

Staff Report

Applicant: Peregrine Diamonds Ltd.	
Location: Lac de Gras area, NT	Application: MV2011C0005
Date Prepared: November 23, 2016	Meeting Date: December 5, 2016
Subject: Assignment of Land Use Permit	

1. Purpose/Report Summary

The purpose of this Report is to present to the Mackenzie Valley Land and Water Board (MVLWB/the Board) an Application to assign Land Use Permit MV2011C0005 (the Permit) from Peregrine Exploration Ltd. to Peregrine Diamonds Ltd.

2. Background

- April 28, 2011 – Issuance of Permit;
- October 8, 2015 – Assignment of Permit from Peregrine Diamonds Ltd. to Peregrine Exploration Ltd.;
- May 12, 2016 – Two-year extension request approved;
- October 20, 2016 – Assignment Application received;
- October 21, 2016 – Engagement Log received;
- October 27, 2016 – Corporate Registration received;
- November 1, 2016 – Assignment Application deemed complete and distributed for review;
- November 10, 2016 – Reviewer comments due and received;
- November 15, 2016 – Peregrine Exploration Ltd.'s responses due and received; and
- **December 5, 2016 – Assignment Application presented to the Board for decision;** and
- April 27, 2018 – Permit expires.

3. Discussion

On October 20, 2016, Peregrine Exploration Ltd. applied to assign Permit MV2011C0005 to Peregrine Diamonds Ltd. (attached) in accordance with section 38 of the *Mackenzie Valley Land Use Regulations* (MVLUR). Although the companies share similar names, Peregrine Diamonds Ltd. is a separate corporate entity, so this is *not* simply a matter of the same corporate entity changing names. Peregrine Diamonds Ltd.'s corporate registration was included with the Application, and is attached.

The Board will note that this Permit was recently assigned between these two corporate entities on October 8, 2015. There is no provision in the MVLUR preventing a Permittee from assigning a Permit multiple times, so the previous assignment has no bearing on the current Application before the Board.

4. Comments

Board staff have reviewed the inspection reports and correspondence for this file. In 2012, inspectors noted a few minor concerns regarding fuel storage and cleanup of hydrocarbon-impacted materials. Peregrine Diamonds Ltd. responded and the most recent inspection, conducted in 2014, noted no concerns.

In keeping with standard practice and as per subsection 38(1) of the MVLUR, Board staff updated the Permit with current standard conditions, and distributed a draft Permit along with this Assignment Application for reviewer comment.

5. Reviewer Comments

Comments and recommendations on the Application were received from the following reviewers:

- Government of the Northwest Territories – Environment and Natural Resources (GNWT-ENR) (No comments or recommendations);
- GNWT – Lands Inspector (Inspector); and
- GNWT – Lands.

The reviewer comment summary table (attached) presents the concerns identified through the review of the Application.

GNWT – Lands noted that three of the leases associated with the Permit are held by multiple companies, and recommended approval of the Assignment Application. Board staff have confirmed via telephone with the Inspector that this lease ownership arrangement does not affect the Permit, or the Assignment Application.

The Inspector submitted comments and recommendations on the draft Permit conditions, which are attached for the Board's consideration.

6. Security

Security in the amount of \$9,000 is currently held in association with this Permit.

Board staff reviewed the draft estimate prepared for this Permit (attached) when it was originally issued by the Board on April 28, 2011. The 2011 draft estimate totaled \$14,207.33. The Board decided to maintain the security for Permit MV2011C0005 for the same amount (\$9,000) as was required in the previous Permit MV2004C0001.

Peregrine Exploration Ltd. has not proposed any changes to the project in association with this Assignment Application.

7. Conclusion

Board staff has not identified any concerns associated with granting this assignment, as applied for. Board staff has included draft Permit conditions for the Board's consideration, which include comments and recommendations from the Inspector.

8. Recommendation

Board staff recommends the Board approve the assignment of Permit MV2011C0005 from Peregrine Exploration Ltd. to Peregrine Diamonds Ltd., and attached draft Reasons for Decision. Board staff has attached a draft approval letter for the Board's consideration.

