



Land Administration
P.O. Box 100
IQALUIT, NU X0A 0H0
Phone: 867-975-4275
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August 15th, 2013

Commander Resources Ltd.
11th Floor, 1111 Melville Street
Vancouver, BC
V6E 3V6

Dear Steve Potts:

Re: Land Use Permit #N2013C0014
Type of Operation: Mining (Exploration)
Location: Dear Lake Area, Baffin, NU, NTS 27B

Enclosed is your copy of Land Use permit number N2013C0014 authorizing your project as described in your application dated June 6th, 2013, received by this office June 27th, 2013.

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 annexed to your permit. Should you have any questions regarding any conditions of this permit, please contact Tracey McCaie at (867) 975-4283 or email landsmining@inac.gc.ca.

Sincerely,

Tracey McCaie
Land Administration Specialist

cc: Manager, Field Operations
RMO - Baffin
NIRB



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

N2013C0014

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:

Commander Resources 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 Steve Potts	Date August 15th, 2013
Type of Land Use Operation - Genre de travaux d'exploitation des terres Mining (Exploration)	
Location - Emplacement Dewar Lake Area, Baffin, NU, NTS 27B	

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 a **Iqaluit**

Engineer

Ingénieur

This

Ce **15th** Day of **August**, **2013** jour de

Commencement Date

Date du début des travaux **August 15th, 2013**

Expiry Date

Date d'achèvement **August 14th, 2015**

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 N2013C0014**

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 stream 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
5	The Permittee shall provide updated locations of all fuel caches related to this project in Latitude and Longitude from a GPS within thirty (30) days of the establishment to the Inspector and Engineer.	UPDATE LOCATIONS

31 (1) (b) – Time

6	The Permittee's Field Supervisor shall contact or meet with a Land Use Inspector at the Iqaluit office of the Department of Indian Affairs and Northern Development, phone number (867) 975-4296, at least 48 hours prior to the commencement of this land use operation.	CONTACT INSPECTOR
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 landsmine@aadnc.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 advise a Land Use Inspector at least ten (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
10	The Permittee shall notify a Land Use Inspector at least 10 days prior to backfilling any sump.	BACKFILLING NOTIFICATION

11	The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this permit.	CLEAN-UP
12	The Engineer reserves the right to impose closure to any area to the Permittee in periods when dangers to natural resources are severe.	CLOSURE
<u>31 (1) (c) - Equipment</u>		
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 keep all garbage and debris in a covered metal container until disposed of. Garbage should be stored in such a manner as to prevent access by wildlife.	GARBAGE CONTAINERS
<u>31 (1) (d) - Methods and Techniques</u>		
16	The Permittee shall plug all bore holes as the land use operation progresses.	PLUG HOLES
17	The Permittee shall refill and restore bore hole craters as the land use operation progresses.	REFILL CRATERS
18	The Permittee shall remove all wire from the land as the land use operation progresses.	REMOVE WIRE
19	The Permittee shall not erect camps or store material on the surface ice of streams.	STORAGE ON ICE
20	The Permittee shall ensure that all drill areas are constructed to facilitate minimizing the environmental footprint of the project area. Drill areas should be kept orderly with garbage removed daily to an approved disposal site.	DRILL AREA FOOTPRINT
<u>31 (1) (e) - Type, Location, Capacity and Operation of Facilities</u>		
21	The Permittee shall not locate any sump within thirty-one (31) metres of the normal high water mark of any stream.	SUMPS FROM WATER
22	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
23	The Permittee shall backfill and restore all sumps prior to the expiry date of this permit.	BACKFILL SUMPS

