



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Land Administration
P.O. Box 100
IQALUIT, NU X0A 0H0
Phone: 867-975-4275
FAX: 867-975-4286

07EN001
Your file Votre référence
EX 96
Our file Notre référence

October 2nd, 2008

Fred Mason
Starfield Resources Ltd.
Toronto, Ontario
MSH 3P5

Dear Fred Mason:

Re: Land Use Permit #N2008C0036
Type of Operation: Mining (Exploration)
Location: Ferguson Lake Area, Kivalliq, NTS 0651

Enclosed is your copy of Land Use permit number N2008C0036 authorizing your project as described in your application dated August 17th, 2008, received by this office September 16th, 2008.

Your application has received a wide distribution through a Land Advisory Committee, which consists of other Federal departments, Government of the Nunavut departments, communities in the area of your operation and concerned Inuit groups. In distributing your application we sought comments from the Land Advisory Committee 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 Land Advisory Committee 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 Palaeontological and the Caribou Protection Measures (Qamanirjuaq and Beverly Herds)1988

Canada

terms and conditions, annexed to your permit. Should you have any questions regarding any conditions of this permit, please contact Jeff Holwell at (867) 975-4283 or email holwellj@inac.gc.ca.

Yours truly,

A handwritten signature in black ink, appearing to read 'J. Holwell', written over a horizontal line.

Jeff Holwell
Land Administrator Specialist
Land Administration

cc: Manager, Field Operations
 RMO - Kivalliq
 NTRB
 NPC



**LAND USE PERMIT
NORTHERN AFFAIRS PROGRAM**

**PERMIS D'UTILISATION DES TERRES
PROGRAMME DES AFFAIRES DU NORD**

Permit Class - Permis Catégorie

B

Permit No. - N° de permis

N2008C0036

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:

STARFIELD 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 Fred Mason	Date 2008-10-02
Type of Land Use Operation - Genre de travaux d'exploitation des terres Mining (Exploration)	
Location - Emplacement FERGUSON LAKE AREA, KIVALLIQ NTS 0651	

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 October 2nd, 2008

Engineer
Ingénieur

This
Ce 2nd Day of
jour de October, 2008.

Commencement Date
Date du début des travaux October 2nd, 2008

Expiry Date
Date d'achèvement October 1st, 2010

NOTE

REMARQUE

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.

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.

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**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER N2008C0036**

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 not conduct any part of the land use operation within 300 metres of any privately owned land or structure unless otherwise authorized in writing by the Engineer. | PRIVATE
PROPERTY |
| 3. | (a) The Permittee shall offset vehicle travel in areas without a snow covered surface. | OFFSET VEHICLE
TRAVEL |
| | (b) The Permittee shall confine the line to a maximum width of 10 metres unless otherwise authorized in writing by a Land Use Inspector. | |
| 4. | The Permittee shall remove from Territorial Lands, all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material. | REMOVE WASTE
MATERIAL |

31 (1) (b) - Time

- | | | |
|----|--|------------------------------|
| 5. | The Permittee's Field Supervisor shall contact or meet with a Land Use Inspector at the Rankin Inlet office of the Department of Indian Affairs and Northern Development, phone number (867) 645-2831, 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 plan for removal or storage of equipment and materials, and | |
| | b) when final clean-up and restoration of the lands used will be completed. | |
| 7. | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this permit. | CLEAN-UP |
| 8. | The Engineer reserves the right to impose closure to any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |

31 (1) (c) - Equipment

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| 9. | 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 |
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| 10. | The Permittee shall keep all garbage and debris in a covered metal container until disposed of. | GARBAGE
CONTAINERS |
|-----|---|-----------------------|

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

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| 11. | 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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| 12. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION OF
RUTTING |
| 13. | 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 |

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

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| 14. | The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer. | APPROVAL OF
CHEMICALS |
| 15. | The Permittee shall not allow any drilling waste to spread to the surrounding lands. | DRILL WASTE
CONTAINMENT |
| 16. | The Permittee shall burn all garbage and debris at least daily. | GARBAGE
DISPOSAL |
| 17. | 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 |
| 18. | 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 |
| 19. | The Permittee prior to the discharge of fluids from any sump, shall carry out an analysis of the fluids in a manner prescribed by the Engineer and obtain his written approval to discharge. | SUMP
DISCHARGE |

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

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| 20. | The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation. | HABITAT
DAMAGE |
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31 (1) (i) - Objects and Places of Recreational, Scenic and Ecological Value

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| 21. | The Permittee shall not feed wildlife. | NO FEEDING
WILDLIFE |
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31 (1) (k) - Petroleum Fuel Storage

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| 22. | 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 |
| 23. | 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 |
| 24. | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL
CONTAINMENT |
| 25. | 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 |
| 26. | The Permittee shall not use bladders for storing petroleum products. | BLADDERS
PROHIBITED |
| 27. | The Permittee shall not use bladders for transporting petroleum products. | BLADDERS
PROHIBITED |
| 28. | 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 |
| 29. | The Permittee shall seal all container outlets except the outlet currently in use. | SEAL OUTLET |
| 30. | The Permittee shall mark all fuel containers with the Permittee's name. | MARK
CONTAINERS |

