

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

March 24, 2011

File: MV2011C0005

Distribution List

Dear Sir/Madam:

**Request for Comments - Type A Land Use Permit Renewal Application
Peregrine Diamonds Ltd., Mining Exploration, Lac de Gras Area
MV2011C0005**

This Type A Land Use Permit Renewal Application is now available for viewing online. A list of Material Safety Data Sheets (MSDS) is also available, and individual MSDS will be posted upon request. To access these documents on our website, please go to www.mvlwb.ca/mv under "Items for Review", Peregrine Diamonds Ltd..

The Mackenzie Valley Land and Water Board (MVLWB) has determined that this application is exempt from Preliminary Screening under Paragraph 2 of Part 1, Schedule 1 of the Exemption List Regulations annexed to subsection 143(1) of the *Mackenzie Valley Resource Management Act* (MVRMA). To assist in your review, Draft Land Use Permit Conditions are attached. The MVLWB will use your comments on the Draft Land Use Permit conditions and all other topics related to this review in its evaluation.

Please submit your comments in writing by **April 13, 2011** quoting Land Use Permit MV2011C0005. If you have any questions or concerns regarding this application, please telephone (867)-766-7471 or email lindsey@mvlwb.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Lindsey Cymbalisky".

Lindsey Cymbalisky
Regulatory Officer

Attachments

Conditions Annexed to and Forming Part of Land Use Permit Number MV2011C0005

Part A: Scope of Permit

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

Mineral exploration, including till sampling, mapping, trenching, and diamond drilling of up to 32 holes and the establishment of support infrastructure including a camp at Lac de Gras 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°16'48.74" 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 | | |
| 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: <ul style="list-style-type: none"> a) The plan for removal or storage of equipment and materials; and 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: <ul style="list-style-type: none"> (a) Name(s) of person, or persons, in charge of the field operation to whom notices, orders, and reports may be served; (b) Names of alternates; and (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 | | |
| 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 |

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
(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)(i) 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 |
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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
26(1)(m) Fuel storage		
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 revised 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

