

*** FAX MESSAGE ***

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05EN088

TO: Albert Ehaloak
Chairman
SIRB.

RE: N2005C0023

MESSAGE: Suggested operating terms & conditions for this application.

Sincerely

Dat.

FROM THE DESK OF,

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**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER N2005C0023**

31(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, 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, building and building material. | REMOVE WASTE MATERIAL |
| 3. | The Permittee shall not construct an adit or drillsite within 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 |

31(1)(b) - Time

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| 5. | The Permittee's Field Supervisor shall contact or meet with a Land Use Inspector at the Kugluktuk office of the Department of Indian Affairs and Northern Development, phone number (867) 982-4306, 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; | REPORTS BEFORE REMOVAL |
| a) | his plans for removal or storage of equipment and materials, and | |
| b) | when final clean-up and restoration of the lands used will be completed. | |

- 2 -

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| 7. | The Permittee shall restore all sumps prior to spring break-up unless otherwise authorized in writing by a Land Use Inspector. | SUMPS SPRING
BREAK-UP |
| 8. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this permit. | CLEAN UP |
| 9. | The Engineer reserves the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |

31(1)(c) - 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 the Land Use Inspector. | ONLY APPROVED
EQUIPMENT |
| 11. | The Permittee shall burn all combustible garbage and debris in a container acceptable to a Land Use inspector. | INCINERATION |
| 12. | The Permittee shall keep all garbage and debris in a covered metal container until disposed of. | GARBAGE
CONTAINERS |

31(1)(d) - Methods and Techniques

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| 13. | The Permittee shall plug all bore holes as the land use operation progresses. | PLUG HOLES |
| 14. | 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

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| 15. | The Permittee shall not locate any sump within 31 metres of the normal high water mark of any stream. | SUMPS FROM
WATER |
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3 -

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| 16. | The Permittee shall backfill and restore all sumps prior to the expiry date of this permit. | BACKFILL SUMPS |
| 17. | 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

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| 18. | 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. | PLUG ARTESIAN WELLS |
| | B) The artesian occurrence shall be reported to the Engineer within forty-eight (48) hours. | |
| 19. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF RUTTING |
| 20. | The Permittee shall suspend overland travel of equipment or vehicles if rutting occurs. | SUSPEND OVERLAND TRAVEL |

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

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| 21. | The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer. | APPROVAL OF CHEMICALS |
| 22. | The Permittee shall deposit all sewage into a sump. | SEWAGE DISPOSAL |
| 23. | The Permittee shall deposit all drill waste into a sump. | DRILL WASTE |
| 24. | The Permittee shall not allow any drilling waste to spread to the surrounding lands or water bodies. | DRILL WASTE CONTAINMENT |
| 25. | The Permittee shall burn all garbage and debris at least daily. | GARBAGE DISPOSAL |

4 -

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| 26. | 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 |
| 27. | The Permittee shall dispose of all combustible waste petroleum products by incineration or removal. | WASTE
PETROLEUM
DISPOSAL |
| 28. | 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 |
| 29. | The Permittee shall ensure that Drilling additives or mud are not used in connection with holes drilled through the lake ice unless they are re-circulated or contained such that they do not enter the water or are demonstrated to be non-toxic. | RE-CIRCULATE
DRILL FLUIDS |

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

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| 30. | The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation. | HABITAT
DAMAGE |
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31(1)(k) - Petroleum Fuel Storage

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| 31. | 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 |
| 32. | 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 |
| 33. | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL
CONTAINMENT |
| 34. | 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 |

- 5

35. The Permittee shall:

CHECK FOR
LEAKS

- a) examine all fuel storage containers for leaks a minimum of once every day .
- b) repair all leaks immediately.

36. The Permittee shall seal all container outlets except the outlet currently in use.

SEAL OUTLET

37. The Permittee shall mark all fuel containers with the Permittee's name.

MARK
CONTAINERS

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

38. The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit.

COPY OF PERMIT

39. 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:

IDENTIFY AGENT

- 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).

6 -

40. Part 1 - 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.

"Stream" means any lake, river, pond, swamp, marsh, channel, gully, coulee or draw that continuously or intermittently contains water.