9. Attachments

- [Assignment Application](#)
 - [Peregrine Diamonds Ltd. corporate registration](#)
 - [Engagement Log](#)
 - [Assignment Fee Receipt](#)
- Reviewer Comment Summary Table
- 2011 Security Estimate
- Draft Land Use Permit Cover Page
- Draft Land Use Permit Conditions
- Draft Reasons for Decision
- Draft Decision Letter from the Board

Respectfully submitted,



Julian Morse
Regulatory Officer

Review Comment Table

Board:	MVLWB
Review Item:	Peregrine Exploration Ltd - Assignment Application (MV2011C0005
File(s):	MV2011C0005
Proponent:	Peregrine Exploration Ltd.
Document(s):	MV2011C0005 - Peregrine Diamonds - Assignment Application (375 KB) MV2011C0005 - Peregrine Diamonds - Engagement for Assignment Application (84 KB) MV2011C0005 - Peregrine Diamonds - Corporate Registration (246 KB) MV2011C0005 - Peregrine - Draft LUP Conditions (58 KB)
Item For Review Distributed On:	Nov 1 at 13:53 Distribution List
Reviewer Comments Due By:	Nov 10, 2016
Proponent Responses Due By:	Nov 15, 2016
Item Description:	<p>Peregrine Exploration Ltd. (Peregrine) has submitted an application requesting authorization to assign Land Use Permit (Permit) MV2011C0005 to Peregrine Diamonds Ltd. (new proponent).</p> <p>Reviewers are invited to submit questions, comments and recommendations using the Online Review System (ORS) by the review comment deadline specified below. Please provide comments and recommendations on the:</p> <ul style="list-style-type: none"> • Application; Supporting Documentation; and Draft Land Use Permit (please clearly indicate which condition you are commenting on). <p>Please note that standard land use permit conditions in the Draft Land Use Permit (Permit) have been updated based on the current MVLWB's Standard Land Use Permit Conditions Template. Non-standard conditions specific to this previously permitted land use operation have been maintained, as is applicable. The purpose of this draft Permit is to allow parties to comment on Board staff's suggested conditions. These draft materials are not intended to limit in any way the scope of parties' comments. The Board is not bound by the contents of the draft Permit and will make its decision at the close of the proceeding on the basis of all the evidence and arguments filed by all parties.</p> <p>All documents that have been uploaded to this review are also available on our public registry. If you have any questions or comments about the ORS or this review, please contact Board staff identified below.</p>
Contact Information:	Julian Morse 867-766-7453

Comment Summary

GNWT - ENR: Central Email GNWT				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	General File	Comment (doc) ENR Letter - No Comments or Recommendations at this time. Recommendation		Noted.
GNWT - Lands: Clint Ambrose				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	Draft Land Use Permit Operating Conditons	Comment (doc) The Draft Land Use Permit has been reviewed. Recommendation Please incorporate the Inspector recommended changes on the attached document into the land use permit.		Noted.
GNWT - Lands: Pat Knutson				
ID	Topic	Reviewer Comment/Recommendation	Proponent Response	Board Decision
1	MV2011C0005 Comments	Comment (doc) Mining Recorder's office has reviewed the assignment application. Recommendation Please see the attached letter for specific comments.		The Board notes that the co-ownership of leases as noted by the Mining Recorder's office does not affect the assignment application. The Inspector has confirmed they had no concerns related to the leases.
2	MV2011C0005 Comments	Comment (doc) Mining Recorder's office has reviewed the assignment application. Recommendation Please see the attached letter for specific comments.		See above comment.

3	MV2011C0005	<p>Comment (doc) (Submitted after Due Date) Lease report Recommendation Attached is the lease report as stated in Nov. 3, 2016 letter.</p>		<p>The Board notes that this document was inadvertently missing from the original GNWT – Lands comment. It was added to the comment table after the review comment deadline to correct this error.</p>
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November 3, 2016

Jen Potten
Mackenzie Valley Land and Water Board (MVLWB)
7th Floor, 4910-50th Ave
YELLOWKNIFE, NT X1A 2P6

Dear Ms. Potten:

Land Use Permit: MV2011C0005 - Peregrine Diamonds Ltd. - Assignment

The Government of the Northwest Territories (GNWT) reviewed the assignment application for Land Use Permit MV2011C0005 and recommends the assignment be granted to Peregrine Diamonds Ltd.

