



SAHTU Land & Water Board Land Use Permit

Permit Class Class A Land Use Permit	Permit No. S07C-003
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Subject to the Mackenzie Valley Land Use Regulations and the terms and conditions in this permit, authority is hereby granted to:

Selwyn Resources Ltd.

Permittee

To proceed with the land use operation described in the application of:

Signature: Jason Dunning	Date: March 2, 2007
Type of Land Use Operations: Mineral Exploration	
Location: Howard's Pass Area, Tulita District.	

This permit may be assigned, extended, discontinued, suspended or cancelled pursuant to the Mackenzie Valley Land Use Regulations.

Dated at: Fort Good Hope, NWT

This 8th Day of October Year: 2009

Witness Kevin Casper



Larry Wallace (Chairman)
SAHTU Land & Water Board

Commencement Date: October 8, 2009

Expiry Date: October 7, 2014

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.

THIS PERMIT SHALL BE POSTED OR BE AVAILABLE ON SITE.

If you have any questions please call the SAHTU Land & Water Board at
(867) 598-2413

**CONDITIONS ANNEXED TO AND FORMING PART OF
LAND USE PERMIT S07C-003**

26 (1) (A) - LOCATION AND AREA

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| 1.1 | The Permittee shall not conduct this land use operation on any lands not designated in the accepted application, unless otherwise authorized in writing by a Land Use Inspector or the SLWB. | PLANS |
| 1.2 | The Permittee shall not conduct any part of the land use operation within three hundred (300) metres of any privately held land or structure, unless otherwise authorized in writing by the SLWB. | PRIVATE PROPERTY |
| 1.3 | The Permittee shall not construct an adit or drill site within 30 metres of the normal high water mark of a stream unless approval in writing is obtained from the SLWB. | LOCATION OF ADITS AND DRILL SITES |
| 1.7 | The Permittee shall remove from project area; all scrap metal, discarded machinery and parts, barrels and kegs, buildings and building material. | REMOVAL WASTE MATERIAL |
| NEW | The Permittee must provide notice of access to the Tulita District Land Corporation seven (7) days prior to accessing the Sahtu Settlement Lands. | NOTICE OF ACCESS |

26 (1) (B) - TIME

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| 2.1 | The Permittee's Field Supervisor shall contact or meet with the Land Use Inspector at the Norman Wells office of the Department of Indian Affairs and Northern Development, telephone number (867) 587-2911, at least 48 hours prior to the commencement of this land use operation. | CONTACT INSPECTOR |
| 2.2 | The Permittee shall advise the Land Use Inspector at least ten (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 |
| 2.3 | The Permittee shall submit a progress report to the Land Use Inspector every 7 days during this land use operation. | PROGRESS REPORT |
| 2.13 | The Inspector reserves the right to impose closure of any area to the Permittee in periods when dangers to natural resources are severe. | CLOSURE |
| 2.14 | The Permittee shall complete all clean-up and restoration of the lands used prior to the expiry date of this permit. | CLEAN-UP |

26 (1) (C) EQUIPMENT

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| 3.1 | 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 |
| 3.4 | The Permittee shall use a forced-air, fuel-fired incinerator to incinerate all combustible garbage and debris. | INCINERATORS |
| 3.8 | 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 (2) pieces of each of the following; pulaski's, axes, shovels. | FIRE FIGHTING EQUIPMENT |
| 3.9 | The Permittee shall have any helicopter based at the camp equipped with a water dropping bucket in operating condition. | WATER BUCKET |
| 3.10 | The Permittee shall ensure a garbage container is on site. | GARBAGE CONTAINER |

26 (1) (D) - METHODS AND TECHNIQUES

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| 4.4 | The Permittee shall plug all bore holes as the land use operation progresses. | PLUG HOLES |
| 4.5 | The Permittee shall refill and restore borehole craters as the land use operation progresses. | Refill CRATERS |
| 4.12 | The Permittee shall not clear areas larger than required to conduct land use operations. | MINIMIZE AREA CLEARED |

