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Tel: 867-713-2500

(Main)

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STAFF REPORT

Company: Arctic Star Diamond Corp.	
Location: Credit Lake Claims (Desteffeny Lake) and New Bigg Claims (New Bigging Lake) Areas, NT	Application: W2008C0015
Date Prepared: October 26, 2011	Meeting Date: November 7, 2011
Subject: Assignment of Land Use Permit to Platinum Group Metals Ltd.	

1. Purpose/Report Summary

The purpose of this report is to present to the Board an application to have Land Use Permit W2008C0014 (the Permit) assigned from Arctic Star Diamond Corp. to Platinum Group Metals Ltd.

The scope of the Permit includes Mineral exploration and associated activities in the New Bigging Lake and Credit Lake Claim Block Areas as detailed in the Land Use Permit application dated July 31, 2008, *"diamond and nickel exploration with helicopter supported drill rig, geochemistry, mapping and geophysics. Arctic Star operates seasonally during spring and summer in a 6 week period between March and May and July and September."*

2. Background

- Land Use Permit was issued on October 8, 2008 for a period of five (5) years with the expiry set for October 7, 2013.
- On October 7, 2011, WLWB received a request for assignment.
- On October 11, 2011 AANDC Inspector Clint Ambrose responded to the assignment request.

3. Comments

In a corresponding email between Assignee, WLWB Staff and AANDC Inspector Clint Ambrose in regards to the assignment of land use permit. (See attach)

Inspector Clint Ambrose wrote:

"The letter provided by the Permittee should be sufficient to assign the security deposit"

Platinum Group was asked to notify engagement organizations about the assignment. The company has provided an engagement log for these notifications (see attached).

4. Security

A security deposit in the amount of \$26,740.00 was posted by Permittee on April 2, 2009.

5. Conclusion

There appear to be no issues with the assignment of the Permit to Platinum Group, but a precaution to the Board to approve the assignment conditional on receiving confirmation from INAC that the required security in the amount of \$26,740.00 has been posted.

MVLUR 38(3) states:

The Board shall not authorize an assignment of a permit until any required security has been posted by the assignee in accordance with subsection 32(4).

6. Recommendation

I recommend that the Board approve the assignment, effective on the date that AANDC confirms that the required security has been posted.

Board staff will follow up with AANDC to ensure that the WLWB is notified as soon as the security requirement has been met.

7. Attachments

- Assignment Application and letter regarding transfer of security (the security letter was also sent direct to AANDC by the Arctic Star)
- Correspondence which includes Inspectors recommendation
- Platinum Group Metals Ltd. Engagement Log and example of notification package

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Roberta Judas". The signature is written in a cursive, flowing style.

Roberta Judas
Regulatory Technician



PLG:AMEX PTM:TSX

Wek'èezhii Land and Water Board
Box 32, Wekweèti
NT X0E 1W0
Tel: 867-713-2500 Fax: 867-713-2502

Attention: Roberta Judas

Dear Roberta,

Please find enclosed the Application to Assign the Land Use Permit **W2008C0015** from Arctic Star Diamond Corp. to Platinum Group Metals Ltd. The list of contacts to be notified has been received and the notification of intent to Assign will be passed on to them.

It is understood that Platinum Group Metals Ltd. will continue the exploration activities conforming to the Land Use Permit in both size and type of work. Fuel requirements are expected to be similar to those of Arctic Star Diamond Corp during their previous exploration work.

The \$50 fee has been included with the Application.

Thank you for your time on this matter.

Regards,

A handwritten signature in blue ink, appearing to read "Rob Van Egmond", written in a cursive style.

Rob Van Egmond
Canadian Exploration Manager



Application to Assign a Land Use Permit

Declaration of Assignor

I, Patrick Power (Print Name) representing Arctic Star Diamond Corp. (Name of Permittee) hereby request the Wek'eezhii Land and Water Board to approve the assignment of Permit No. W2008C0015 dated October 8th 2008 ("the Permit"), to Platinum Group Metals (the "Assignee") of #328 - 550 Burrard St., Bentall Tower 5, Vancouver BC, V6C 2B5 (Address of Assignee).