24	The Permittee shall ensure that all sump/depression capacities are of sufficient capacity to prevent waste water and any fines produced from entering the surrounding lands and water bodies.	SUMP CAPACITY
25	The Permittee shall ensure that all drill areas are constructed to facilitate minimizing the environmental footprint of the project area. Drill areas should be kept orderly with garbage removed daily to an approved disposal site.	MINIMIZE DRILL FOOTPRINT
26	If drilling is conducted on lake ice, the Permittee shall ensure that any return water is non-toxic, and will not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministries for the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).	DRILING ON ICE
27	The Permittee shall ensure that drill muds and additives are not used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or demonstrated to be non-toxic.	DRILL ADDITIVES
28	The Permittee shall ensure that all drill cuttings are removed from ice surfaces daily.	DRILL CUTTINGS
29	The Permittee shall ensure that the land use area is kept clean and tidy at all times.	CLEAN WORK AREA
<u>31 (1) (f) - Control or Prevention of Flooding, Erosion and Subsidence of Land</u>		
30	<p>(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.</p> <p>(b) The artesian occurrence shall be reported to the Engineer within forty-eight (48) hours.</p>	PLUG ARTESIAN WELLS
31	The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation.	NATURAL DRAINAGE
32	The Permittee shall not cut any stream bank unless authorized in writing by a Land Use Inspector.	STREAM BANKS
33	The Permittee shall not use the bed of streams for access routes except for the purpose of crossing the streams unless otherwise authorized by a Land Use Inspector.	STREAM BEDS ACCESS

34	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	PREVENTION OF RUTTING
35	The Permittee shall ensure that all overburden/vegetation generated during trenching is stockpiled using proper erosion prevention measures, and filled back upon reclamation/recontouring when trenching/sample exaction operation is complete.	TRENCHING EROSION CONTROL
36	The Permittee shall employ proper erosion prevention measures (e.g. berms, silt fences) in the trenching area during the project operation.	TRENCHING EROSION PREVENTION
37	The Permittee shall not conduct any trenching activities within thirty-one (31) meters from the high water mark of any water body.	TRENCHING NEAR WATER
38	<p>The Permittee shall insulate the ground surface beneath all structures and facilities associated with this land use operation to:</p> <p>(a) prevent any vegetation present from being removed and,</p> <p>(b) the ground settling and/or eroding.</p>	INSULATE GROUND SURFACE
39	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
40	The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs.	SUSPEND OVERLAND TRAVEL
<u>31 (1) (g) - Use, Storage, Handling and Disposal of Chemical or Toxic Material</u>		
41	The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer.	APPROVAL OF CHEMICALS
42	<p>The Permittee shall not use the following materials during the drilling operation without the prior written approval of the Engineer.</p> <p>Chlorinated phenols (Dowicide B, etc.) Compounds composed primarily of heavy metals Asbestos</p>	PROHIBITED CHEMICALS
43	The Permittee shall use non-toxic and biodegradable additives during drilling operation.	DRILL ADDITIVES
44	The Permittee shall deposit all sewage into a sump.	SEWAGE DISPOSAL
45	The Permittee shall deposit all drill waste into a sump.	DRILL WASTE
46	The Permittee shall not allow any drilling waste to spread to the surrounding lands.	DRILL WASTE CONTAINMENT

47	The Permittee shall burn all combustible garbage and debris at least daily.	GARBAGE DISPOSAL
48	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
49	The Permittee shall dispose of all combustible waste petroleum products by removal.	WASTE PETROLEUM DISPOSAL
50	The Permittee shall dispose of all toxic or persistent substances in a manner as approved in writing by the Engineer.	WASTE CHEMICAL DISPOSAL
51	The Permittee shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site for treatment.	HYDROCARBON CONTAMINATED SOIL
52	The Permittee shall ensure that appropriate spill response equipment and clean-up materials (e.g. shovels, pumps, barrels, drip pans, and absorbents) must be readily available during any transfer of fuel or hazardous substances.	SPILL RESPONSE KIT
53	The Permittee shall report all spills immediately in accordance with instructions contained in "Spill Report" form NWT 1752(05/93). Twenty four (24) hour spill report line (867) 920-8130.	REPORT CHEMICAL AND PETROLEUM SPILLS

