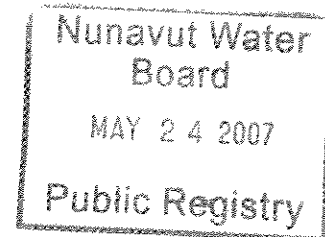


May 22, 2007

Leslie Payette
Nunavut Impact Review Board
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Cambridge Bay, NU
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Louis Manzo
Kivalliq Inuit Association
P.O. Box 340
Rankin Inlet, NU
FAX (867) 645-3855

Phyllis Beaulieu
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU
FAX (867) 360-6369



Dear Ms. Payette, Mr. Manzo, Ms. Beaulieu,

Re: [NWB 2BE M2E], [KIA KVL307C04] Terrane Metals Corporation – Maze Lake Project

The NPC has completed its review of the above noted project proposal. It conforms to the Keewatin Regional Land Use Plan (KRLUP), subject to the attached.

By this letter and additional enclosures, the NPC is forwarding the project proposal with this determination to NIRB for screening.

The applicant has undertaken to comply with the attached requirements. The authorizing agencies to which this letter is addressed are responsible under the *Nunavut Land Claims Agreement* to implement any of the attached requirements by incorporating the requirements directly, or otherwise ensuring that they must be met, in the terms and conditions of any authorizations issued.

My office would be pleased to discuss with these agencies how best to implement these requirements and to review any draft authorizations that the agencies wish to provide for that purpose.

And, this conformity determination applies only to the above noted applications as submitted. Therefore, the proponent must ensure other applications for a permit under this project proposal not listed above are forwarded to NPC for a conformity determination against the KRLUP, and notify the NPC immediately if any material to the project proposal is changed before authorizations are issued.

Yours Truly,

A handwritten signature in black ink, appearing to read 'Bobby Suluk', with a stylized, cursive script.

Bobby Suluk
Regional Planning Coordinator, NPC

CC: Darren O'Brien, Terrame Metals Corp.

Attachment

Application: Terrance Metals Corporation - Maze Lake Project

NUNAVUT PLANNING COMMISSION
APPLICATION TO DETERMINE CONFORMITY
WITH THE KEEWATIN REGIONAL LAND USE PLAN

All applicants for a project proposal shall comply with the requirements listed below. The relevant sections of the plan are noted in each requirement.

GENERAL

2. **Environmental Protection:** s2.4.9: The applicant undertakes to prevent any new occurrences of pollution, garbage and contamination at the site of the development.

Yes

No

3. **Removal of Fuel Drums:** s2.4.9: The applicant undertakes to remove all drums safely from the site and dispose of the drums in a safe manner.

Yes

No

4. **New Site Restoration and Clean Up:** s2.4.15 and Appendix 2, s1: The applicant undertakes to clean up the site and restore the site to its natural condition to the greatest extent possible.

Yes

No

5. **Old Site Restoration and Clean Up:** s2.4.10: The applicant undertakes to clean up the site and restore the site to its original condition to the greatest extent possible, including any work required due to the applicant's action prior to this application.

Yes

No

6. **Low Level Air Flights:** s5.4.4 and Appendix 2, s3: Will the applicant avoid low-level flights?

Yes

No

- i. If not, explain why such flights are or may be absolutely necessary.

The only low-level flights that will be absolutely necessary are when the drilling rig is moved with the helicopter from one drilling location to the next. These drill moves will be short and infrequent (a couple at best every 5 or 6 days).

Application: Terrance Metals Corporation - Maze Lake Project

- ii. If such flights are or may be absolutely necessary, will they avoid disturbance to people and wildlife?

Yes

No

- iii. If not, explain why it is not possible to avoid such disturbance.

7. **Caribou Protection Measures s2.4.6 and Appendix 3:** Will the applicant comply with the Caribou Protection Measures outlined in section 2.4.6 and in Appendix 3?