[Signature]
Signature of Assignor

September 26th 2011
Date

Undertaking of Assignee

I (a) R. Michael Jones (Print Name of Individual) **OR**
(b) Platinum Group Metals Ltd. (Print Name of Corporation) a corporate entity incorporated pursuant to the laws of (c) British Columbia (the Proposed Assignee") request that the WLWB approve the Assignment of the above named Permit from the Assignor to the Proposed Assignee pursuant to Section 38 of the Mackenzie Valley Land Use Regulations.

Acceptance of PERMIT TERMS AND CONDITIONS, LIABILITIES INCURRED AND SECURITY DUE

I further declare that effective on the date the WLWB approves the assignment of the Permit, I undertake and hereby accept responsibility for the performance of all of the terms and conditions of the Permit and any and all requirements found in the Regulations and the *Mackenzie Valley Resource Management Act* that were imposed on the Assignor **AND** agree to accept and be responsible for all liabilities incurred as a result of the Assignor's actions to date under the Permit **AND** undertake to pay any security required of the Assignor when the Permit was granted, before initiating any activity under the Permit.

I have read this application and fully understand the responsibilities I am undertaking through the assignment of this Land Use Permit.

October 7, 2011
(Date)

(Signature of Assignee – Individual)

(Print Name of Assignee – Individual)

OR

Per: [Signature]
(Signature of Assignee for Corporate Entity)

R. Michael Jones, President
(Print Name and Position in Corporation)

Witnessed by:

) [Signature]
(Signature of Witness)

) Robert Van Egmond
(Print Name of Witness)

) 4601 Prime Street North Vancouver BC
(Address of Witness)



APPENDIX A



Patrick Power, President
ARCTIC STAR DIAMOND CORP.
#1818 – 701 West Georgia Street
PO Box 10144
Vancouver, BC V7Y 1C6

September 26th, 2011

Wek'eezhii Land and Water Board
P.O. Box 32
Wekweeti, NT
X0E 1W0

Re: Assignment and Transfer of Security Deposit – Land Use Permit #W2008C0015

Reference is made to the security deposit in the amount of \$ 26,740 that has been posted by Arctic Star Diamond Corp. on February 12th, 2009 (cheque #1287), in accordance with the terms and conditions of the subject Land Use Permit #W2008C0015.

We hereby consent to the assignment and transfer to Platinum Group Metals Ltd. of the full security deposit of \$26,740 upon the recording and approval of the Application to assign the Land Use Permit dated September 26th, 2011 which assigns the subject permit to Platinum Group Metals Ltd.

Sincerely,
ARCTIC STAR DIAMOND CORP.



Patrick Power, President
President

Roberta Judas

From: Brett Wheler [brett@wlb.ca]
Sent: October-12-11 10:37 AM
To: 'Roberta Judas'
Subject: FW: FW: Arctic Star-Assignment-PTM

From: Clint Ambrose [<mailto:Clint.Ambrose@aandc-aadnc.gc.ca>]
Sent: October-11-11 6:03 PM
To: Brett Wheler; Charlene Coe
Cc: Nahum Lee
Subject: Re: FW: Arctic Star-Assignment-PTM

Hi Brett,

Char is out of the office today, and therefore I wanted to let you know that Arctic Star posted a cash security under their LUP, and therefore it is in good standing.

The letter provided by the Permittee should be sufficient to assign the security deposit, but if Char requires anything further she will be in touch.

Regards,

Clint

Clint Ambrose
Resource Management Officer III
South Mackenzie District
Aboriginal Affairs and Northern Development Canada
TEL: (867) 669-2794
CELL: (867) 446-0769
FAX: (867) 669-2720
clint.ambrose@aandc.gc.ca

#16 Yellowknife Airport (Mailing)
140 Bristol Ave. (Street)
Yellowknife, NT
X1A 3T2
>>> "Brett Wheler" <brett@wlb.ca> 10/11/2011 3:55 PM >>>
Hi Char,

We have received an assignment application for LUP W2008C0015. Attached to the assignment form is a letter stating that the permittee consents to the transfer of security to the assignee. Given that the Board shall not authorize an assignment until any required security has been posted by the assignee, is the security for W2008C0015 in good standing and is the letter sufficient documentation for you to initiate the transfer of security?

The Board will consider this assignment application at its Nov 7 meeting.