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

54	The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation.	HABITAT DAMAGE
55	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
56	The Permittee shall not harass wildlife. This includes persistently worrying, chasing, or disturbing large groups of animals.	HARASSMENT OF WILDLIFE
57	The Permittee shall not construct or operate any camp, cache any fuel or conduct blasting within 10 km, or conduct any drilling operation within 5 km, of any designated caribou crossings.	BLASTING RESTRICTION
58	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

59	Prior to significant operational movements (i.e. before moving drill rigs), the proponent should undertake high altitude (>610 m) aerial reconnaissance with the assistance of an independent wildlife monitor, to determine whether caribou cows and calves are present within a 20 km radius of the camp or drill sites, or if caribou are migrating close by. If caribou are observed the monitor will instruct the proponent to suspend any activities within 10 km of the sightings.	RESTRICTION ON OPERATIONAL MOVEMENT
60	The Permittee shall not extract water from any fish-bearing water body unless the water intake hose is equipped with a screen of appropriate mesh size to ensure that there is no entrapment of fish.	MESH SCREEN REQUIRED
61	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. Information about the latest bear detection and deterrent techniques can be obtained from the Department of Renewable Resources.	BEAR/MAN CONFLICT
62	The Permittee shall not feed wildlife.	NO FEEDING WILDLIFE
<u>31 (1) (k) - Petroleum Fuel Storage</u>		
63	The Permittee shall not place any petroleum fuel storage containers within thirty-one (31) metres of the normal high water mark of any stream.	FUEL BY STREAM
64	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
65	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL CONTAINMENT
66	The Permittee shall store all fuel and chemicals in such a manner as to prevent access by wildlife.	FUEL & CHEMICAL STORAGE
67	The Permittee shall use adequate secondary containment or a surface liner (eg. Self supporting insta-berms and fold-a-tanks) when storing barrelled fuel and chemicals at all locations as well as re-fueling stations.	SECONDARY CONTAINMENT
68	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
69	The Permittee shall: <ul style="list-style-type: none"> a) examine all fuel storage containers for leaks a minimum of once every day. (b) repair all leaks immediately (c) examine all fuel storage containers for leaks immediately upon delivery 	CHECK FOR LEAKS

70	The Permittee shall seal all container outlets except the outlet currently in use.	SEAL OUTLET
71	The Permittee shall not use bladders for storing petroleum products.	BLADDERS PROHIBITED
72	The Permittee shall not use bladders for transporting petroleum products.	BLADDERS PROHIBITED
73	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
74	The Permittee shall mark all fuel containers with the Permittee's name.	MARK CONTAINERS
<u>31 (1) (m) - Matters Not Inconsistent with the Regulations</u>		
75	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
76	<p>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:</p> <ul style="list-style-type: none"> 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
77	The Permittee shall conspicuously display the land use permit number on all vehicles and equipment.	DISPLAY PERMIT NUMBER
78	<p><u>Part 1 - In this Permit:</u></p> <p>"sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein.</p> <p>"drill waste" means all materials or chemicals, solid or liquid, associated with the drilling of bore holes and includes bore hole cuttings.</p>	
79	<ul style="list-style-type: none"> 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

80	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 & PALEONTOLOGICAL TERMS AND CONDITIONS		
81	<p>“archaeological site” means a place where an archaeological artifact is found.</p> <p>“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.</p> <p>“paleontological site” means a site where a fossil is found.</p> <p>“fossil” includes:</p> <ul style="list-style-type: none"> (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
82	The Permittee shall not remove, disturb, or displace any archaeological artifact or site, or any paleontological site or fossil.	DISTURBANCE OF ARCHAEOLOGICAL AND/OR PALEONTOLOGIC AL SITE
83	<p>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 Indian and Northern Affairs Canada at (867) 975-4283 or (867) 975-4285 or (867) 975-4280 as well as the Department of Culture, Language, Elders and Youth at (867) 934-2046 or (867)975-5500 or 1(866) 934-2035.</p> <p>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:</p> <ul style="list-style-type: none"> (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 (f) Site restoration 	CEASE OPERATION OF LAND USE ACTIVITY

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
AND
PALEONTOLOGIC
AL TERMS AND
CONDITIONS