On November 1, 2016, our Inspector Clint Ambrose provided his comments and recommendations for your consideration, via the LWB Online Review System.

Comments received from the Mining Recorder's Office have indicated that three of the mineral leases mentioned in the assignment application are owned by multiple companies. Please see the attached lease status report that was provided by the Mining Recorder's office.

Thank you for the opportunity to comment on this assignment application. Should you have any questions or concerns regarding our comments, please contact our Inspector, Clint Ambrose, at (867) 767-9188.

Sincerely,

Scott Stewart
Regional Superintendent
North Slave Region

c. North Slave Region (Yellowknife), Department of Lands, GNWT

pk



**Lease Status Report
Northwest Territories**

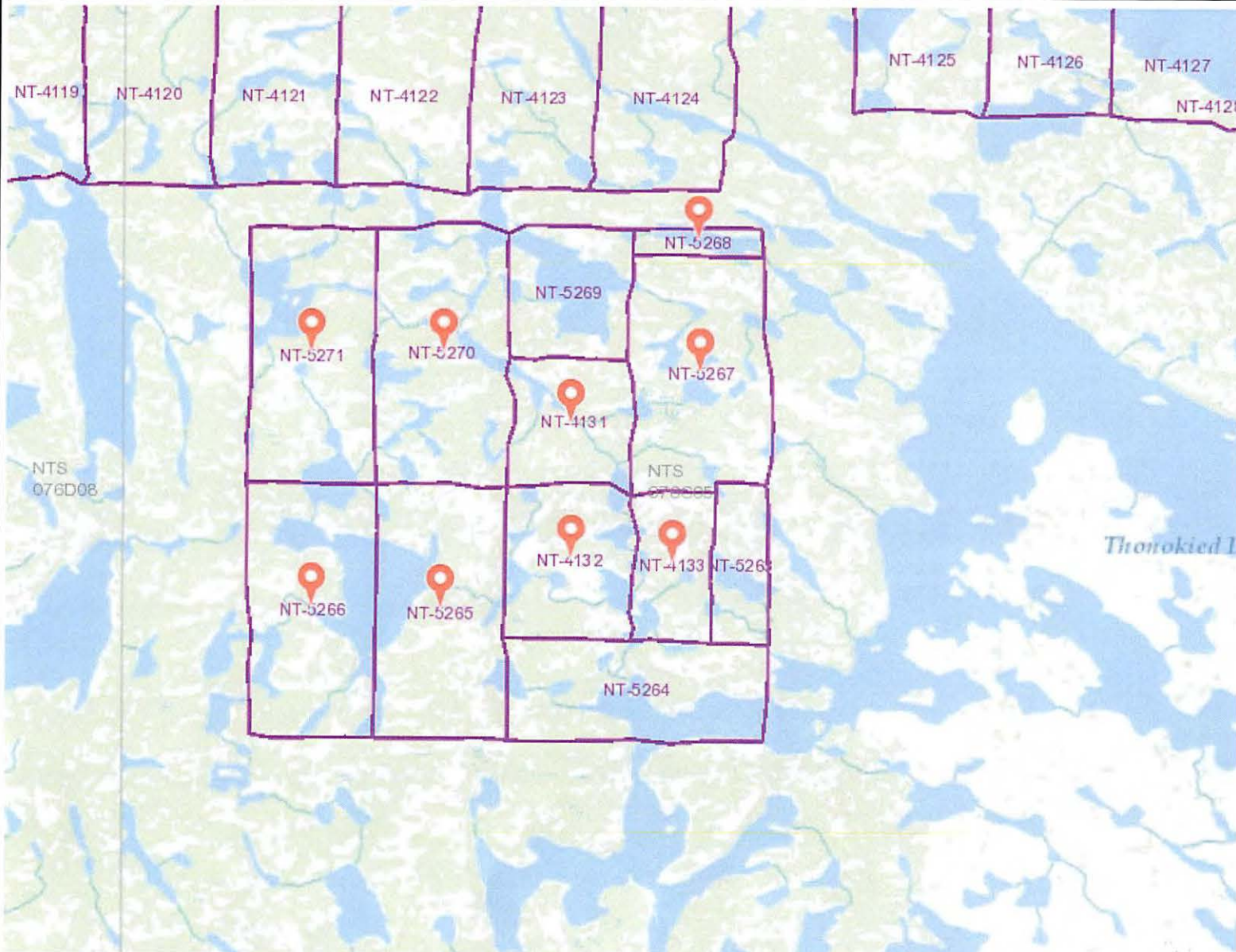
Tenure #	Owners(s)	Issue Date	Expiry Date	Rent Due Date	Hectares	NTS Maphsheet(s)	Annual Rent	Status
NT-4131	(10895) Peregrine Diamonds Ltd. 100.00%	2002-02-14	2023-02-13	2017-02-14	492.00	076C05	1,217	ACTIVE
NT-4132	(10895) Peregrine Diamonds Ltd. 100.00%	2002-02-14	2023-02-13	2017-02-14	630.00	076C05	1,558	ACTIVE
NT-4133	(10895) Peregrine Diamonds Ltd. 100.00%	2002-02-14	2023-02-13	2017-02-14	377.00	076C05	932	ACTIVE
NT-5263	(10895) Peregrine Diamonds Ltd. 49.76% (20041) Thelon Diamonds Ltd. 29.46% (20050) Peregrine Exploration Ltd. 20.78%	2011-10-21	2032-10-20	2017-10-21	287.00	076C05	708	ACTIVE
NT-5264	(10895) Peregrine Diamonds Ltd. 49.76% (20041) Thelon Diamonds Ltd. 29.46% (20050) Peregrine Exploration Ltd. 20.78%	2011-10-21	2032-10-20	2017-10-21	835.00	076C05	2,063	ACTIVE
NT-5265	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	1,052.00	076C05	2,599	ACTIVE
NT-5266	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	1,045.00	076C05	2,582	ACTIVE
NT-5267	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	1,019.00	076C05	2,519	ACTIVE
NT-5268	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	111.00	076C05	274	ACTIVE
NT-5269	(10895) Peregrine Diamonds Ltd. 49.76% (20041) Thelon Diamonds Ltd. 29.46% (20050) Peregrine Exploration Ltd. 20.78%	2011-10-21	2032-10-20	2017-10-21	512.00	076C05	1,264	ACTIVE
NT-5270	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	1,105.00	076C05	2,730	ACTIVE
NT-5271	(10895) Peregrine Diamonds Ltd. 100.00%	2011-10-21	2032-10-20	2017-10-21	1,029.00	076C05	2,544	ACTIVE

