



Land Administration
P.O. Box 100
IQALUIT, NU X0A 0H0
Phone: 867-975-4283
FAX: 867-975-4286

April 22, 2015

APEX Geoscience Ltd.
Suite 200, 9797-45 Ave.
Edmonton, AB
T6E 5V8

Dear Rob L'Heureux,

Re: Land Use Permit #N2015C0014
Type of Operation: Mining (Exploration)
Location: Somerset Island, Baffin, NU, NTS 058C

Enclosed is your copy of Land Use permit number N2015C0014 authorizing your project as described in your application dated February 13th, 2015 received by this office March 15th, 2015.

Your application has received a wide distribution to other Federal departments, Government of the Nunavut departments, communities in the area of your operation and concerned Inuit groups. In distributing your application the Nunavut Impact Review Board (NIRB) sought comments from these various agencies based on their area of expertise that will help ensure minimum negative impact on the environment. The issuance of this permit indicates that as a result of the NIRB environmental screening process it was decided that the potentially adverse environmental effects that may be caused by your proposal are mitigable with known technology and are not significant. The terms and conditions in the permit will, in our opinion, provide the necessary protection to the environment.

Please ensure that you adhere to the operating conditions, along with the Archaeological/Paleontological terms and conditions, annexed to your permit. Should you have any questions regarding any conditions of this permit, please contact Nicholas Kavanagh at (867) 975-4283 or email landsmining@aandc.gc.ca.

Sincerely,

Nicholas Kavanagh
Land Administrator Specialist

cc: Manager, Field Operations
RMO - Baffin
NIRB
NPC



Aboriginal Affairs and
Northern Development Canada

Affaires autochtones et
Développement du Nord Canada

LAND USE PERMIT
NORTHERN AFFAIRS PROGRAM

PERMIS D'UTILISATION DES TERRES
PROGRAMME DES AFFAIRES DU NORD

Permit Class - Permis Catégorie

A

Permit No - NE de permis

N2015C0014

Subject to the Territorial Land Use Regulations and the terms and conditions in this permit, authority is hereby granted to:

Sous réserve du Règlement sur l'utilisation des terres territoriales et des conditions de ce permis:

APEX Geoscience Ltd.

Permittee - Détenteur de permis

To proceed with the land use operation described in the application of:

Est autorisé à entreprendre les travaux d'exploitation des terres décrits dans la demande de permis du:

Signature Rob L'Heureux	Date February 13th, 2015
Type of Land Use Operation - Genre de travaux d'exploitation des terres Mining (Exploration)	
Location - Emplacement Somerset Island, Baffin, NU, NTS 58C	

The conditions attached to this permit are incorporated into and form an integral part of the permit.

Les conditions attachées à ce permis en font partie intégrante.

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Territorial Land Use Regulations.

Ce permis peut faire l'objet d'une cession, d'une prolongation d'une cessation d'une suspension ou d'une annulation, en vertu du Règlement sur l'utilisation des terres territoriales.

Dated at
Date à **Iqaluit**

Engineer
Ingénieur

[Handwritten signature]

This
Ce **22nd** Day of
jour de **April**, **2015**

Commencement Date
Date du début des travaux **April 22nd, 2015**

Expiry Date
Date d'achèvement **April 21st, 2017**

NOTE

IT IS A CONDITION OF THIS PERMIT THAT THE PERMITTEE COMPLY WITH ANY OTHER APPLICABLE ACT, REGULATION, ORDINANCE BY - LAW OR ORDER DEFAULT HEREOF MAY RESULT IN SUSPENSION OR CANCELLATION OF THIS PERMIT.

REMARQUE

LE DÉTENTEUR DU PRÉSENT PERMIS DOIT SE CONFORMER À TOUT AUTRE RÈGLEMENT, LOI, DÉCRET RÈGLEMENT MUNICIPAL OU ARRÊTÉ APPLICABLE. LE MANQUEMENT À CETTE OBLIGATION POURRAIT DONNER LIEU À LA SUSPENSION OU À L'ANNULATION DU PERMIS.

Canada

**CONDITIONS ANNEXED TO AND FORMING PART OF
LAND USE PERMIT NUMBER N2015C0014**

Failure to comply with any term and condition issued as part of this permit is an offence under the Territorial Lands Act. Every person who commits an offence is liable, on summary conviction, for a first offence, to a fine not exceeding \$100 000, and for a second or subsequent offence, to a fine not exceeding \$200 000. Please note that an offence that is committed on more than one day constitutes a separate offence for each day on which it is committed or continued.

