



Application for Water Licence Amendment

April 2010

P.O. BOX 119
GJOA HAVEN, NUNAVUT
XOB 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓚᓕᓂᓪᓴᓪ ᑲᓂᓚᓪᓴᓪ
NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



P.O. Box 119
GJOA HAVEN, NU X0B 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

ᓄᓇᓂᓪ ᐃᓕᓕᓂᓪ ᑲᑎᓕᓂᓪ
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

EXISTING LICENCE NO: #2BE-CHI0813 (CHIDLIAK PROJECT)

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **A renewal will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name:

Address:

Phone: _____

Fax: _____

e-mail: _____

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: **Shirley Standafer-Pfister**

Address: (same as licensee, Peregrine Diamonds Ltd.)

Phone: **(250) 686-1769**

Fax: (same as for licensee, Peregrine Diamonds Ltd.)

e-mail: **shirley@pdiam.com**

(Attach authorisation letter.) **Letter sent by Peregrine's president via e-mail + post to NWB on 27 Sept 2010.**

3. NAME OF PROJECT

Has the name of the project changed?

☐ Yes ☒ No

If Yes, indicate the name of the project including the name of the location: _____

4. LOCATION OF UNDERTAKING

Does the proposed amendment change the location of the amended undertaking?

☐ Yes ☒ No (**Proposed NEW CAMP is within the approved Chidliak Project area**)

Provide the project extents and camp locations. Identify proposed changes.

Project Extents

MIN. LAT.: 63° 45' 00" MAX. LAT.: 64° 52' 30" MIN. LONG.: 65° 30' 00" MAX. LONG.: 67° 30' 00"

Camp Location(s) Proposed NEW CAMP Location:

Latitude: (64 ° 36 ' 33" N)

Longitude: (66 ° 34' 36" W)

5. MAP

Does the proposed amendment change the locations of any of the main components of the undertaking?

☐ Yes ☒ No

(Only a NEW CAMP is being added. Winter drilling targets for spring 2011 would be same as those proposed for north Chidliak for spring 2010.)

Attach a topographical map (**MAP 3, MAP 2**), indicating the main components of the undertaking. Identify proposed changes. (**Maps combine NTS maps 26B/10 + 26B/09**)

NTS Map Sheet No.: 26B/10 (NEW CAMP location) Map Name: NO TITLE Map Scale: 1:50 000

6. NATURE OF INTEREST IN THE LAND

Does the proposed amendment change the nature of the interest in the land?

☐ Yes ☒ No

If Yes, indicate changes. _____

Check any of the following that are applicable to the proposed undertaking (at least one box under the „Surface‘ header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Mineral Lease from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: _____

Surface

☒ Crown Land Use Authorisation from Indian and Northern Affairs Canada (INAC)
Date (expected date) of issuance: _____ Date of expiry: 17 Apr 2011; extension for 1 yr. has been requested: #N2008C0005: (NEW CAMP IS IN THIS AREA)

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)
Date (expected date) of issuance: _____ Date of expiry: _____

☒ IOL Authorisation from Qikiqtani Inuit Association (QIA)
Date (expected date) of issuance: _____ Date of expiry: 01 Mar 2011: #Q10L1C008 (for exploration on 8 IOLs adjoining Chidliak; (OUTSIDE AMENDMENT AREA)

☐ Commissioner's Land Use Authorization
Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorisations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- ☐ North Baffin
☒ South Baffin
☐ Akunnig

- ☐ Keewatin
☐ Sanikiluaq
☐ West Kitikmeot

Does the proposed amendment change the land use planning area?

☐ Yes ☒ No

If yes, indicate the land use planning area in which the amended undertaking is located.

- ☐ North Baffin
☐ South Baffin
☐ Akunnig

- ☐ Keewatin
☐ Sanikiluaq
☐ West Kitikmeot

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

☐ Yes ☒ No

(NPC determination was requested + obtained even though there is no Land-Use Plan in effect for the Chidliak area. Determination corresp. from NPC dated 10 Sept 2010 is attached with application.

If Yes, indicate date issued and attach copy. _____

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

☐ Yes ☒ No

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

☒ Yes ☐ No

If Yes, indicate date issued and attach copy. #08AN008 – 28 Mar 2008, #08AN008 – 18 Dec 2008

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

☒ Yes ☐ No **(May be required, acc. to NWB)**

If Yes, indicate date issued (or expected) and attach a copy. Copy of NWB application pkg. + NIRB Forms is being supplied to NIRB electronically and by post during week of 04 Oct 2010. NIRB decision will occur thereafter.