I hereby certify that the foregoing is a true copy of the original of which it purports to be a copy

2016-11-02

Mining Recorder, NWT

Mineral Tenure Map View



- ### Legend
- 1:50 000 NTS Grid
 - Active Mineral Leases
 - Active
 - Pending
 - Cancelled (Pending Ground Opening)
 - Active Prospecting Permits
 - Active
 - Cancelled (Pending Ground Opening)
 - Active Coal Exploration License
 - Active
 - Pending
 - Land Withdrawal Areas
 - Subsurface
 - Surface
 - Surface/Subsurface
 - Regulated Areas
 - Conservation/Protected Areas
 - Subsurface
 - Surface
 - Surface/Subsurface
 - Federally Managed Lands
 - Subsurface
 - Surface
 - Surface/Subsurface
 - Aboriginal and Inuit Owned Lands
 - Surface
 - Surface/Subsurface
 - Canadian Geopolitical Boundary

1: 238,051



Projection: Canada Lambert Conformal Conic

This map is a static data view produced using the NWT (ITI) Mineral Tenures mapping website. This data is updated frequently. Therefore, data layers that appear on this map may or may not be accurate, current, or otherwise reliable.



November 10, 2016

Julian Morse
Regulatory Officer
Mackenzie Valley Land and Water Board
7th Floor – 4910 50th Avenue
P.O. Box 2130
Yellowknife, NT
X1A 2P6

Dear Mr. Morse,

**Re: Peregrine Exploration Ltd.
Land Use Permit – MV2011C0005
Land Use Permit Assignment Application
Request for Comments**

The Department of Environment and Natural Resources, Government of the Northwest Territories has reviewed the application at reference based on its mandated responsibilities under the *Environmental Protection Act*, the *Forest Management Act*, the *Forest Protection Act*, the *Species at Risk (NWT) Act*, the *Waters Act* and the *Wildlife Act* and has no comments or recommendations for the consideration of the Board at this time.