31 (1) (a) - Location and Area

1.	The Permittee shall not conduct this land use operation on any lands not designated in the accepted application, unless otherwise authorized in writing by the Engineer.	PLANS
2.	The Permittee shall remove from Territorial Lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material.	REMOVE WASTE MATERIAL
3.	The Permittee shall not construct an adit or drillsite within thirty-one (31) metres of the normal high water mark of a water body unless approval in writing is obtained from the Engineer.	LOCATION OF ADITS & DRILLSITES
4.	The Permittee shall locate all camps on gravel, sand or other durable land.	CAMP LOCATION

31 (1) (b) – Time

5.	The Permittee's Field Supervisor shall contact or meet with a Land Use Inspector at the Iqaluit office of the Department of Aboriginal Affairs and Northern Development, phone number (867) 975-4517, at least 48 hours prior to the commencement of this land use operation.	CONTACT INSPECTOR
6.	The Permittee shall advise a Land Use Inspector at least 10 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 lands used will be completed.	REPORTS BEFORE REMOVAL
7.	The Permittee's Field Supervisor shall provide notification of commencement of the land use operation to the Engineer at the Iqaluit office of the Department of Aboriginal Affairs and Northern Development Canada either by emailing landsmining@aandc.gc.ca or by telephone at (867) 975-4283.	NOTICE TO ENGINEER
8.	The Permittee shall submit a progress report to the Engineer every year during this land use operation.	PROGRESS
9.	The Permittee shall notify a Land Use Inspector at least ten (10) days prior to backfilling any sump.	BACKFILLING NOTIFICATION

10.	The Permittee shall complete all clean-up and restoration of the lands used prior to the end of each field season and/or upon abandonment of site.	CLEAN-UP
11.	The Engineer reserves the right to impose closure to any area to the Permittee in periods when dangers to natural resources are severe.	CLOSURE
12.	The Permittee shall submit an annual report to the Engineer by March 30th of each year of permitted activities. The annual report must contain, but not limited to, the following information: (a) A summary of activities undertaken for the year including (b) A map showing the following items with exact coordinates (degrees/min/sec, in NAD 83): i. All drilling locations ii. All fuel caches iii. Any other location where activities were conducted (c) A work plan for the following year, including any progressive reclamation work undertaken.	ANNUAL REPORT

31 (1) (c) - Equipment

13.	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 the Land Use Inspector.	ONLY APPROVED EQUIPMENT
14.	The Permittee shall use a forced-air fuel-fired incinerator to incinerate all combustible garbage and debris.	INCINERATORS
15.	The Permittee shall burn all combustible garbage and debris in a container acceptable to a Land Use Inspector.	INCINERATION
16.	The Permittee shall keep all garbage and debris in a covered metal container until disposed of.	GARBAGE CONTAINERS

31 (1) (d) - Methods and Techniques

17.	The Permittee shall plug all bore holes as the land use operation progresses.	PLUG HOLES
18.	The Permittee shall refill and restore borehole craters as the land use operation progresses.	REFILL CRATERS
19.	The Permittee shall remove all wire from the land as the land use operation progresses.	REMOVE WIRE
20.	The Permittee shall replace all excavated material from the test pits prior to the expiry of this permit.	TEST PITS

21.	The Permittee shall not erect camps or store material on the surface ice of streams.	STORAGE ON ICE
-----	--	----------------

31 (1) (e) - Type, Location, Capacity and Operation of Facilities

22.	The Permittee shall not locate any sump within thirty-one (31) metres of the normal high water mark of any stream.	SUMPS FROM WATER
23.	The Permittee shall maintain all drill wastes at least 1.2 metres below the lowest elevation of contiguous surrounding ground surface at all times.	SUMPS FREEBOARD
24.	The Permittee shall backfill and restore all sumps prior to the expiry date of this permit.	BACKFILL SUMPS
25.	The Permittee shall ensure that the land use area is kept clean and tidy at all times.	CLEAN WORK AREA

