |
| 28. | When drilling on ice, the Permittee shall use a closed circuit drilling system with the disposal of cuttings into a land-based Sump.   | DRILLING ON ICE                      |
| 29. | The Permittee shall dispose of all combustible waste petroleum products by incineration or removal.  | WASTE PETROLEUM DISPOSAL             |
| 30. | The Permittee shall report all spills immediately to the 24-hour Spill Report Line (867) 920-8130, which is in accordance with instructions contained in "Spill Report" form N.W.T. 1752/0593. | REPORT CHEMICAL AND PETROLEUM SPILLS |

**26(1)(h) Wildlife and fish habitat**

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| 31. | The Permittee shall minimize damage to wildlife and fish habitat in conducting this land use operation.  | HABITAT DAMAGE                        |
| 32. | The Permittee shall use food handling and garbage disposal procedures that do not attract wildlife.  | WILDLIFE/MAN CONFLICT                 |
| 33. | The Permittee shall not harass wildlife during this land use operation.  | NO WILDLIFE HARASSMENT                |
| 34. | The Permittee shall not destroy the nests or eggs of migratory birds.  | MIGRATORY BIRDS                       |
| 35. | The Permittee shall cease operations when Caribou are in the immediate vicinity of an area where work is proceeding  | CARIBOU HARASSMENT                    |
| 36. | During periods of caribou herd migration through the permitted area, neither drilling activities nor low-level flying shall occur within a distance of five km of any caribou water crossing, until such time as the major migration has been completed. Please contact the North Slave Regional GNWT-ENR Office at (867) 920-3049 for information regarding the locations of water crossings and sensitive caribou habitat. | RESTRICTIONS DURING CARIBOU MIGRATION |

**26(1)(j) Storage, handling, and disposal of refuse or Sewage**

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| 37. | The Permittee shall dispose of all Sewage and graywater as proposed in the accepted application.   | SEWAGE DISPOSAL       |
| 38. | The Permittee shall remove all non-combustible garbage and debris, including plastics, from the land use area to a disposal site as specified in the accepted application. | REMOVE GARBAGE        |
| 39. | The Permittee shall burn all combustible garbage and debris, except plastics, daily in a container acceptable to an Inspector.   | INCINERATION          |
| 40. | The Permittee shall keep all garbage and debris in a covered metal container on site until disposed of.  | GARBAGE CONTAINER     |
| 41. | The Permittee shall remove all scrap metal, discarded machinery, parts, barrels and kegs, plastics, and building materials as specified in the accepted application.       | REMOVE WASTE MATERIAL |

**26(1)(j) Protection of historical, archaeological, and burial sites**

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| 42. | The Permittee shall not operate any vehicle within 30 m of a known or suspected archaeological site.  | OPERATE VEHICLE           |
| 43. | The Permittee shall not knowingly remove, disturb, or displace any archaeological specimen or site.   | DISTURBANCE OF SITE       |
| 44. | The Permittee shall immediately cease any activity which disturbs an archaeological, historical, and/or burial site and shall contact the Mackenzie Valley Land and Water Board at (867) 669-0506 should an archaeological site or specimen be encountered or disturbed by any land use activity. | CONTACTS                  |
| 45. | The Permittee shall ensure that all persons working under authority of the Permit are aware of these conditions concerning archaeological land use activity.  | NOTIFICATION TO EMPLOYEES |

**26(1)(k) Objects and places of recreational, scenic, and ecological value**

**26(1)(l) Security deposit**

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| 46. | The Permittee shall deposit with the Minister a security deposit in the amount of \$9,000. pursuant to Section 32 of the Mackenzie Valley Land Use Regulations. | SECURITY DEPOSIT |
|-----|---|------------------|

47.	The Permittee shall be liable for any cost of damage over and above the amount of the security deposit.	LIABILITY FOR DAMAGES
48.	All costs to remediate the area under this Permit are the responsibility of the Permittee.	RESPONSIBILITY FOR REMEDIATION COSTS
<b>26(1)(m) Fuel storage</b>		
49.	The Permittee shall store no more than 4000 L of fuel on site at any time as specified in the accepted application, unless otherwise authorized by an Inspector.	FUEL ON SITE
50.	The Permittee shall report in writing to an Inspector the location and quantity of all fuel caches within ten days of their establishment.	REPORT FUEL LOCATION
51.	The Permittee shall not place any fuel storage containers within 100 m of the normal high water mark of any water body, unless otherwise authorized in writing by an Inspector.	FUEL BY STREAM
52.	The Permittee shall locate mobile fuel facilities on land when stationary for any period of time exceeding 12 hours.	FUEL ON LAND
53.	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL CONTAINMENT
54.	The Permittee shall mark all stationary petroleum products storage facilities with flags, posts, or similar devices so that they are at all times plainly visible to local vehicle travel.	MARK FUEL LOCATION
55.	The Permittee shall mark all fuel containers, including 205-L drums, with the Permittee's name and permit number.	MARK CONTAINERS
56.	The Permittee shall ensure that all fuel caches have adequate secondary containment as approved by an Inspector.	FUEL CACHE SECONDARY CONTAINMENT
57.	The Permittee shall submit to the Board, prior to commencement of operations, a Spill Contingency Plan for chemical and petroleum spills.	CONTINGENCY PLAN
58.	The Permittee shall ensure that adequate contingency plans and spill kits are in place, prior to commencement of operations, to respond to any potential spills.	SPILL RESPONSE
59.	The Permittee shall submit to the Board an update of the contingency plan, for chemical and petroleum spills, if there are any changes in the operation during the life of the Permit.	CONTINGENCY PLAN

**26(1)(n) Methods and techniques for debris and brush disposal**

**26(1)(o) Restoration of the lands**

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| 60. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit. | CLEAN-UP          |
| 61. | The Permittee shall backfill and restore all Sumps prior to the expiry date of this Permit.                          | BACKFILL<br>SUMPS |

**26(1)(p) Display of permits and permit numbers**

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| 62. | The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation. | DISPLAY PERMIT    |
| 63. | The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit.        | COPY OF<br>PERMIT |

**26(1)(q) Matters not inconsistent with the Regulations**

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|-----|---|---|
| 64. | The Permittee shall ensure that all persons working under the authority of the Land Use Permit are aware of and will adhere to the conditions as stated in the Land Use Permit. | NOTIFICATION<br>TO ALL<br>EMPLOYEES/<br>CONTRACTORS |
|-----|---|---|



Mackenzie Valley Land and Water Board  
7th Floor - 4910 50th Avenue  
P.O. Box 2130  
YELLOWKNIFE NT X1A 2P6  
Phone (867) 669-0506  
FAX (867) 873-6610

FILE NUMBER: MV2004C0001

Date March 16, 2009

To \_\_\_\_\_

Organization Peregrine Holdings Ltd.

Fax Number (604) 408-8881

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From Elaine Briere for Tyree Mullaney, Regulatory Officer

Number of pages including cover 8

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- As requested
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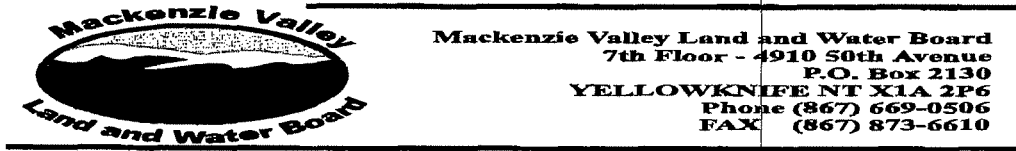
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