Should you have any questions or concerns, please do not hesitate to contact Patrick Clancy, Environmental Regulatory Analyst at (867) 767-9233 Ext: 53096 or email patrick.clancy@gov.nt.ca.

Sincerely,

Patrick Clancy
Environmental
Environmental Regulatory Analyst
Environmental Impact Assessment Section
Conservation, Assessment and Monitoring Division
Department of Environment and Natural Resources
Government of the Northwest Territories

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

Part A: Scope of Permit

1. This Permit entitles Peregrine Exploration Ltd. (Permittee) to conduct the following activities:

Mineral exploration, including till sampling, mapping, trenching, and diamond drilling, 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°35' N
Minimum longitude: 109°15' W; Maximum longitude: 111°16' 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 - the *Mackenzie Valley Resource Management Act*.

Board - the Mackenzie Valley Land and Water Board established under Part 4 of the Act.

Borehole - a hole that is made in the surface of the ground by drilling or boring.

Drilling Waste - all materials or chemicals, solid or liquid, associated with drilling, including drill cuttings and drilling fluids.

Flowing Artesian Well - a well in which water:

- a) Naturally rises above the ground surface or the top of any casing; and
- b) Flows naturally, either intermittently or continuously.

Fuel Storage Container - a container for the storage of *petroleum* or *allied petroleum products* with a capacity of less than 230 litres.

Fuel Storage Tank - a closed container for the storage of *petroleum* or *allied petroleum products* with a capacity of more than 230 litres.

Inspector - an Inspector designated by the Minister under the Act.

Ordinary High Water Mark - the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land. In flowing waters (rivers, streams) this refers to the "active channel/bank-full level" which is often the 1:2 year flood flow return level. In inland lakes, wetlands, or marine environments, it refers to those parts of the Watercourse bed and banks that are frequently flooded by water so as to leave a mark on the land and where the natural vegetation changes from predominately aquatic vegetation to terrestrial vegetation (excepting water tolerant species). For reservoirs, this refers to normal high operating levels (full supply level).

Secondary Containment - containment that prevents liquids that leak from Fuel Storage Tanks or containers from reaching outside the containment area and includes double-walled Tanks, piping, liners, and impermeable barriers.

Sewage - all toilet wastes and greywater.

Sump - a man-made pit or natural depression in the earth's surface used for the purpose of depositing waste that does not contain Toxic Material, such as non-toxic Drilling Waste or Sewage, therein.

Toxic Material- any substance that enters or may enter the environment in a quantity or concentration or under conditions such that it:

- a) Has or may have an immediate or long-term harmful effect on the environment or its biological diversity;
- b) Constitutes or may constitute a danger to the environment on which life depends; or
- c) Constitutes or may constitute a danger in Canada to human life or health.

Watercourse - a natural body of flowing or standing water or an area occupied by water during part of the year, and includes streams, springs, swamps and gulches but does not include groundwater.

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 |
| 2. | The Permittee shall not conduct any part of the land use operation within 300 metres of any privately owned or leased land or structure, unless otherwise authorized in writing by the Board. | PRIVATE PROPERTY |
| 3. | The Permittee shall use an existing campsite, as described in the complete application. | EXISTING CAMP |
| 4. | Prior to the commencement of drilling, the Permittee shall submit the drill target locations on a 1:50,000-scale map with coordinates and map datum to an Inspector and the Board. | DRILL LOCATIONS |

26(1)(b) Time

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|----|---|------------------------|
| 5. | At least 48 hours prior to the commencement of this land-use operation, the Permittee's Field Supervisor shall contact an Inspector at (867) 765-6648 . (867) 767-9188. | CONTACT INSPECTOR |
| 6. | At least ten days prior to the completion of the land-use operation, the Permittee shall advise an Inspector of:
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. | At least 48 hours prior to commencement of this land-use operation, the Permittee shall provide the following information, in writing, to the Board and an Inspector:
(a) the name(s) of the person(s) in charge of the field operation;
(b) alternates; and
(c) all methods for contacting the above person(s). | IDENTIFY AGENT |

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|----|---|---------|
| 8. | 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