31 (1) (f) - Control or Prevention of Flooding, Erosion and Subsidence of Land

26.	(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. (b) The artesian occurrence shall be reported to the Engineer within forty-eight (48) hours.	PLUG ARTESIAN WELLS
27.	The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation.	NATURAL DRAINAGE
28.	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	PREVENTION OF RUTTING
29.	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
30.	The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.	SUSPEND OVERLAND TRAVEL
31.	The Permittee shall save the organic soil stripped from the excavation area.	SAVE ORGANIC SOIL
32.	The Permittee shall place the organic soil over the disturbed area prior to the expiry date of this permit.	PLACE ORGANIC SOIL

31 (1) (g) - Use, Storage, Handling and Disposal of Chemical or Toxic Material

33.	The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer.	APPROVAL OF CHEMICALS
-----	---	-----------------------

34.	The Permittee shall not use the following materials during the drilling operation without the prior written approval of the Engineer. Chlorinated phenols (Dowicide B, etc.) Compounds composed primarily of heavy metals Asbestos	PROHIBITED CHEMICALS
35.	The Permittee shall deposit all sewage into a sump.	SEWAGE DISPOSAL
36.	The Permittee shall deposit all drill waste containing poisonous or persistent chemical additives into a sump.	DRILL WASTE DISPOSAL
37.	The Permittee shall deposit all drill waste into a sump.	DRILL WASTE
38.	The Permittee shall not allow any drilling waste to spread to the surrounding lands.	DRILL WASTE CONTAINMENT
39.	The Permittee shall burn all garbage and debris at least daily.	GARBAGE DISPOSAL
40.	The Permittee shall remove all non-combustible garbage and debris from the land use area to a disposal site approved in writing by a Land Use Inspector.	REMOVE GARBAGE
41.	The Permittee shall dispose of all combustible waste petroleum products by removal.	WASTE PETROLEUM DISPOSAL
42.	The Permittee shall dispose of all toxic or persistent substances in a manner as approved in writing by the Engineer.	WASTE CHEMICAL DISPOSAL
43.	The Permittee shall dispose of all fluids used to wash machinery and equipment in a sump unless otherwise authorized in writing by a Land Use Inspector.	RIG WASH DISPOSAL
44.	The Permittee shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site.	HYDROCARBON CONTAMINATED SOIL
45.	The Permittee shall report all spills immediately in accordance with instructions contained in "Spill Report" form NWT 1752. Twenty four (24) hour spill report line (867)920-8130.	REPORT CHEMICAL AND PETROLEUM SPILLS

31 (1) (h) - Wildlife and Fisheries Habitat

46.	The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation.	HABITAT DAMAGE
47.	The Permittee shall construct and maintain all structures placed in streams frequented by fish, in such a manner that will not obstruct passage of fish.	FREE FISH MOVEMENT

48.	The Permittee shall not obstruct the movement of fish while conducting this land use operation.	FREE FISH MOVEMENT
49.	The Permittee shall not harass wildlife. This includes persistently worrying or chasing animals, or disturbing large groups of animals. The Proponent shall not hunt or fish, unless proper Nunavut authorizations have been acquired.	HARASSMENT OF WILDLIFE
50.	The Permittee shall not disturb or destroy the nests or eggs of any birds. If nests are encountered and/or identified, the Permittee shall take precaution to avoid further interaction and or disturbance (e.g., establish an appropriate buffer zone around the nests). If active nests of any birds are discovered (i.e. with eggs or young), the Permittee shall avoid these areas until nesting is complete and the young have left the nest. The Permittee should treat all nest sites with equal precaution, regardless of the response of the bird. Do not disturb raptor nests during conditions of poor weather (rain, snow, high winds).	WILDLIFE SENSITIVITIES
51.	During the period of May 15 to July 15 when caribou are observed within 1 km of project operations, the Permittee shall suspend all operations, including low-level over flights, blasting, and use of snow mobiles and all terrain vehicles outside the immediate vicinity of the camps. Following July 15, if caribou cows or calves are observed within 1 km of project operations, the Proponent shall also suspend all operations in the vicinity, including low-level over flights, blasting, and use of snow mobiles and all terrain vehicles, until caribou are no longer in the immediate area.	WILDLIFE SENSITIVITIES
52.	The Permittee shall cease activities that may interfere with migration or calving of caribou or muskox, until the caribou or muskox have passed or left the area.	MIGRATION/ CALVING OF MUSKOX AND CARIBOU
53.	Your operation is in an area where bears may be encountered. Proper food handling and garbage disposal procedures will lessen the likelihood of bears being attracted to your operation.	BEAR/MAN CONFLICT
54.	The Permittee shall not feed wildlife.	NO FEEDING WILDLIFE