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking? (MINOR AMENDMENT)

☒ Yes ☐ No

List and attach plans and drawings or project proposal. Identify proposed changes. **NOTE: A complete PROJECT DESCRIPTION with maps and photos detailing plans for NEW CAMP – to support drilling in north Chidliak – is attached with this amendment application.**

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

☒ Yes ☐ No (NEW CAMP)

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes. **(PROJECT DESCRIPTION notes that another suitable location for NEW CAMP could not be found, despite investigation. Aerial investigation and ground-truthing were conducted by an Arctic geotechnical engineer (from EBA Engineering), Peregrine's consulting archaeologist (Thomson Heritage Consultants) and Chidliak Operations Manager. Only change to Project is proposed addition of a THIRD TENT CAMP to support exploration in north Chidliak, as the 2 existing camps are too far away to allow safe and efficient exploration, i.e., the camps are approx. 50km SE.)**

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Miscellaneous (describe below): |
| <input type="checkbox"/> Power | |

Does the proposed amendment change the classification of primary undertaking?

☐ Yes ☒ No

If Yes, indicate the primary undertaking of the amendment: _____

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- | |
|--|
| <input type="checkbox"/> Hydrostatic Testing |
| <input type="checkbox"/> Tannery |
| <input type="checkbox"/> Tourist / Remote Camp |
| <input type="checkbox"/> Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil |
| <input type="checkbox"/> Onshore Oil and Gas Exploration Drilling |
| <input checked="" type="checkbox"/> Mineral Exploration / Remote Camp (NOTE: NWB Licensing Mgr. stated to Peregrine that it was sufficient to UPDATE the existing "Exploration/Remote Camp Questionnaire". This updated Questionnaire is attached.) |
| <input type="checkbox"/> Advanced Exploration |
| <input type="checkbox"/> Mine Development |
| <input type="checkbox"/> Municipal |
| <input type="checkbox"/> General Water Works |
| <input type="checkbox"/> Power |

12. WATER USE

Indicate, using the boxes below, the types of water use(s) approved in the existing licence.

☒ To obtain **water for camp/** municipal purposes

☐ To obtain water for industrial purposes

☐ To divert a watercourse

☐ To cross a watercourse

☐ To modify the bed or bank of a watercourse

☐ To alter the flow of, or store water

☐ Flood control

☒ Other: **Exploration Drilling**

Does the proposed amendment change the type(s) of water use(s)?

☐ Yes ☒ No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.

☐ To obtain water for camp/ municipal purposes

☐ To obtain water for industrial purposes

☐ To divert a watercourse

☐ To cross a watercourse

☐ To modify the bed or bank of a watercourse

☐ To alter the flow of, or store water

☐ Flood control

☐ Other: _____

13. QUANTITY OF WATER INVOLVED

Does the proposed amendment change the source of water? ☒ Yes ☐ No

Indicate the water source(s). Identify proposed changes.:

64° 36' 33" N lat. – 66° 34' 36" W long.(Erect NEW CAMP at this location on "Camp Lake")

(show location(s) on map) **(See MAP 2 and MAP 3 accompanying amendment application)**

Does the proposed amendment change the quality of the water source and/or its available capacity?

☐ Yes ☒ No

Describe the quality of the water source(s) and the available capacity(s). Identify any changes.: **"Camp Lake" is pristine; no camp there previously; lake is of sufficient size to support this tent camp.. "Camp Lake" can be added to water-quality sampling programme. Winter water-quality samples were collected on "North Lake" to the north of "Camp Lake" in spring 2010. Those results will be in 2010 enviro final report.**

Does the proposed amendment change the overall quantity of water to be used?

☐ Yes ☒ No

Provide the overall estimated quantity to be used. Identify proposed changes. : _____ m³/day

Does the proposed amendment change the quantity of water to be used from each source?

☐ Yes ☒ No

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes. :

(NEW CAMP will use 4m³/day or less, which is well within the approved domestic-use allowable of 25m³/day.)

Does the proposed amendment change the quantity of water to be used for each purpose?

☐ Yes ☒ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes.:

(See ABOVE).

Does the proposed amendment change the method(s) of extraction? ☐ Yes ☒ No

Describe the method(s) of extraction. Identify proposed changes. : _____

Does the proposed amendment change the quantity(s) of water returned to source(s)?

☐ Yes ☒ No

Estimated quantity(s) of water returned to source(s). Identify proposed changes. : _____ m³/day

Does the proposed amendment change the quality(s) of water returned to source(s)?

☐ Yes ☒ No

Describe the quality(s) of water(s) returned to source(s). Identify any changes. : _____

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges (drillwater + drill cuttings) |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

☐ Yes ☒ No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved?

☐ Yes ☒ No

Does the proposed amendment change the composition(s) of the types of wastes involved?

☐ Yes ☒ No

Does the proposed amendment change the method(s) of treatment for the types of waste involved?

☐ Yes ☒ No

Does the proposed amendment change the method(s) of disposal for the types of waste involved?

☐ Yes ☒ No

If Yes to any of the above, describe the proposed changes: _____

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal. **(NEW CAMP)**

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Pacto waste	30L/ day	N/A	incineration
Greywater	Wash water	4m ³ /day	Liqui-Bac (for grease)	sump
Solid	Food, misc. paper	121L/day	N/A	incineration
Bulky/Scrap	Drill metal waste	500kg	N/A	Ret. to contractor
Waste Oil/Haz.	Oil/filters/rags	410L	N/A	Reg. W.Receiver
Empty Barrels	Fuel drums	50 diesel	N/A	Rotated out for
		Up to100 Jet-B	N/A	crushing; sound diesel drums refilled in Iqaluit.

