

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**” 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.

“**Watercourse**” means any 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

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| 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 three hundred (300) metres of a any privately owned or leased land or structure, unless otherwise authorized in writing by an Inspector. | PRIVATE PROPERTY |
| 3. | When the Permittee is drilling within one hundred (100) metres of the ordinary high water mark of a watercourse, they must employ a recirculating drill and ensure that cuttings do not enter any watercourse. | LOCATION OF DRILLSITES |
| 4. | The Permittee shall use an existing campsite. | CAMP LOCATION |
| 5. | 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 coordinates and map datum. | DRILL LOCATIONS |

26(1)(b) Time

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| 6. | The Permittee's Field Supervisor shall <u>first</u> contact an Inspector at (867) 765-6648 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 |
| 7. | The Permittee shall advise an Inspector at least ten days prior to the completion of the land use operation 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 |
| 8. | 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:
a) Name(s) of person, or persons, in charge of the field operation;
b) Names of alternates; and
c) All methods for contacting the above person(s). | IDENTIFY AGENT |
| 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 unless otherwise authorized in writing by an Inspector. | ONLY
APPROVED
EQUIPMENT |
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26(1)(d) Methods and techniques

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| 11. | The Permittee shall replace all excavated material from the test trenches prior to the expiry of this Permit. | TEST PITS |
| 12. | The Permittee shall not store material other than that required for immediate use on the ice surface of watercourses. | STORAGE ON
ICE |
| 13. | 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 |

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

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| 14. | The Permittee shall not locate any sump within one hundred (100) metres of the ordinary high water mark of any watercourse unless otherwise authorized in writing by an Inspector. | SUMPS FROM
WATER |
| 15. | 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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| 16. | (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 |
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26(1)(g) Use, storage, handling, and ultimate disposal of any chemical or toxic material

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| 17. | The Permittee shall not use chemicals in connection with the land use operation that were not identified in the accepted application unless the MSDS sheets are provided to an Inspector and the Board, and usage of the chemical(s) is authorized in writing by an Inspector. | APPROVAL OF
CHEMICALS |
| 18. | The Permittee shall remove all Drill Waste containing poisonous or persistent chemical additives to an approved disposal facility. | DRILL WASTE
DISPOSAL |
| 19. | The Permittee shall deposit all non-toxic Drill Waste into a natural depression or sump. | DRILL WASTE |
| 20. | The Permittee shall remove all Drill Waste from ice surfaces. | DRILL WASTE
DISPOSAL |

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| 21. | The Permittee shall not allow any Drill Waste to spread to the surrounding lands or watercourses. | DRILL WASTE
CONTAINMENT |
| 22. | 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 |
| 23. | The Permittee shall dispose of all combustible waste petroleum products by removal. | WASTE
PETROLEUM
DISPOSAL |
| 24. | 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 "NT-NU Spill Report" form. | REPORT
CHEMICAL AND
PETROLEUM
SPILLS |

26(1)(h) Wildlife and fish habitat

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| 25. | The Permittee shall minimize damage to wildlife and fish habitat in conducting this land use operation. | HABITAT
DAMAGE |
| 26. | The Permittee shall use food handling and garbage disposal procedures that do not attract wildlife. | WILDLIFE/MAN
CONFLICT |
| 27. | The Permittee shall not harass wildlife during this land use operation. | NO WILDLIFE
HARASSMENT |
| 28. | The Permittee shall not destroy the nests or eggs of migratory birds. | MIGRATORY
BIRDS |
| 29. | 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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| 30. | The Permittee shall dispose of all Sewage and graywater as proposed in the accepted application. | SEWAGE
DISPOSAL |
| 31. | 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 |
| 32. | The Permittee shall burn all combustible garbage and debris, except plastics, daily in a container acceptable to an Inspector. | INCINERATION |
| 33. | The Permittee shall keep all on-site garbage and debris in a secure container that is acceptable to an Inspector until disposed of. | GARBAGE
CONTAINER |
| 34. | The Permittee shall remove all scrap metal, discarded machinery, parts, barrels and kegs, plastics, and building materials to an approved waste disposal facility. | REMOVE
WASTE
MATERIAL |

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

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| 35. | The Permittee shall not operate any vehicle within 150 m of a known monument or a known or suspected historical, archaeological site, or burial ground unless otherwise approved by the Inspector. | OPERATE
VEHICLE |
| 36. | The Permittee shall, where a suspected historical, archaeological, or burial site is discovered:

(1) Immediately suspend operations on the site; and
(2) Notify the Board at (867) 669-0506 or an Inspector at (867) 765-6648. | CONTACTS |
| 37. | 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

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26(1)(l) Security deposit

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| 38. | 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 |
| 39. | The Permittee shall be liable for any cost of damage over and above the amount of the security deposit. | LIABILITY FOR
DAMAGES |
| 40. | All costs to remediate the area under this Permit are the responsibility of the Permittee. | RESPONSIBILITY
FOR
REMEDATION
COSTS |

26(1)(m) Fuel storage

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| 41. | 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 |
| 42. | 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 |
| 43. | The Permittee shall not place any fuel storage containers within 100 m of the normal high water mark of any watercourse, unless otherwise authorized in writing by an Inspector. | FUEL BY
STREAM |
| 44. | The Permittee shall locate mobile fuel facilities on land when stationary for any period of time exceeding 12 hours. | FUEL ON LAND |

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| 45. | The Permittee shall not allow petroleum products to spread to surrounding lands or into watercourses. | FUEL
CONTAINMENT |
| 46. | 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 |
| 47. | The Permittee shall mark all fuel containers, including 205-L drums, with the Permittee's name and/or permit number. | MARK
CONTAINERS |
| 48. | The Permittee shall ensure that all fuel caches containing more than ten fuel containers have adequate secondary containment as approved by an Inspector. | FUEL CACHE
SECONDARY
CONTAINMENT |
| 49. | The Permittee shall seal all container outlets except the outlet currently in use. | SEAL OUTLET |
| 50. | 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 |
| 51. | 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

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26(1)(o) Restoration of the lands

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| 52. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this Permit. | CLEAN-UP |
| 53. | 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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| 54. | The Permittee shall display a copy of this Permit in each campsite established to carry out this land use operation. | DISPLAY PERMIT |
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26(1)(q) Matters not inconsistent with the Regulations

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| 55. | 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 |
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