- | | | |
|----|--|-------------------------|
| 9. | The Permittee shall not use any equipment except of a similar type, size, and number to that listed in the complete application. | ONLY APPROVED EQUIPMENT |
|----|--|-------------------------|

26(1)(d) Methods and techniques

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|-----|---|--------------------|
| 10. | Prior to the expiry of this Permit, the Permittee shall replace all excavated material, unless otherwise authorized in writing by an Inspector. | EXCAVATED MATERIAL |
| 11. | The Permittee shall not erect camps or store material, other than that required for immediate use, on the ice surface of a Watercourse. | STORAGE ON ICE |

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|---|---|--|
| 12. | Immediately upon completion of operations at each Borehole, the Permittee shall remove or cut off and seal each drill casing at ground level. | MINERAL
EXPLORATION
DRILL CASINGS |
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26(1)(e) Type, location, capacity, and operation of all facilities | | |
| 13. | The Permittee shall not locate any sump within 100 metres of the Ordinary High Water Mark of any Watercourse unless otherwise authorized in writing by an Inspector. | SUMPS FROM
WATER |
| 14. | 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 | | |
| 15. | The Permittee shall, where flowing water from a Borehole is encountered:
(a) plug the Borehole in such a manner as to permanently prevent any further outflow of water; and
(b) immediately report the occurrence to the Board and an Inspector. | FLOWING
ARTESIAN WELL |
|
26(1)(g) Use, storage, handling, and ultimate disposal of any chemical or toxic material | | |
| 16. | At least seven days prior to the use of any chemicals that were not identified in the complete application, the MSDS sheets must be provided to an Inspector and the Board. | CHEMICALS |
| 17. | The Permittee shall remove all Drilling Waste containing Toxic Material to an approved disposal facility. | DRILLING WASTE
DISPOSAL |
| 18. | The Permittee may deposit Drilling Waste that does not contain Toxic Material in a Sump or natural depression. Any Sumps or natural depressions used to deposit Drilling Waste must be located at least 100 metres from the Ordinary High Water Mark of any Watercourse , unless otherwise authorized in writing by an Inspector. | DRILLING WASTE |
| 19. | The Permittee shall not allow any Drilling Waste to spread to the surrounding lands or watercourses. | DRILLING WASTE
CONTAINMENT |
| 20. | When drilling within 100 metres of the Ordinary High Water Mark of any Watercourse, and when drilling on ice, the Permittee shall contain all drill water and waste in a closed circuit system for reuse, off-site disposal, or deposit into a land-based Sump or natural depression. | DRILLING NEAR
WATER OR ON ICE |
| 21. | The Permittee shall dispose of all combustible waste petroleum products by removal to an approved disposal facility. | WASTE
PETROLEUM
DISPOSAL |
| 22. | Prior to the expiry date of this Permit or the end of operations, whichever comes first, the Permittee shall backfill and restore all Sumps, unless otherwise authorized in writing by an Inspector. | BACKFILL SUMPS |
| 23. | The Permittee shall maintain a record of all spills. For all reportable spills, in accordance with the GNWT Spill Contingency Planning and | REPORT SPILLS |

Reporting Regulations, the Permittee shall:
 (a) immediately report each spill to the 24-hour Spill Report Line (867) 920-8130;
 (b) report each spill to an Inspector within 24 hours; and
 (c) submit, to the Board and an Inspector, a detailed report on each spill within 30 days.

26(1)(h) Wildlife and fish habitat

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| 24. | The Permittee shall take all reasonable measures to prevent damage to wildlife and fish Habitat during this land-use operation. | HABITAT DAMAGE |
| 25. | The Permittee shall use food handling and garbage disposal procedures that do not attract wildlife. | WILDLIFE/MAN CONFLICT |
| 26. | The Permittee shall not harass wildlife during this land use operation. | NO WILDLIFE HARASSMENT |
| 27. | The Permittee shall not destroy the nests or eggs of migratory birds. | MIGRATORY BIRDS |
| 28. | The Permittee shall cease operations when Caribou are within 500 metres of an area where work is proceeding | CARIBOU HARASSMENT |