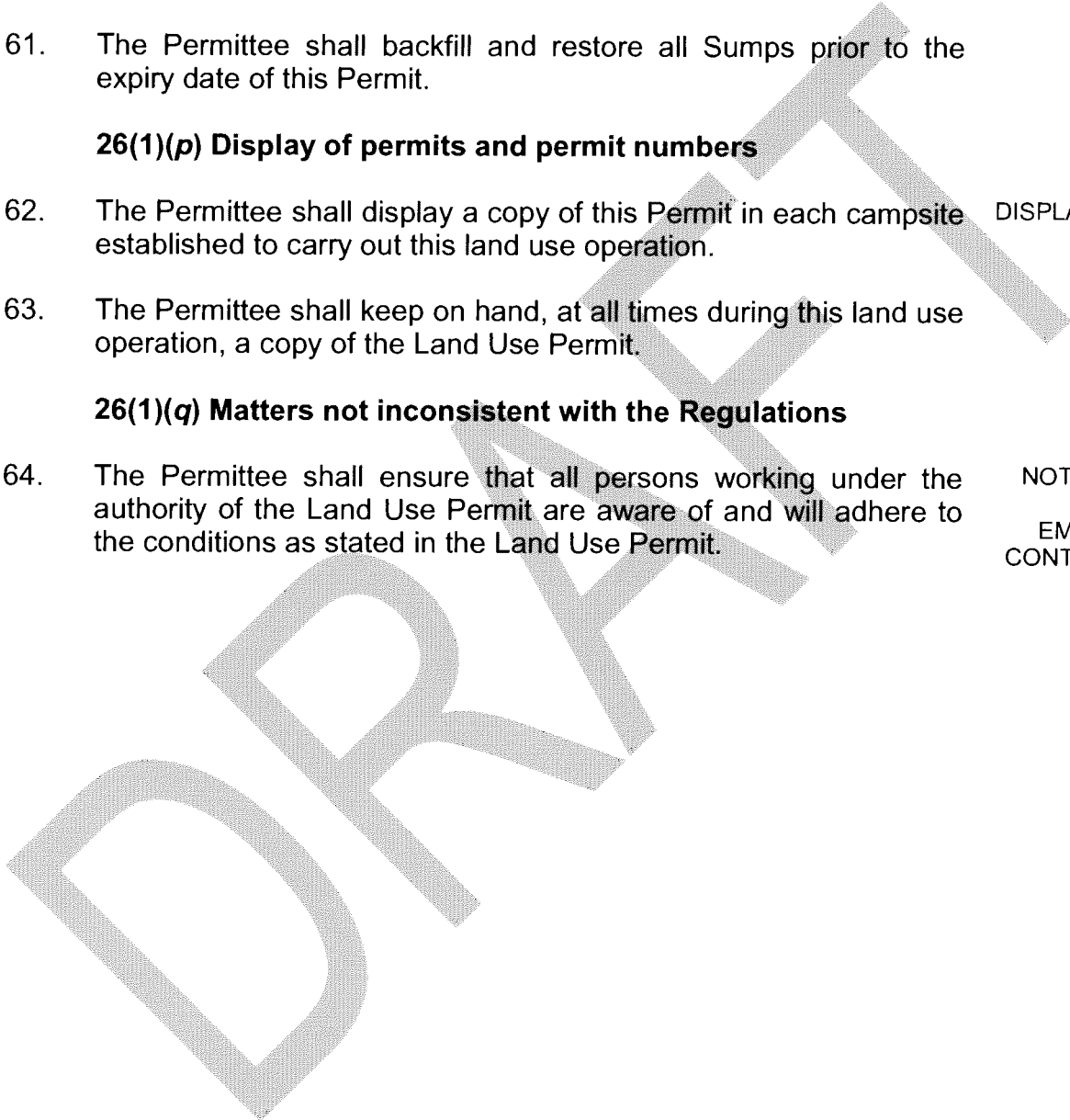
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| 60. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit. | CLEAN-UP |
| 61. | The Permittee shall backfill and restore all Sumps prior to the expiry date of this Permit. | BACKFILL
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
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
TO ALL
EMPLOYEES/
CONTRACTORS |
|-----|---|---|



Distribution List**First Nations**

Chief Frieda Martselos	Salt River First Nations		867-872-3550
Chief Fred Daniels	Smith Landing First Nation		867-872-5154
Chief Eddie Sangris	Yellowknives Dene First Nation (Dettah)	29	873-5969
Chief Ted Tsetta	Yellowknives Dene First Nation (Ndilo)	30	873-8545
Todd Slack, TE GIS	Yellowknives Dene FN, Land & Environment		environment@ykdene.com tslack@ykdene.com
Chief Steven Nitah	Lutselk'e Dene First Nation	34	doraenzoe@yahoo.ca tsatsiyecatholique@gmail.com
Chief Louis Balsillie	Deninu K'ue First Nation	48	867-394-5122

Aboriginal Organizations

Director	Tli Cho Lands Protection Environment	22	lands@tlichocom
Laura Duncan	Kwe Beh Working Group		lauraduncan@tlichocom
Lee Mandeville	Dene Nation		lmandeville@denenation.com
Screening Officer	Akaitcho Treaty #8 Tribal Corporation		screeningofficer@eastarm.com
President Ken Hudson	Fort Smith Métis Council		867-872-5225
President Betty Villebrun	Northwest Territory Métis Nation	45	867-872-2772
President Garry Bailey	Fort Resolution Métis Council		Frmc53@yahoo.ca
President Bill Enge	North Slave Métis Alliance		lands@nsma.net
Legat, Alice	Wek'eezhii Renewable Resources Board		alegat@wrrb.ca
Snortland, Jody	Wek'eezhii Renewable Resources Board		jsnortland@wrrb.ca
Clark, Karin	Wek'eezhii Renewable Resources Board		kclark@wrrb.ca