Yes

No

8. **Caribou Water Crossings: s2.4.6 and map:** Will the applicant avoid, between May 15 and September 1, to construct any camp, cache any fuel or conduct any blasting within 10 km of any Designated Caribou Water Crossing identified on the certified Caribou Protection Map?

Yes

No

ARCHEOLOGY

- Reporting of Archaeological Sites: s4.4.3 and Appendix 3, s2 and s8:** Will the applicant immediately report the discovery of all suspected archaeological sites to the Department of Culture, Language, Elders and Youth (GN)?

Yes

No

Application: Terrance Metals Corporation – Maze Lake Project

23. Code of Good Conduct for Land Users: Appendix 2: The applicant undertakes to adhere to the Code of Good Conduct at all times.

☒ Yes

☐ No

I, Terrance Metals Corp (name of applicant), certify that the information I have given in this application is true and correct and hereby make the above undertakings which form part of my application for a project proposal within the meaning of the Nunavut Land Claims Agreement.

Date:

May 22 / 2007

Signature of Applicant:

[Signature]
VP Exploration
Terrance Metals Corp.

Keewatin Regional Land Use Plan
Appendix G
Code of Good Conduct for Land Users

1. The landscape of each camp and other land use sites will be restored to its original condition to the greatest degree possible. Water quality will be preserved, and no substances that will impair water quality will be dumped in water bodies. When possible and feasible, old sites will be restored to the natural state.
2. All land users shall assist communities and government(s) in identifying and protecting archaeological sites and carving-stone sites, as required by law.
3. Generally, low-level flights by aircraft at less than 300 metres should not occur where they will disturb wildlife or people. If such flights are necessary, they should only take place after consultation with the appropriate communities. All land users are responsible for reporting to the land managers any illegal or questionable low-level flight.
4. All activities on the land will be conducted in such a fashion that the renewable resources of the area in question are conserved.
5. Whenever practicable, and consistent with sound procurement management, land users will follow the practice of local purchase of supplies and services.
6. Land users will establish working relationships with local communities and respect traditional users of the land.
7. During the caribou calving, post-calving and migrating seasons, land use activities should be restricted to avoid disturbing caribou, in general, and activities will be governed more specifically by caribou protection measures such as those contained in Appendix H.
8. Artifacts must be left where they are found. All land users are responsible for reporting to the location of, or any removal or disturbance of, artifacts to CLEY.
9. The mining industry is encouraged to assist in identifying local carving-stone deposits and report any discoveries to KIA. Industry is also encouraged to identify and report old waste sites that need to be cleaned up.
10. All land users shall obey the laws of general application applying to land use.

**Keewatin Regional Land Use Plan
Appendix H
DIAND Caribou Protection Measures**

1. (a) 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" and annexed to this Land Use Permit.
(b) A Permittee may, upon approval by the Land Use Inspector, operate within the said Caribou Protection Areas beyond the May 15 deadline set out in 1 (a), provided that, when monitoring information indicates that caribou cows are approaching the area of operation, the Permittee will implement 1 (c).
(c) On cessation of activities pursuant to 1 (a) or 1 (b), the Permittee will remove from the zone all personnel who are not required for the maintenance and protection of the camp facilities and equipment, unless otherwise directed by the Land Use Inspector.
(d) 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 (note 1).
2. (a) 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.
(b) In the event that caribou cows and calves are present, the permittee shall suspend:
 - (i) blasting;
 - (ii) overflights by aircraft at any altitude of less than 300 meters above ground level; and
 - (iii) the use of snowmobiles and ATVs (all-terrain vehicles) outside the immediate vicinity of the camp.
3. (a) During migration of caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion to 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.
4. (a) The Permittee shall not, between May 15 and September 1, construct any camp, cache any fuel, or conduct any blasting within 10 kilometres 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.
(b) The Permittee shall not, between May 15 and September 1, conduct any diamond drilling operation within 5 kilometres 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.