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

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|----------------|---|--------------------------------|
| 29. | The Permittee shall dispose of all Sewage and Greywater as described in the approved Waste Management Plan. | SEWAGE DISPOSAL |
| 30. | The Permittee shall dispose of all garbage, waste, and debris as described in the approved Waste Management Plan, unless otherwise authorized in writing by an Inspector. | REMOVE GARBAGE |
| 31. | The Permittee shall burn all combustible garbage and debris, except plastics, daily in a container acceptable to an Inspector. | INCINERATION |
| 32. | The Permittee shall keep all garbage and debris in a secure container until disposal. | GARBAGE CONTAINER |



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

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|----------------|---|---|
| 33. | The Permittee shall not operate any vehicle or equipment within 150 metres of a known or suspected historical or archaeological site or burial ground, unless otherwise authorized by an Inspector. | OPERATE VEHICLE |
| 34. | The Permittee shall, where a suspected archaeological or historical site, or burial ground is discovered:
(a) immediately suspend operations on the site; and
(b) notify the Board at (867) 669-0506 or an Inspector at (867) 765-6648 767-9188, and the Prince of Wales Northern Heritage Centre at (867) 920-6182 or 873-7688. | SITE DISCOVERY AND NOTIFICATION |
| 35. | 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

Intentionally left blank

26(1)(l) Security deposit

- | | | |
|-----|---|---|
| 36. | 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 |
| 37. | The Permittee shall be liable for any cost of damage over and above the amount of the security deposit. | LIABILITY FOR DAMAGES |
| 38. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | RESPONSIBILITY FOR REMEDIATION COSTS |

26(1)(m) Fuel storage 

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|----------------|--|---|
| 39. | The Permittee shall have a maximum of 4000  of fuel stored on the land use site at any time, unless otherwise authorized in writing by the Board. | MAXIMUM FUEL ON SITE |
| 40. | Within ten days of the establishment of any fuel cache, the Permittee shall report the location and quantity of the cache in writing to an Inspector and the Board. | REPORT FUEL LOCATION |
| 41. | The Permittee shall not place any Fuel Storage Containers or Tanks within 100 metres of the Ordinary High Water Mark of any Watercourse, unless otherwise authorized in writing by an Inspector. | FUEL NEAR WATER |
| 42. | The Permittee shall locate mobile fuel facilities on land when the facilities are stationary for more than 12 hours.  | FUEL ON LAND |
| 43. | The Permittee shall not allow petroleum products to spread to surrounding lands or Watercourses. | FUEL CONTAINMENT |
| 44. | 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 |
| 45. | The Permittee shall mark all Fuel Storage Containers and Tanks with the Permittee's name. | MARK CONTAINERS |
| 46. | The Permittee shall ensure that all fuel caches have adequate Secondary Containment. | FUEL CACHE SECONDARY CONTAINMENT |
| 47. | The Permittee shall seal all outlets of Fuel Storage Containers and store the containers on their sides with the outlets located at 3 and 9 o'clock, except for containers currently in use. | SEAL OUTLET |
| 48. | Prior to commencement of operations, the Permittee shall ensure that spill-response equipment is in place to respond to any potential spills. | SPILL RESPONSE |

49. The Permittee shall adhere to the Spill Contingency Plan, once approved, and shall annually review the plan and make any necessary revisions to reflect changes in operations, technology, chemicals, or fuels, or as directed by the Board. Revisions to the plan shall be submitted to the Board for approval.

**SPILL
CONTINGENCY
PLAN**

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

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26(1)(o) Restoration of the lands

50. Prior to the expiry date of this Permit, the Permittee shall complete all cleanup and restoration of the lands used.

**FINAL CLEANUP
AND
RESTORATION**

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

51. The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation.

DISPLAY PERMIT

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

- ~~52. 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**~~

Land Use Permit Security Worksheet

Peregrine Diamonds Ltd. - Lac de Gras Area Mining Exploration

Application Number: MV2011C0005

	Input Amount	Multiplier	
Camp (C1)			
Temporary Structures			
Input number of tent frames or weatherhaven (3.5m x 4.2m)	5	\$200.00	\$1,000.00
Input number of trailers (3.5m x 15.2m)	0	\$300.00	\$0.00
Input total square metres of other temporary structures (i.e. core shacks)	50	\$2.50	\$125.00
Fixed Structures			
Input total square metres of fixed structures	0	\$25.00	\$0.00
Solid Waste			
For non-burnable material, input # of person days per season (20 persons x 2.5 months)	1500	\$1.00	\$1,500.00
For burnable material, input # of person days per season	1500	\$0.50	\$750.00
Total C1			\$3,375.00