Communities

Mayor Elizabeth Ann McKay	Deninoo Community Council		867-394-5415
Mayor Gordon Van Tighem	City of Yellowknife		920-5649
Mayor Janie Hobart	Town of Fort Smith		townoffortsmith@northwestel.net
Daniels, Clifford	Community Government of Behchoko		clifforddaniels@tlichocom
Chocolate, Eddie	Community Government of Gameti		edwardchocolate@tlichocom
Charlie Football c/o Grace Angel	Community Government of Wekweeti		saowekweti@netkaster.ca
Notsiza, Alfonz	Community Government of Whati		alfonznitsiza@tlichocom

Government – GNWT

Glen Mackay	GNWT – PWNHC		Glen_Mackay@gov.nt.ca
Patrick Clancy	GNWT – ENR		Patrick_Clancy@gov.nt.ca
ENR	Gnwt_ea@gov.nt.ca		Gnwt_ea@gov.nt.ca
Duane Fleming	GNWT – HEALTH		Duane_fleming@gov.nt.ca
Mark Davy	GNWT – MACA		Mark_davy@gov.nt.cca
Susan Abernethy	WCSS		SusanA@wbc.nt.ca
Kris Johnson	GNWT – ITI		K_Johnson@gov.nt.ca
Rhonda Batchelor	GNWT – DOT		Rhonda_Batchelor@gov.nt.ca

Government – Federal

Marty Sanderson	South Mackenzie District Office – INAC		Marty.Sanderson@inac.gc.ca Charlene.Coe@inac-ainc.gc.ca
Robert Jenkins	Head, Regulatory and Science Advice - Water Resources - INAC		Robert.Jenkins@inac.gc.ca
Angela Norris	Mineral & Petroleum Resources Directorate - INAC		norrisa@inac.gc.ca
James Lawrence	Manager / Aboriginal and Territorial Relations - INAC		consultationsupportunit@inac.gc.ca james.lawrence@inac.gc.ca
	Intergovernmental Affairs – INAC		intergov@inac-ainc.gc.ca 669-2710

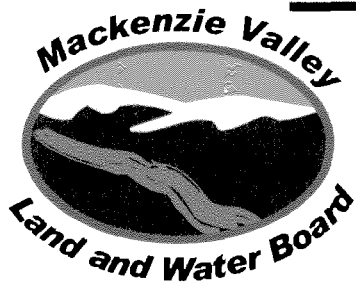
If there are any errors in this distribution list, please contact our office.

Lorraine Seale	Environment and Conservation – INAC	sealel@inac-ainc.gc.ca
	Environment Canada	ec.ea.nwt@ec.gc.ca
Rick Walbourne	DFO	Rick.Walbourne@df-mpo.gc.ca

Others

Boyd Warner	Barrenground Caribou Outfitters	920-4263
Vern Christensen	MVEIRB	vchristensen@mveirb.nt.ca
Mark Cliffe-Phillips	WLWB	mark_cp@wlwb.ca
Ryan Fequet	WLWB	rfequet@wlwb.ca

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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: MV2011C0005

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Number of pages including cover 11

Remarks:

Request for Comments

If you have any questions, please contact Lindsey Cymbalistry at (867) 766-7471 or email lindsey@mvlwb.com.

Thanks,

- Enclosures
- As requested
- For your information
- For your comment
- For your approval

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Email/Fax March 24, 2011

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010	18678723550	03-24 02:54PM	01'53	011/011	EC	HS	CP
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Abbreviations:

HS:Host Send
HR:Host Receive
MS:Mailbox Save
MP:Mailbox Print

PL:Polled Local
PR:Polled Remote
WS:Waiting To Send
EC:Error Correct

CP:Completed
FA:Fail
RP:Report

TS:Terminated by System
TU:Terminated by User
G3:Group3