31 (1) (k) - Petroleum Fuel Storage

55.	The Permittee shall report in writing to a Land Use Inspector the location and quantity of all petroleum fuel caches within ten (10) days after the establishment.	REPORT FUEL LOCATION
56.	The Permittee shall not place any petroleum fuel storage containers within thirty-one (31) metres of the normal high water mark of any water body.	FUEL BY STREAM
57.	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL CONTAINMENT

58.	The Permittee shall have one extra fuel storage container on site equal to, or greater than, the size of the largest fuel container.	FUEL EXTRA CONTAINER
59.	The Permittee shall construct a dyke around each stationary fuel container or group of stationary fuel containers where any one container has a capacity exceeding 4,000 litres.	DYKE FUEL CONTAINERS
60.	The Permittee shall line the dyke and area enclosed by the dyke with a type of plastic film liner approved by the Engineer.	LINE DYKE
61.	The volume of the dyked area shall be 10% greater than the capacity of the largest fuel container placed therein.	CAPACITY
62.	The Permittee shall: (a) examine all fuel storage containers for leaks a minimum of once every day. (b) repair all leaks immediately.	CHECK FOR LEAKS
63.	The Permittee shall store all fuel and chemicals in such a manner that they are inaccessible to wildlife.	FUEL STORAGE
64.	The Permittee shall use secondary containment when sorting barrelled fuel and chemicals.	SECONDARY CONTAINMENT
65.	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
66.	The Permittee shall seal all container outlets except the outlet currently in use.	SEAL OUTLET
67.	The Permittee shall mark all fuel containers with the Permittee's name.	MARK CONTAINERS

31 (1) (m) - Matters Not Inconsistent with the Regulations

68.	The Permittee shall display a copy of this permit in a conspicuous place in each campsite established to carry out this land use operation.	DISPLAY PERMIT
69.	The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit.	COPY OF PERMIT
70.	The Permittee shall provide in writing to the Engineer, at least forty-eight (48) hours prior to commencement of this land use operation, the following information: (a) person, or persons, in charge of the field operation to whom notices, orders, and reports may be served; (b) alternates; (c) all the indirect methods for contacting the above person(s).	IDENTIFY AGENT

71.	The Permittee shall conspicuously display the land use permit number on all vehicles and equipment.	DISPLAY PERMIT NUMBER
72.	<u>Part 1</u> - In this Permit: "sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein. "drill waste" means all materials or chemicals, solid or liquid, associated with the drilling of bore holes and includes bore hole cuttings. "dogleg" means clearing a line, trail or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.	
73.	The Permittee shall submit to the Engineer a contingency plan, for chemical and petroleum spills, for use during the construction and operation of the winter road.	CONTINGENCY PLAN
74.	(a) During migration of caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion of migration. (b) The Permittee shall cease activities that may interfere with migration, such as airborne geophysics surveys or movement of equipment, until the migrating caribou have passed	CARIBOU PROTECTION MIGRATION
75.	The Permittee shall abide by and comply with all applicable lawful rules, acts, regulations, and by-laws of Canada, Nunavut, any Municipal or regulatory body or authority having jurisdiction, the Nunavut Land Claim Agreement, and all other agreements, permits, licenses, and other instruments whatsoever related to the project.	ADHERENCE TO LAWFUL RULES, ACTS, REGS & BYLAWS
ARCHAEOLOGICAL AND PALEONTOLOGICAL TERMS AND CONDITIONS		
76.	"archaeological site" means a place where an archaeological artifact is found. "archaeological artifact" means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement. "paleontological site" means a site where a fossil is found. "fossil" includes: (a) natural casts; (b) preserved tracks, coprolites and plant remains; and (c) the preserved shells and exoskeletons of invertebrates and the eggs, teeth and bones of vertebrates.	DEFINITIONS

