



Indian and Northern Affairs Canada
Affaires indiennes et du Nord Canada

P.O. Box 1500
Yellowknife, NT X1A 2R3
Phone: (403) 669-2678 Fax: (403) 669-2713

June 19, 1997

Monopros Limited
P.O. Box 2520
YELLOWKNIFE, NT X1A 2P8

ATTENTION: Shirley Pfister

Dear Ms. Pfister:

**Re: Land Use Permit N97C753
Mineral Exploration and Fuel Cache
Kikerik Lake Area, NT**

Enclosed is your copy of Land Use permit number N97C753 authorizing your project as described in your application dated May 9, 1997.

Your application has received a wide distribution to other Federal departments, departments of the Government of the N.W.T., communities in the area of your operation and concerned native 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.

The Nunavut Impact Review Board has also recommended the following:

1. Any harmful alteration, disruption of fish habitat is prohibited under the Fisheries Act. No construction or disturbances of any stream/lake bed or banks of any definable water course is permitted unless authorized by Fisheries and Oceans.
2. Encourage you to hire local people and services to the extent possible, and to continue to consult with local residents regarding activities in the Region.

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3. If an archaeological site is discovered on the land, you must suspend operations and notify the Engineer or an inspector of the location of these sites, pursuant to Section 16 of the Territorial Land Use Regulations.

4. Pilots adhere to recommendations regarding low level flights, as to not disturb wildlife. Known raptor nesting sites and concentrations of caribou should be avoided by aircraft at all times.

5. Any amendment requests deemed by NIRB to be outside of the original scope of the project will be considered a new project.

6. Use of an electric fence around the camp facilities may be used to deter grizzly bears.

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 our Field office at Kugluktuk, phone number (403) 982-4306.

Yours truly,



Sandra Bradbury
Land Administrator
Land Administration

cc: District Manager
Iqaluit

R.M.O.
Kugluktuk

NIRB

NPC

COE/cc

Indian and Northern Affairs Indiennes
Affaires Canada et 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 - N° de permis

N97C753

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:

MONOPROS LIMITED

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

Shirley Pfister

Date

May 9, 1997

Type of Land Use Operation - Genre de travaux d'exploitation des terres

Mineral Exploration and Fuel Cache

Location - Emplacement

Kikerk Lake Area, NT

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

Yellowknife

Engineer

Ingénieur

This

Ce

19th

Day of

jour de

June**1997**

Commencement Date

Date du début des travaux

June 19, 1997

Expiry Date

Date d'achèvement

June 18, 1999**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 RÉGLEMENT, LOI, DÉCRET, RÉGLEMENT 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 NO. N97C753

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, buildings and building material. | REMOVE
WASTE
MATERIAL |
| 3. | The Permittee shall not construct a drillsite within thirty (30) metres of the normal high water mark of a stream unless approval in writing is obtained from the Engineer. | LOCATION
OF
DRILLSITES |

31 (1) (b) - Time

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| 4. | 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 (403)982-4306, at least 48 hours prior to the commencement of this land use operation. | CONTACT
INSPECTOR |
| 5. | The Permittee shall advise a Land Use Inspector at least 10 days prior to the completion of the land use operation of (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. | REPORTS
BEFORE
REMOVAL |
| 6. | The Permittee shall notify a Land Use Inspector at least 10 days prior to backfilling any sump. | BACKFILLING
NOTIFICATION |

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| 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 of 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 |
| 10. | The Permittee shall burn all combustible garbage and debris in a container acceptable to a Land Use Inspector. | INCINERATION |
| 11. | The Permittee shall keep all garbage and debris in a suitable container until disposed of. | GARBAGE
CONTAINERS |

31 (1) (d) - Methods and Techniques

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|-----|---|-------------------|
| 12. | The Permittee shall not 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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|-----|--|------------------------|
| 13. | The Permittee shall not locate any sump within thirty (30) metres of the normal high water mark of any stream. | SUMPS
FROM
WATER |
| 14. | The Permittee shall backfill and restore all sumps prior to the expiry date of this permit. | BACKFILL
SUMPS |
| 15. | The Permittee shall ensure that the land use area is kept clean and tidy at all times. | CLEAN
WORK
AREA |

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

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|-----|--|-----------------------------------|
| 16. | (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. | |
| 17. | The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation. | NATURAL
DRAINAGE |
| 18. | The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface. | PREVENTION
OF
RUTTING |
| 19. | 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. | VEHICLES
MOVEMENT
FREEZE-UP |
| 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 |

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| 24. | The Permittee shall not allow any drilling waste to spread to the surrounding lands. | DRILL
WASTE
CONTAINMENT |
| 25. | The Permittee shall burn all garbage and debris at least daily. | GARBAGE
DISPOSAL |
| 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 N.W.T. 1752/0593. Twenty four (24) hour spill report line (403)920-8130. | REPORT
CHEMICAL
AND
PETROLEUM
SPILLS |

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

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| 29. | The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation. | HABITAT
DAMAGE |
|-----|--|-------------------|

**31 (1) (i) - Objects and Places of Recreational,
Scenic and Ecological Value**

- | | | |
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| 30. | The Permittee shall not feed wildlife. | NO
FEEDING
WILDLIFE |
|-----|--|---------------------------|

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 (30) metres of the normal high water mark of any stream. | FUEL
BY
STREAM |

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|-----|---|---------------------|
| 33. | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL
CONTAINMENT |
| 34. | The Permittee shall mark all fuel containers with the Permittee's name. | MARK
CONTAINERS |

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

- | | | |
|-----|---|-------------------|
| 35. | The Permittee shall keep on hand, at all times during this Land Use Operation, a copy of the Land Use Permit. | COPY OF
PERMIT |
| 36. | 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 |
| 37. | <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.

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

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38. (a) During migration of Caribou, the Permittee shall not locate any operation so as to block or cause substantial diversion of migration. CARIBOU PROTECTION 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.

Indian and Northern Affairs
Land Administration
P.O. Box 1500,
YELLOWKNIFE, NT. X1A 2R3
Phone: (403) 669-2671 Fax: (403) 669-2713

FAX TRANSMISSION

TO: Dionne Filiatrault -
Fax: 403-360-6369

FROM: Dorene Ouellette
Land Operations Clerk
Land Administration
Phone: (403) 669-2684

(9 short pages will follow)

DATE: July 22, 1997

MESSAGE: Re: as per your request, is a copy of the Land Use Permit for
Land Use file N97C753

RECEIVED
JUL 22 1997
[Signature]