26 (1) (E) - TYPE, LOCATION, CAPACITY AND OPERATION OF FACILITIES

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| 5.1 | The Permittee shall not locate any sump within one hundred (100) metres of the normal high water mark of any stream. | SUMPS FROM WATER |
| 5.2 | The Permittee shall backfill and restore all sumps and pits prior to the expiry date of this Permit. | BACKFILL SUMPS |
| 5.7 | The Permittee shall ensure that the land use area is kept clean and tidy at all times. | CLEAN WORK AREA |

**26 (1) (F) - CONTROL OR PREVENTION FLOODING,
EROSION AND SUBSIDENCE OF LAND**

- 6.1 (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 SLWB within forty eight (48) hours.
- 6.2 The Permittee shall remove any obstruction to natural drainage caused by any part of this land use operation. **NATURAL DRAINAGE**
- 6.3 The Permittee shall not cut any stream bank unless authorized in writing by the Land Use Inspector. **STREAM BANKS**
- 6.16 The Permittee shall insulate the ground surface beneath all structures and facilities associated with this land use operation to:
(a) prevent any vegetation present from being removed and,
(b) the ground settling and or eroding. **INSULATE GROUND SURFACE**

**26 (1) (G) - USE, STORAGE, HANDLING AND DISPOSAL
OF CHEMICAL OR TOXIC MATERIAL**

- 7.1 The Permittee shall not use chemicals in connection with the land use operation without the prior approval of the SLWB. **APPROVAL OF CHEMICALS**
- 7.6 The Permittee shall not allow any drilling waste to spread to the surrounding lands. **DRILL WASTE CONTAINMENT**
- 7.7 The Permittee shall dispose of all toxic or persistent substances in a manner as approved, in writing, by the SLWB. **WASTE CHEMICAL DISPOSAL**
- 7.9 The Permittee shall report all spills immediately in accordance with instructions contained in "Spill Report" form N.W.T. 1086(10/79). 24 hour spill report line (867) 920-8130. **REPORT CHEMICAL AND PETROLEUM SPILLS**

26 (1) (H) - WILDLIFE AND FISHERIES HABITAT

- 8.1 The Permittee shall not unnecessarily damage wildlife habitat in conducting this land use operation. **HABITAT DAMAGE**
- 8.9 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. Information about the latest bear detection and deterrent techniques can be obtained from the Department of Environment and Natural Resources at (867) 587-2130. **BEAR/MAN CONFLICT**

NEW	Aircraft will maintain a vertical distance of 1.0 km and horizontal distance of 1.5 km from large concentrations of birds.	AIRCRAFT
NEW	If Caribou, Moose, Grizzly Bear, or Muskoxen are spotted within five hundred (500) metres of any work/camp site immediate notification shall be made to the environmental monitor and/or the Sahtu Renewable Resources Board.	LARGE GAME
NEW	The Permittee shall temporarily suspend operations when Caribou are in the immediate vicinity of any area where work is proceeding.	LARGE GAME
26 (1) (I) THE STORAGE, HANDLING, AND DISPOSAL OF REFUSE OR SEWAGE		
9.3	The Permittee shall dispose of all sewage in a manner approved by the Land Use Inspector.	SEWAGE DISPOSAL
9.4	The Permittee shall keep all garbage and debris in a covered container until disposed of. This container shall be marked with the Permittee's name.	GARBAGE CONTAINER
9.5	The Permittee shall burn all garbage and debris at least daily.	GARBAGE DISPOSAL
9.7	The Permittee shall remove all non-combustible garbage and debris from the land use area to a disposal site approved in writing by the Land Use Inspector.	REMOVE GARBAGE
9.12	The Permittee shall dispose of all combustible waste petroleum products by incineration or removal.	WASTE PETROLEUM DISPOSAL
26 (I) (J) - HISTORICAL AND ARCHAEOLOGICAL SITES AND BURIAL GROUNDS		
10.1	The Permittee shall not operate any machinery or equipment within (150) metres of any known Historical or Archaeological Site or Burial Ground.	NO ACTIVITY
10.2	The Permittee shall make every effort to ensure that no Historical or Archaeological Site or Burial Ground will be affected by this operation	SITES PROTECTION
26 (1) (L) - SECURITY DEPOSIT		
12.1	The operator shall deposit with the S.L.W.B. a security deposit in the amount of <u>nil</u> pursuant to Section 26 (1) (L) of the Mackenzie Valley Land Use Regulations.	SECURITY DEPOSIT
12.2	The Permittee shall be liable for any cost of damages over and above the amount of the security deposit.	LIABILITY FOR DAMAGES