Regulated / Hazardous Materials (R1)			
Based upon on site volume			
Explosives; up to 500 kg (~pallet) dry explosives input 1, if none, input 0	0	\$500.00	\$0.00
Additional Explosives; input total kg >500	0	\$0.50	\$0.00
Drilling Muds (oil based); enter number of 63 m ³ (or equivalent) containers	0	\$1,000.00	\$0.00
Used Oil, Lubes and Antifreeze: enter number of pieces of heavy equipment	1	\$500.00	\$500.00
Other;			

Total R1			\$500.00

Hydrocarbon Storage and Transfer (H1)			
Based upon on site volume			
Gasoline and Diesel			
Enter total volume of gasoline&diesel <25,000 L	853	\$0.50	\$426.50
Enter total volume of gasoline&fuel > 25,000 L	0	\$0.25	\$0.00
Total Gasoline and Diesel			\$426.50
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	1	25%	-\$106.63
Aviation Fuel			
Enter total volume of aviation fuel < 25,000 L	395	\$0.50	\$197.50
Enter total volume of aviation fuel > 25,000 L	0	\$0.25	\$0.00
Total Aviation Fuel			\$197.50
When fuel is within bermed site or has other safety feature, enter 1, otherwise enter 0	1	25%	-\$49.38
Total H1			\$468.00

Land Disturbance (L1)			
Disturbed Surface Area			
<i>(Developed surface area that may require restoration through the use of scarification, reseeding, fertilizing or other similar techniques)</i>			
Enter number of hectares disturbed	2	\$1,000.00	\$2,000.00
Other Land Disturbances			
Creek Crossings; enter number of creek crossings	0	\$500.00	\$0.00
Off-Road Activities; if any activities are likely, enter 1	0	\$500.00	\$0.00
Sump Factor; enter total area occupied by sumps in m ²	10	\$10.00	\$100.00
Well Factor; enter number of wells.	0	\$25,000.00	\$0.00
Total L1			\$2,100.00

Land Use Permit Security Worksheet (continued)

Application Number: MV20011C0005

**Input
Amount Multiplier**

Equipment (E1)			
Based upon type of equipment			
Enter number of pieces of heavy equipment (i.e. dozer, forklift, large gensets)	1	\$1,000.00	\$1,000.00
Enter number of drills	2	\$1,000.00	\$2,000.00
Enter number of light vehicles (trucks, atvs, snowmobiles, boats)	6	\$250.00	\$1,500.00
Enter number of small generators or pumps	2	\$100.00	\$200.00
Enter number of empty fuel storage tanks	0	\$500.00	\$0.00
Total E1			\$4,700.00

Security Calculation			
Preliminary Calculation			
Enter amount from C1			\$3,375.00
Enter amount from R1			\$500.00
Enter amount from H1			\$468.00
Enter amount from L1			\$2,100.00
Enter amount from E1			\$4,700.00
Preliminary Calculation, total of above	A		\$11,143.00
Multipliers			
Site Access Multiplier. If the project has all weather road access enter 1, if ice road access enter 1.5, if air access enter 2	B	2	
Performance Multiplier. If applicant has successfully completed the terms of a LUP enter 0.85, otherwise enter 1	C	0.85	
Environmental Risk Factor. If location has high environmental value or unusual environmental risk enter 2. If location is previously disturbed enter 0.75. Otherwise enter 1.	D	0.75	
Calculated Security			
Multiply preliminary calculation (A) by performance multipliers (B, C and D)	E		\$14,207.33
Existing Securities			
List existing associated permits and amount of overlapping security			
Permit: _____			
Permit: _____			
Permit: _____			
Permit: _____			
Overlapping Securities, total of above	F		\$0.00
Final Security Determination			
Subtract overlapping securities (F) from calculated security (E)			\$14,207.33

Comments
(1) Peregrine has successfully completed the Terms of LUP MV2004C0001.
(2) The company is going to transport and store fuel on an as-needed basis, therefore, in section H1 only the maximum amount of fuel on site at any one time is used in the calculation.