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

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| 31. | The Permittee shall conspicuously display the land use permit number on all vehicles and equipment. | DISPLAY PERMIT
NUMBER |
|-----|---|--------------------------|

Caribou Protection Measures (Qamanirjuaq and Beverly Herds) 1988

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|--|---|
| <p>1.1 The Permittee shall not, without approval, conduct any activity between May 15 and July 15 within the Caribou Protection Areas depicted on the map certified by the Engineer as the "Caribou Protection Map" annexed to this Land Use Permit.</p> <p>1.2 A Permittee may, upon approval by the Land Use Inspector, operate within the said Caribou Protection Areas beyond May 15 deadline set out in 1.1, provided that when monitoring information indicates that caribou cows are approaching the area of operation, the Permittee will implement 1.3.</p> <p>1.3 On cessation of activities pursuant to 1.1 or 1.2, the Permittee will remove all personnel from the zone who are not required for the maintenance and protection of the camp facilities and equipment unless otherwise directed by the Land Use Inspector.</p> <p>1.4 The Permittee may commence or resume activities prior to July 15 within those parts of the Caribou Protection Areas released by the Land Use Inspector for the reason that caribou cows are not expected to use those parts for calving or post-calving.</p> | <p>CARIBOU
PROTECTION
AREAS</p> |
| <p>2.1 In the event that caribou cows calve outside of the Caribou Protection Areas, the Permittee shall suspend operations within the area(s) occupied by cows and/or calves between May 15 and July 15.</p> <p>2.2 In the event that caribou cows and calves are present the Permittee shall suspend:</p> <ul style="list-style-type: none">a) blasting,b) overflights by aircraft at any altitude of less than 300 metres above ground level, andc) the use of snowmobiles and ATV's (all terrain vehicles) outside of the immediate vicinity of the camp. | <p>CARIBOU
PROTECTION
GENERAL</p> |

3.1 During migration of caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion to migration.

CARIBOU
PROTECTION
MIGRATION

3.2 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.

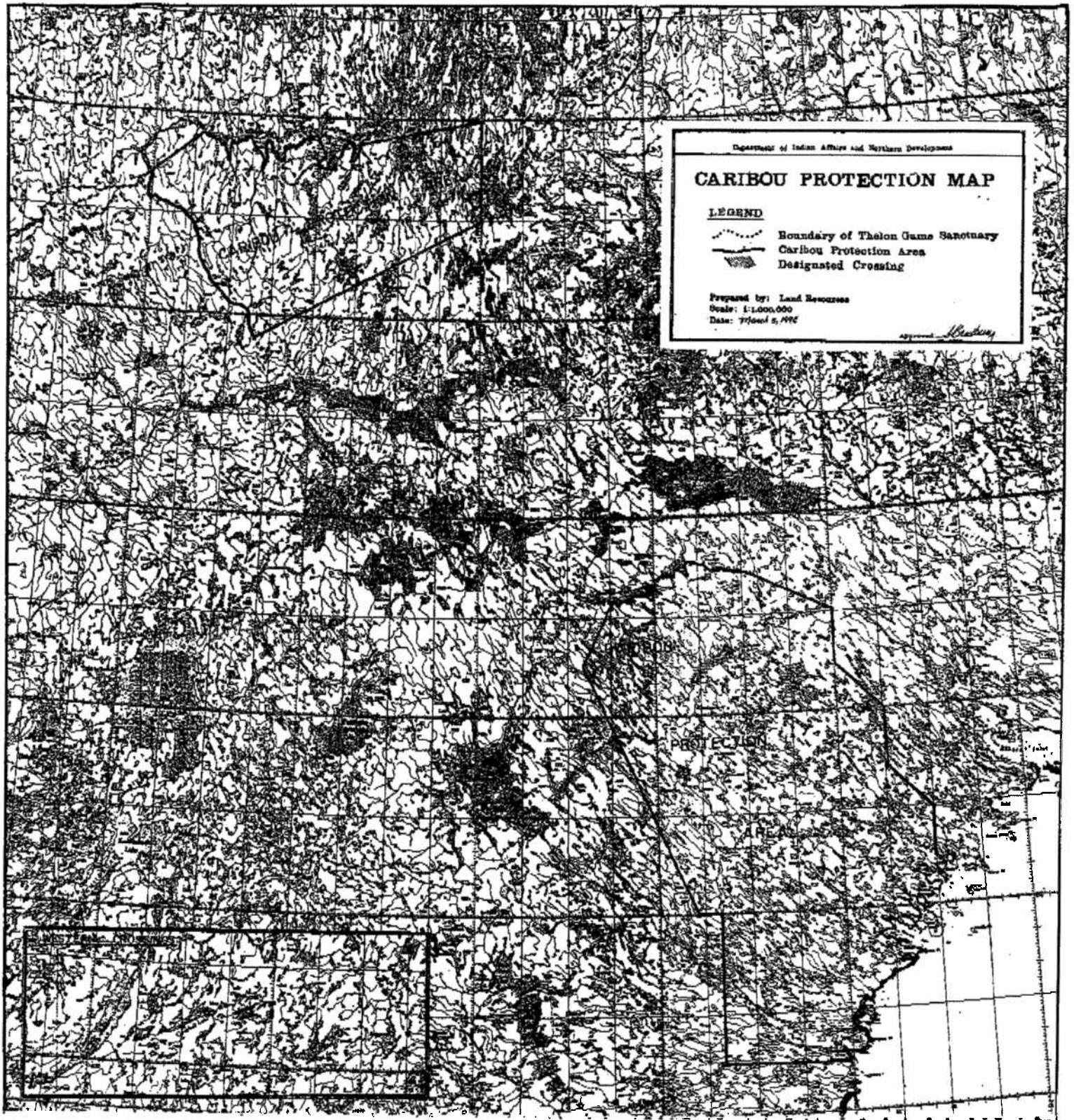
4.1 The Permittee shall not, between May 15 and September 1, construct any camp, cache any fuel or conduct any blasting within 10 km of any "Designated Crossing" as outlined on the map certified by the Engineer as the "Caribou Protection Map" and annexed to this Land Use Permit.

