



**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

N2011C0004

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:

GUYANA PRECIOUS METALS INC.

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 Alexander Po	Date July 13th, 2011
Type of Land Use Operation - Genre de travaux d'exploitation des terres Mining (Exploration)	
Location - Emplacement Dismal Lake Area, Kitikmeot, NU, NTS 086N, 086O	

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 Iqaluit

Engineer
Ingénieur

This
Ce 13th Day of July, 2011
jour de

Commencement Date
Date du début des travaux July 13th, 2011

Expiry Date
Date d'achèvement July 12th, 2013

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



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

www.inac.gc.ca

www.ainc.gc.ca

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

Your file - Votre référence

Our file - Notre référence

July 13th, 2011

Guyana Precious Metals Inc.
Suite 1201-141 Adelaide St. West
Toronto, ON
M5H 3L5

Dear Mr. Po

Re: Land Use Permit #N2011C0004
Type of Operation: Mining (Exploration)
Location: Dismal Lake Area, Kitikmeot, NU, NTS 086N, 086O

Enclosed is your copy of Land Use permit number N2011C0004 authorizing your project as described in your application dated January 14th, 2011 received by this office January 27th, 2011.

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,

John Craig
A/Land Administrator Specialist

cc: Manager, Field Operations
RMO - Kitikmeot
NIRB

CIDMS #471826

**CONDITIONS ANNEXED TO AND FORMING PART
OF LAND USE PERMIT NUMBER N2011C0004**

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 Lands Inspector. | 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 Lands Inspector. | LOCATION OF ADITS & DRILLSITES |
| 4 | The Permittee shall locate all camps on gravel, sand or other durable land. | CAMP LOCATION |
| 5 | The Permittee shall notify the Lands Inspector of all campsites using GPS Lat and Long Co-ordinates within Ten (10) Days of Establishment. | CAMP LOCATION |

31 (1) (b) – Time

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| 6 | 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 or email to baba.pedersen@inac.gc.ca, at least 48 hours prior to the commencement of this land use operation. | CONTACT INSPECTOR |
| 7 | The Permittee shall advise a Land Use Inspector at least 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 |
| 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 Inspector 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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| 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 daily in an Incinerator acceptable to a Land Use Inspector and remove the ash from incineration activities and non-combustible wastes from the project site to an approved facility for disposal. | INCINERATION |
| 12 | The Permittee shall keep all garbage and debris in a covered metal container until Incinerated or removed from site. All such wastes shall be kept inaccessible to wildlife at all times. | GARBAGE CONTAINERS |
| 13 | The Permittee shall, in camps of five (5) personnel or less, maintain the following fire fighting equipment in the base camp and in active readiness:

(a) Two (2) back-pack bags or cans complete with hand pumps.

(b) At least one of each of the following;

pulaskis, axes, shovels. | FIRE FIGHTING EQUIPMENT |
| 14 | The Permittee shall, in camps of more than five (5) personnel, maintain the following fire-fighting equipment in the base camp and in active readiness:

(a) Four (4) backpack bags or cans complete with hand pumps.

(b) A minimum of two pieces of each of the following;

pulaskis, axes, shovels | FIRE FIGHTING EQUIPMENT |

31 (1) (d) - Methods and Techniques

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| 15 | The Permittee shall ensure that storage of fuel and hazardous materials and re-fuelling of project equipment is conducted at a minimum of thirty-one (31) meters away from the high water mark of any water body and in such a manner as to prevent their release into the environment. | RE-FUELLING FROM WATER |
| 16 | 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 ENVIRONMENTAL FOOTPRINT |
| 17 | The Permittee shall plug all bore holes as the land use operation progresses. | PLUG HOLES |
| 18 | The Permittee shall refill and restore bore hole craters as the land use operation progresses. | REFILL CRATERS |

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| 19 | The Permittee shall not erect camps or store material on the surface ice of streams. | STORAGE ON ICE |
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31 (1) (e) - Type, Location, Capacity and Operation of Facilities