26 (1) (M) - PETROLEUM FUEL STORAGE

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| 13.1 | The Permittee shall report in writing to the Land Use Inspector the location and quantity of all petroleum fuel caches within ten (10) days after the establishment. | REPORT
FUEL
LOCATION |
| 13.2 | The Permittee shall not place any petroleum fuel storage containers within one hundred (100) metres of the normal high water mark of any stream. | FUEL BY STREAM |
| 13.4 | The Permittee shall not allow petroleum products to spread to surrounding lands or into water bodies. | FUEL
CONTAINMENT |
| 13.10 | The Permittee shall:

(a) examine all fuel storage containers for leaks a minimum of once every <u> 1 </u> days.
(b) repair all leaks immediately. | CHECK FOR
LEAKS |
| 13.16 | The Permittee shall seal all container outlets except the outlet currently in use. | SEAL OUTLET |
| 13.17 | The Permittee shall mark all fuel containers with the Permittee's name. This includes 45 gallon drums. | MARK
CONTAINERS |

26 (1) (N) - DEBRIS AND BRUSH DISPOSAL

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| 14.13 | The Permittee shall spread all cut debris and brush over the areas cleared, prior to completion of the operation or expiry of the Land Use Permit. | SPREAD BRUSH |
| 14.25 | The Permittee shall during the forest fire season (1 May to September 30) contact the Regional Department of Environment and Natural Resources office in Norman Wells prior to any burning other than daily camp garbage to determine forest fire risk and adhere to any conditions or restrictions that may be in effect at the time. | BURNING
RESTRICTIONS |
| NEW | The Permittee shall ensure all leaning or damaged trees are cut and lie flat on the ground. | LEANING AND
DAMAGED TREES |

26 (1) (O) - RESTORATION OF THE LANDS

15.2 The Permittee shall apply grass seed and fertilizer to areas designated in writing by a Land Use Inspector.

**REPLANT
DESIGNATED
AREAS**

15.3 The Permittee shall commence and foster revegetation on all parts of the land used, as may be directed by a Land Use Inspector, within one year of the completion of the land use operation.

**RE-ESTABLISH
VEGETATION**

26 (1) (P) - DISPLAY OF PERMITS AND PERMIT NUMBERS

16.1 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

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

**COPY OF
PERMIT**

26 (1) (Q) - MATTERS NOT INCONSISTENT WITH THE REGULATIONS

17.5 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:

**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).

17.6 The Permittee shall, while conducting the operation, make every effort to avoid covering or destroying traps or snares that may be found in the area.

**TRAPS
PROTECTION**

17.8 The Permittee shall not feed wildlife

**NO FEEDING
WILDLIFE**

17.9 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

"dogleg" means clearing a line, trail or right-of-way that is curved sufficiently so that no part of the clearing beyond the curve is visible when approached from either direction.

17.12 The Permittee shall adhere to all comments and procedures stated in the Land Use Permit application unless otherwise stated in the Terms and Conditions of this Land Use Permit or authorized by the Land Use Inspector.

**OTHER
COMMITMENTS**

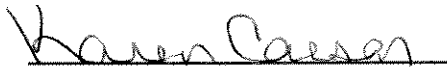
17.13 The Permittee shall not harass wildlife.

**HARASSING
WILDLIFE**

NEW The Permittee shall submit a Final Plan in Digital Format compatible with ARC GIS software for the footprint used and a map at a scale of 1:250,000 for the operations.