Thanks,
Brett

Brett Wheler, M.Sc.
Regulatory Specialist
Wek'èezhii Land and Water Board
#1-4905 48th St. | Yellowknife, NT X1A 3S3
ph 867.765.4590 | fax 867.765.4593
brett@wlwb.ca | www.wlwb.ca



From: Rob van Egmond [<mailto:rvanegmond@platinumgroupmetals.net>]
Sent: October-07-11 10:32 AM
To: Brett Wheler; mark_cp
Subject: Arctic Star-Assignment-PTM

Mark and Brett,

I have gotten the Application to Assign a Land Use Permit filled in and will courier the original. Attached is a scan. I would just like to confirm that it has all the info needed and if there is anything that needs to be sent with it before I courier the original (besides the \$50 fee made out to Reciever General). The corporate seal is there, it's a little hard to see on the scan.

Thank you for your time,

Regards,

Rob

Robert A. van Egmond | Canadian Exploration Manager
Bentall Tower 5 | Suite 328-550 Burrard Street | Vancouver, BC | V6C 2B5
(d) 604.628.4718 | (m) 604.360.2811 | (f) 604.484.4710
(e) rvanegmond@platinumgroupmetals.net | (w) www.platinumgroupmetals.net



From: Brett Wheler [<mailto:brett@wlwb.ca>]
Sent: Wednesday, September 28, 2011 8:51 AM
To: Rob van Egmond
Subject: xxxx SPAM Low xxxx RE: PTM work scope and location same as Arctic Star

Thanks for that Rob.

In addition to the lands on which activities are to take place, equipment (type, size, number) and quantity of fuel storage will need to be the same/similar to what is currently permitted. From your email below, it sounds like that will be fine for PTM.

Thanks,
Brett

Brett Wheler, M.Sc.
Regulatory Specialist
Wek'èezhii Land and Water Board
#1-4905 48th St. | Yellowknife, NT X1A 3S3
ph 867.765.4590 | fax 867.765.4593
brett@wlwb.ca | www.wlwb.ca



From: Rob van Egmond [<mailto:rvanegmond@platinumgroupmetals.net>]
Sent: September-27-11 5:20 PM
To: Brett Wheler
Subject: RE: PTM work scope and location same as Arctic Star

Brett,

Thanks for the info on contacts before we actually transfer.

I can confirm that Platinum Group Metals will be continuing activities in the locations that are in the present Land Use Permit. Basically we will be doing the same type of exploration work in the same area that Arctic Star has been working from 2008 to 2010. The only thing that has changed is the amount of ground held. In the agreement Platinum Group Metals made with Arctic Star only 11 claims (of about 50) are being transferred. In other words we will be working on only a small portion of the claims under the current LUP. The remaining claims remain under Arctic star ownership but they have no intention of continuing work up there in the near future and pieces of that ground are coming open now. Platinum Group Metals is aware that the environmental liability for the area comes with the Land Use Permit and we will be cleaning up two drill sites outside of the transferred claims as brought to the attention of Arctic Star by the Lands Inspector. The camp location and size will remain the same.

Regards,

Rob

From: Brett Wheler [<mailto:brett@wlwb.ca>]
Sent: Tuesday, September 27, 2011 2:50 PM
To: Rob van Egmond
Subject: xxxx SPAM Low xxxx RE: Contact info

Hi Rob,

Can you confirm that the activities you would be conducting will all fit within the activities and locations currently included within the Arctic Star Land Use Permit? If not, you would need to apply for a new Land Use Permit, which is normally a fairly quick process - 42 days if all necessary information is available. I am available to help you figure this out.

Also the Wek'èezhii Land and Water Board asks that you notify the following organizations that you will be applying for an assignment:

Kerri Garner Laura Duncan Behchoko Box 412 Rae, NT X0E 0Y0	Tl̨icho Lands Protection Department / Tl̨icho Government	P: 867-392-6381 F: 867-392-6406 e-mail: kerrigarner@tlichocom lauraduncan@tlichocom
Stephen Ellis Stephanie Poole Box 28 Lutsel K'e, NT X0E 1A0	NWT Treaty 8 Tribal Corporation - Akaitcho Interim Measures Agreement Implementation Office	P: 867-370-3217 F: 867-370-3209 e-mail: scellis@eastarm.com & screeningofficer@eastarm.com

Feel free to contact me if you have any questions.