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| 20 | The Permittee shall not locate any sump within thirty-one (31) metres of the normal high water mark of any stream or body of water. "sump" means a man-made pit, trench hollow or cavity in the earth's surface used for the purpose of depositing waste material therein. | SUMPS FROM WATER |
| 21 | The Permittee shall ensure that all sump/depression capacities are sufficient to accommodate the volume of waste water and any fines that are produced. The sumps shall only be used for inert drilling fluids, and not for any other materials or substances. | SUMP CAPACITY AND USE |
| 22 | The Permittee shall backfill and restore all sumps prior to the expiry date of this permit. | BACKFILL SUMPS |
| 23 | 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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| 24 | The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation. | NATURAL DRAINAGE |
| 25 | The Permittee shall not cut any stream bank unless authorized in writing by a Land Use Inspector. | STREAM BANKS |
| 26 | 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. Overland travel of equipment or vehicles must be suspended if rutting occurs. | PREVENTION OF RUTTING |
| 27 | The Permittee shall implement suitable erosion and sediment suppression measures on disturbed areas before, during and after construction and operation in order to prevent sediment from entering any water body. | PREVENTION OF EROSION |
| 28 | If an artesian flow is encountered, the Permittee shall ensure the drill hole is immediately plugged and permanently sealed. | PLUG AND SEAL ARTESIAN WELLS |
| 29 | The Permittee shall not construct interceptor or off-shoot drainage ditches unless approved in writing by the Land Use Inspector. | DITCHES |

30	The Permittee shall prepare the site in such a manner as to prevent rutting of the ground surface.	PREVENTION OF RUTTING
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31 (1) (g) - Use, Storage, Handling and Disposal of Chemical or Toxic Material

31	The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the Engineer.	APPROVAL OF CHEMICALS
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32	The Permittee shall not use the following materials during the drilling operation without the prior written approval of the Engineer.	PROHIBITED CHEMICALS
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Chlorinated phenols (Dowicide B, etc.) Compounds
composed primarily of heavy metals Asbestos

33	The Permittee shall deposit all sewage into a sump.	SEWAGE DISPOSAL
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34	The Permittee shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site for treatment.	CONTAMINATED SOIL TREATMENT
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35	The Permittee shall deposit all drill waste into a sump. "drill waste" means all materials or chemicals, solid or liquid, associated with the drilling of bore holes and includes bore hole cuttings.	DRILL WASTE
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36	The Permittee shall not allow any drilling waste to spread to the surrounding lands.	DRILL WASTE CONTAINMENT
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37	The Permittee shall remove all non-combustible garbage and debris from the land use area to a disposal site.	REMOVE GARBAGE
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38	The Permittee shall dispose of all combustible waste petroleum products by incineration or removal.	WASTE PETROLEUM DISPOSAL
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39	The Permittee shall dispose of all toxic or persistent substances in a manner as approved in writing by the Engineer.	WASTE CHEMICAL DISPOSAL
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40	The Permittee shall dispose of all fluids used to wash machinery and equipment in a sump unless otherwise authorized in writing by an Engineer.	RIG WASH DISPOSAL
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41	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
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42	The Permittee shall ensure that all personnel are properly trained in fuel and hazardous waste handling procedures, as well as in spill response procedures.	PERSONNEL TRAINING
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31 (1) (h) - Wildlife and Fisheries Habitat