77.	The Permittee shall avoid any known or suspected archaeological and/or paleontological sites.	AVOIDANCE OF ARCHAEOLOGICAL AND/OR PALEONTOLOGICAL SITES
78.	The Permittee shall not remove, disturb, or displace any archaeological artifact or site, or any paleontological site or fossil.	DISTURBANCE OF ARCHAEOLOGICAL AND/OR PALEONTOLOGICAL SITE
79.	The Permittee shall immediately cease any activity should a suspected archaeological, paleontological, or burial site be discovered during the course of a land use operation. The Permittee is required to immediately contact the Land Administration division at Aboriginal and Northern Affairs Canada at (867)975-4283 or (867)975-4280 as well as the Department of Culture and Heritage at (867)934-2046 or (867)975-5500 or 1(866)934-2035. Permission to resume land use operations must be obtained from the Engineer. At such time the Engineer may, at his/her discretion, require that you have an archaeologist or palaeontologist perform the following functions: (a) Survey; (b) Inventory and documentation of the archaeological or paleontological resources of the land use area; (c) Assessment of potential for damage to archaeological or paleontological sites; (d) Mitigation; (e) Marking boundaries of archaeological or paleontological sites; and (f) Site restoration.	CEASE OPERATION OF LAND USE ACTIVITY
80.	The Permittee shall ensure that all persons working under the authority of the permit are aware of these conditions pertaining to archaeological sites and artifacts as well as paleontological sites and fossils.	KNOWLEDGE OF ARCHAEOLOGICAL & PALEONTOLOGICAL TERMS AND CONDITIONS

Species At Risk in Nunavut

This list includes species listed on one of the Schedules of SARA (*Species at Risk Act*) and under consideration for listing on Schedule 1 of SARA. These species have been designated as at risk by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). This list may not include all species identified as at risk by the Territorial Government.

- a) Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term “listed” species refers to species on Schedule 1.
- (b) Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- (c) Some species identified at risk by COSEWIC are “pending” addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

Schedules of SARA are amended on a regular basis so it is important to periodically check the SARA registry (www.sararegistry.gc.ca) to get the current status of a species.

Terrestrial Species at Risk	COSEWIC Designation	Schedule of SARA	Government Organization with Lead Management Responsibility
Eskimo Curlew	Endangered	Schedule 1	EC
Ivory Gull	Endangered	Schedule 1	EC
Ross's Gull	Threatened	Schedule 1	EC
Harlequin Duck (Eastern population)	Special Concern	Schedule 1	EC
Rusty Blackbird	Special Concern	Schedule 1	Government of Nunavut
Felt-leaf Willow	Special Concern	Schedule 1	Government of Nunavut
Peregrine Falcon	Special Concern (<i>anatum-tundrius</i> complex)	Schedule 1 (<i>anatum</i>) Schedule 3 (<i>tundrius</i>)	Government of Nunavut
Short-eared Owl	Special Concern	Schedule 3	Government of Nunavut
Peary Caribou	Endangered	Schedule 1	Government of Nunavut
Barren-ground Caribou (Dolphin and Union population)	Special Concern	Schedule 1	Government of Nunavut
Polar Bear	Special Concern	Schedule 1	Government of Nunavut
Red Knot (<i>rufa</i> subspecies)	Endangered	Pending	EC
Red Knot (<i>islandica</i> subspecies)	Special Concern	Pending	EC
Porsild's Bryum	Threatened	Pending	GN
Horned Grebe (Western Population)	Special Concern	Pending	EC
Grizzly Bear	Special Concern	Pending	Government of Nunavut
Wolverine (Western Population)	Special Concern	Pending	Government of Nunavut
Atlantic Cod, Arctic Lakes	Special Concern	No Schedule	DFO
Atlantic Walrus	Special Concern	Pending	DFO
Beluga Whale (Cumberland Sound population)	Threatened	Pending	DFO
Beluga Whale (Eastern Hudson Bay population)	Endangered	Pending	DFO

Beluga Whale (Western Hudson Bay population)	Special Concern	Pending	DFO
Beluga Whale (Eastern High Arctic – Baffin Bay population)	Special Concern	Pending	DFO
Bowhead Whale (Eastern Canada – West Greenland population)	Special Concern	Pending	DFO
Killer Whale (Northwest Atlantic / Eastern Arctic populations)	Special Concern	Pending	DFO
Narwhal	Special Concern	Pending	DFO

Updated: January 2012