CARIBOU
CROSSING

4.2 The Permittee shall not, between May 15 and September 1, conduct any diamond drilling operation within 5 km of any "Designated Crossing" as outlined on the map certified by the Engineer as the "Caribou Protection Map" and annexed to this Land Use Permit.

NOTE:

1. The Land Use Inspector's decision will be based on the existing caribou information.
2. Concentrations of caribou should be avoided by low level aircraft at all times.





ARCHAEOLOGICAL AND PALAEOONTOLOGICAL RESOURCES TERMS AND CONDITIONS FOR LAND USE PERMIT HOLDERS

BACKGROUND

Archaeology

As stated in Article 33 of the Nunavut Land Claims Agreement:

The archaeological record of the Inuit of Nunavut is a record of Inuit use and occupancy of lands and resources through time. The evidence associated with their use and occupancy represents a cultural, historical and ethnographic heritage of Inuit society and, as such, Government recognizes that Inuit have a special relationship with such evidence, which shall be expressed in terms of special rights and responsibilities. [33.2.1]

The archaeological record of Nunavut is of spiritual, cultural, religious and educational importance to Inuit. Accordingly, the identification, protection and conservation of archaeological sites and specimens and the interpretation of the archaeological record is of primary importance to Inuit and their involvement is both desirable and necessary. [33.2.2]

In recognition of the cultural, spiritual and religious importance of certain areas in Nunavut to Inuit, Inuit have special rights and interests in these areas as defined by Article 33 of the Nunavut Land Claims Agreement. [33.2.5]

Palaeontology

Under the Nunavut Act¹, the federal government can make regulations for the protection, care and preservation of palaeontological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*², it is illegal to alter or disturb any palaeontological site in Nunavut unless permission is first granted through the permitting process.

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

“archaeological site” means a place where an archaeological artifact is found.

¹ s. 51(1)

² P.C. 2001-1111 14 June, 2001

“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.

“palaeontological 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.

Terms and Conditions

- 1) The permittee shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 2) The permittee shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 3) The permittee shall immediately contact the Department of Culture, Language, Elders and Youth (867) 934-2046 or (867) 975-5500 or 1 (866) 934-2035 should an archaeological site or specimen, or a palaeontological site or fossil be encountered or disturbed by any land use activity.
- 4) The permittee shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation, until permitted to proceed with the authorization of the Department of Culture, Language, Elders and Youth, Government of Nunavut.
- 5) The permittee shall follow the direction of the Department of Culture, Language, Elders and Youth and DIAND in restoring disturbed archaeological or palaeontological sites to an acceptable condition.
- 6) The permittee shall provide all information requested by the Department of Culture, Language, Elders and Youth concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 7) The permittee shall make best efforts to ensure that all persons working under authority of the permit are aware of these conditions concerning archaeological sites and artifacts, and palaeontological sites and fossils.
- 8) The permittee shall avoid the known archaeological and/or palaeontological sites listed in Attachment 1.

9) The permittee shall have an archaeologist or palaeontologist perform the following functions, as required by the Department of Culture, Language, Elders and Youth:

- a) survey
- b) inventory and documentation of the archaeological or palaeontological resources of the land use area
- c) assessment of potential for damage to archaeological or palaeontological sites
- d) mitigation
- e) marking boundaries of archaeological or palaeontological sites
- f) site restoration

The Department of Culture, Language, Elders and Youth shall authorize by way of a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit, all procedures subsumed under the above operations.