43	The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation.	HABITAT DAMAGE
44	The Permittee shall take all possible measures to avoid wildlife encounters. Any problem wildlife should be reported immediately to the appropriate authorities.	AVOID WILDLIFE ENCOUNTERS
45	The Permittee shall not harass wildlife. This includes persistently worrying or chasing animals, or disturbing large groups of animals.	NO HARASSMENT OF WILDLIFE
46	The Permittee shall ensure that all project personnel are made aware of the measures to protect wildlife and are provided with training and/or advice on how to implement these measures.	AWARENESS AND IMPLEMENTATION OF WILDLIFE PROTECTION MEASURES
48	The Permittee shall not disturb or destroy the nests or eggs of any birds. If nest are encountered and/or identified, the Permittee shall take precaution to avoid further interaction and/or disturbance (e.g., a 100 meter buffer around the nests). If active nests of any birds are discovered (i.e., with eggs or young), the Permittee shall avoid these areas until nesting is complete and the young have left the nest.	AVOID DISTURBING NESTS
49	If Caribou cows are observed calving or are accompanied by caribou calves within the project area, the Permittee must suspend all drilling operations until the caribou and their calves have moved 1 km away from project area.	CEASE ACTIVITY WHEN CARIBOU IN VICINITY
50	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.	BEAR/MAN CONFLICT

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

51	The Permittee shall not feed wildlife.	NO FEEDING WILDLIFE
52	<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>	DEFINITIONS

“paleontological 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.

53	The Permittee shall avoid any known or suspected archaeological and/or paleontological sites.	AVOIDANCE OF ARCHAEOLOGICAL AND/OR PALEONTOLOGICAL SITES
54	The Permittee shall not remove, disturb, or displace any archaeological artifact or site, or any palaeontological site or fossil.	DISTURBANCE OF ARCHAEOLOGICAL AND/OR PALEONTOLOGICAL SITE
55	<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
56	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 PALEONTOLOGICAL TERMS AND CONDITIONS

31 (1) (k) - Petroleum Fuel Storage

57	The Permittee shall report in writing to a Land Use Inspector the location (using Lat and Long) and quantity of all petroleum fuel caches within ten (10) days after the establishment.	REPORT FUEL LOCATION
58	The Permittee shall not place any petroleum fuel storage containers within thirty-one (31) metres of the normal high water mark of any stream or body of water.	FUEL BY STREAM
59	The Permittee shall provide approved covered Secondary Containment for all Fuels stored associated with this Land Use permit.	SECONDARY CONTAINMENT
60	The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies.	FUEL CONTAINMENT
61	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
62	The Permittee shall construct a dyke around each stationary fuel container or group of stationary fuel containers where any one container has a capacity exceeding 4,000 litres.	DYKE FUEL CONTAINERS
63	The Permittee shall line the dyke and area enclosed by the dyke with a type of plastic film liner approved by the Engineer.	LINE DYKE
64	The volume of the dyked area shall be 10% greater than the capacity of the largest fuel container placed therein.	CAPACITY
65	The Permittee shall ensure that the dyke and the area enclosed by the dyke shall be impermeable to petroleum products at all times	IMPERMEABLE DYKE
66	The Permittee shall: a) examine all fuel storage containers for leaks a minimum of once every day. b) repair all leaks immediately.	CHECK FOR LEAKS
67	The Permittee shall store all fuel and chemicals in such a manner that they are inaccessible to wildlife.	FUEL AND CHEMICALS INACCESSIBLE TO WILDLIFE
68	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, as well as at vehicle maintenance areas.	SPILL RESPONSE MATERIALS

69	All fuel and chemical storage containers must be clearly marked with the Permittee's name and fuel caches flagged so they remain visible in the winter months.	FUEL MARKED AND LABELLED WITH PERMITTEE'S NAME
70	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
71	The Permittee shall seal all container outlets except the outlet currently in use.	SEAL OUTLET
72	The Permittee shall mark all fuel containers with the Permittee's name and LUP #.	MARK CONTAINERS

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

73	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
74	The Permittee shall keep on hand, at all times during this land use operation, a copy of the Land Use Permit.	COPY OF PERMIT
75	The Permittee shall provide in writing to the Land Use Inspector, at least forty-eight (48) hours prior to commencement of this land use operation, the following information: <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
76	<ul style="list-style-type: none"> a) During migration of Caribou or Muskoxen, 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 or Muskoxen have passed 	CARIBOU AND MUSKOX PROTECTION MIGRATION
77	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