FINAL PLANS

SAHTU Land and Water Board



Witness



Larry Wallace (Chairman)



**SAHTU Land & Water Board
REASONS FOR DECISION
Issued Pursuant to Section 121 of
The Mackenzie Valley Resource Management Act**

Land Use Permit Number: S07C-003 (Type "A")

This is the decision of the SAHTU Land & Water Board with respect to an application for a Land Use Permit dated, March 2, 2007 made by:

Pacifica Resources Ltd.
701-475 Howe Street
Vancouver, BC
V6C 2B3

for a helicopter supported exploration drill program in the Howard's Pass area, southwest of Tulita, NT. With respect to this application, written notice was given to 15 organizations within the Sahtu and 10 outside of the settlement area in accordance with Sections 63 & 64 of the *Mackenzie Valley Resource Management Act* (MVRMA). The application was referred to the MVEIRB for an Environmental Assessment pursuant to Section 126 of the *Mackenzie Valley Resource Management Act*. The Minister's decision in writing has been received pursuant to the *Mackenzie Valley Resource Management Act* Section 130(4); and the Board is acting in conformity with the decision to the extent of its authority pursuant to Section 130(5).

DECISION

After having been satisfied that the project has been screened pursuant to the *Mackenzie Valley Resource Management Act* and has completed the process of Environmental Assessment by the MVEIRB, and that any potential adverse environmental effects were insignificant or can be mitigated with known technology, and as such the application could proceed through the regulatory process; and after reviewing the submission of the applicant and after reviewing the written comments received by the Board, having due regard to the facts and circumstances, the merits of the submissions made to it, and to the purpose, scope and intent of the *Mackenzie Valley Resource Management Act* and Regulations made there under has determined that:

Land Use Permit S07C-003 be issued subject to the terms and conditions contained therein.

The Board's reasons for this decision are as follows:

1. Information contained in Staff Report S07C-003 (3) relative to environmental impacts and/or public concerns.
2. Pacifica Resources Ltd. has notified the Board about its name change to Selwyn Resources Ltd. effective June 12, 2007.
3. All outstanding public concerns have been addressed by the report of the MVEIRB and the Minister of DIAND through the process of Environmental Assessment.
4. The Sahtu Land and Water Board has met its referral obligations to the Sahtu Land Use Planning Board as outlined in the *Mackenzie Valley Resource Management Act*. There has been no indication that the project does not conform to an approved Land Use Plan, as one does not exist.

5. MVRMA Section 62 – Requirements of Part 5 - “A board may not issue a licence, permit or authorization for the carrying out of a proposed development within the meaning of Part 5 unless the requirements of that Part have been complied with, and every licence, permit or authorization so issued shall include any conditions that are required to be included in it pursuant to a decision made under that Part.” No conditions or measures were made in the Environmental Assessment Report, however the conclusions and suggestions of the MVEIRB, together with the commitments of the applicant have been considered in the Permit.
6. MVRMA Section 118 (1) – Implementation of Proposals - “No licence, permit or other authorization required for carrying out of a development may be issued under any federal or territorial law unless the requirements of this Part have been complied with in relation to the development.” The Board is satisfied that all requirements of Part 5 of the MVRMA have been complied with.
7. MVRMA Section 130 (1) – Decision by Ministers - “After considering the report of an environmental assessment, the federal Minister and the responsible ministers to whom the report was distributed may agree (a) to order an environmental impact review of a proposal, notwithstanding a determination under paragraph 128(1)(a);” The Board is satisfied that the federal Minister has not ordered an environmental impact review of the proposal.
8. MVRMA Section 130 (5) - Effect of Decision - “ A first nation, local government, regulatory authority or department or agency of the federal or territorial government affected by a decision made under this section shall act in conformity with the decision to the extent of its authority.” The Board is satisfied that the federal Minister has accepted and approved the Environmental Assessment Report.

The Board will provide any referenced material or documents and/or reasons for decision for any specific clause or clauses contained within the application if requested to do so in writing.

SIGNED this 8th day of October 2009 on behalf of the SAHTU Land & Water Board.



Larry Wallace (Chairman)
SAHTU Land & Water Board