Brett

Brett Wheler, M.Sc.
Regulatory Specialist
Wek'èezhii Land and Water Board
#1-4905 48th St. | Yellowknife, NT X1A 3S3
ph 867.765.4590 | fax 867.765.4593
brett@wlb.ca | www.wlb.ca



From: mark_cp [mailto:mark_cp@wlb.ca]
Sent: September-22-11 2:38 PM
To: 'Rob van Egmond'
Cc: 'Brett Wheler'
Subject: RE: Contact info

Hello Rob,

Here is a PDF with all the forms you require for assigning the Arctic Star Land Use Permit. Please contact myself or Brett if you have any further questions.

Regards,

Mark Cliffe-Phillips
Executive Director
Wek'èezhii Land and Water Board
P.O. Box 32 Wekweeti, NT X0E 1W0
(Direct Line: Yellowknife) 867-765-4581

(p) 867-713-2500 (c) 867-445-3423

(f) 867-713-2502

www.wlwb.ca



From: Rob van Egmond [<mailto:rvanegmond@platinumgroupmetals.net>]

Sent: September-22-11 1:36 PM

To: mark_cp@wlwb.ca

Subject: Contact info

Mark,

Here's my e-mail. Thanks for sending those forms.

Cheers,

Robert A. van Egmond | Canadian Exploration Manager
Bentall Tower 5 | Suite 328-550 Burrard Street | Vancouver, BC | V6C 2B5
(d) 604.628.4718 | (m) 604.360.2811 | (f) 604.484.4710
(e) rvanegmond@platinumgroupmetals.net | (w) www.platinumgroupmetals.net



_____ Information from ESET Smart Security, version of virus signature database 6537 (20111012)

The message was checked by ESET Smart Security.

<http://www.eset.com>

**Project Consultation Database
Providence Lake Project – NWT - LUP W2008C0015**

Group: Local/Regional, Name	Com- munity	Date	# of at- ten- dees	Communication	Purpose/Issues Raised
WLWB – Brett Wheler		2011-10-07		Sent e-mail brett@wlwb.ca	Application to Assign LUP W2008C0015 to Platinum Group Metals sent in for review before courier original.
WLWB – Brett Wheler		2011-10-11		Received e-mail brett@wlwb.ca	Received list of Pre-Submission notification requirements. OK on application will courier, attn.: Roberta Judas, WLWB
Tlichon Lands Protection Dept.		2011-10-20		Sent e-mail kerrigarner@tlichon.com lauraduncan@tlichon.com	letter of engagement- Notice of application to Assign LUP W2008C0015 Kerri Garner, Laura Duncan
North Slave Metis Alliance		2011-10-20		Sent e-mail lands@nsma.net	letter of engagement- Notice of application to Assign LUP W2008C0015 Bill Enge
NWT Treaty 8 Tribal Corp.		2011-10-20		Sent e-mail scellis@eastarm.com screeningofficer@eastarm.com	letter of engagement- Notice of application to Assign LUP W2008C0015 Stephen Ellis, Stephanie Poole
Kitikmeot Inuit Association		2011-10-20		Sent e-mail Geoff@qiniq.com ltorretti@qiniq.com	letter of engagement- Notice of application to Assign LUP W2008C0015 Geoff Clark, Luigi Torretti
Kitikmeot Inuit Association		2011-10-20		Received e-mail from ltorretti@qiniq.com	Luigi Torretti; Thanks for info and said he would forward to Stanley Anablak, KIA's Senior Lands Officer
North Slave Metis Alliance		2011-10-20		Received e-mail from enviromgr@nsma.net	Sheryl Grieve, Environmental Manager; Thanks for info and "Please keep us informed if there are any changes to the currently permitted activities."
NWT Treaty 8 Tribal Corp.		2011-10-21		Received e-mail from Stephanie Poole screeningofficer@eastarm.com	Thanks for info and sends Min Ex Guidelines in the Akaitcho Territory. Requests GIS data on claims and; "Have you developed an Engagement Plan and Schedule in regards to your proposed project?"