16. OTHER AUTHORISATIONS

Does the proposed amendment change the need for other authorisations in addition to the sub-surface and surface land use authorizations provided in Block 6?

☐ Yes ☒ No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking and the proposed mitigation measures?

☐ Yes ☒ No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

DIRECT: Direct impacts – potential of fuel or greywater or sewage to reach source waters of “Camp Lake” – will be mitigated by locating structures of NEW CAMP at least 31m from “Camp Lake”, utilising drainage patterns away from water. Greywater sumps will be of sufficient capacity to accommodate loading and allow for percolation through soils in thaw periods. Only environmentally-benign washing + cleaning products will be employed, as already occurs at existing camps. Fuel storage behind tents and at fuel caches will be in Arctic-rated manufactured secondary containment. Berms are monitored on a DAILY basis. Drums are monitored for soundness on a DAILY basis. As with existing camps, Pacto toilets will be maintained in a sanitary condition on a DAILY basis, with filled bags securely sealed + incinerated to ash.

INDIRECT: Indirect impact would mainly be confined to over-use of water by camp occupants. Peregrine obviates this at all its camps by ensuring each Camp Manager is trained in compliance required by the specific licences and permits in effect. All licences and permits are posted in camp. Camp Manager is required to keep records of all fillups + waste outshipments (such as of waste oil) to ensure proper monitoring of water use and waste handling. Another indirect impact would be over-generation of waste, e.g., wasting of paper or wood and ordering new supplies before checking that there is sufficient inventory in camp. All camp occupants undergo orientation which acquaints them with their responsibilities, including their collective obligation as a camp population to develop a waste-management plan for that camp based upon the approved Chidliak Waste Management Strategy. Spill drills are held once per field season to raise awareness of spill impact + proper and rapid response, should a spill occur in future.

CUMULATIVE: Cumulative impacts of NEW CAMP in combination with the 2 existing Chidliak camps can be predicted to be minimal, due to the distances between the 3 sites, small footprints (0.3ha or less per camp), their reliance on different source waters, daily checks of all operations by the Camp Manager + Camp Attendants, as well as emphasis on footprint control + spill prevention at weekly safety & environment meetings. Ongoing interaction with any local land-users also will help NEW CAMP to assess its operations in relation to seasonal use by others.

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

☐ Yes ☒ No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

☐ Yes ☒ No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

☐ Yes ☒ No

If Yes, which DIO(s) _____

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

☐ Yes ☒ No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

- 20. CONSULTATION** - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

Consultation in respect of Chidliak Project has been ongoing since 2008.
For NEW CAMP:

Peregrine representatives advised the Hamlet of Pangnirtung as soon as proposed NEW CAMP site was selected, then held meetings with the Amarok HTA in Iqaluit and the Pangnirtung HTA shortly thereafter, in mid-September 2010; the Pangnirtung event included an open house and, as the hamlet requested, a radio call-in question-and-answer session in lieu of a public meeting. Concerns were raised by 5 callers and several Pangnirtung HTA members as follows: (1) caribou are not around in the north Hall Peninsula area where they used to be; Peregrine's activity may have influenced this; and (2) flight altitudes sometimes appeared lower than the 300m to 600m accepted limit. Peregrine's response: A deciding factor in the selection of the proposed NEW CAMP site was that wildlife surveys in 2010 did not reveal caribou in the immediate vicinity, and that few caribou and caribou sign had been observed during the surveys, e.g., 1 caribou 6km S of proposed campsite and 1 set of tracks 7km E of campsite. Archaeology survey in August 2010 revealed no sites around the campsite or the adjoining lakes, "Camp Lake" or "North Lake". Peregrine also advised that wildlife logs and past data from GN-Wildlife supported the current data, i.e., that there was scant use of the area by caribou over time. This low density correlated, we explained, with preliminary habitat surveying across the property in 2009, which revealed that most of the property was comprised of either bare rock or sparse vegetation classifications. Peregrine explained that causes of changes in caribou movements over time were complex, and that Peregrine was hopeful that working together with land-users to ensure timing of use, and continued avoidance of any groups of caribou, would contribute to improved management. Peregrine further explained that the location of NEW CAMP adjacent to the proposed "North Lake" was itself a mitigation, in that this would result in less helicopter flying. Peregrine stressed that deviations from the 300m-600m altitude were acceptable where human safety of crews was involved and where low altitudes, such as 150m for wildlife and airborne surveys, were required for surveys to render valid data. Peregrine advised that data from an upcoming GN-Wildlife South Baffin caribou survey in 2011 or 2012 would help to provide much-needed answers about the South Baffin caribou sub-populations and presence/absence. Peregrine also stated that it had commissioned a traditional knowledge (TK)/Inuit *Qaujimaqatugangit* (IQ) study with Pangnirtung in May 2010 and obtained a Nunavut Research Institute permit; the study is being supervised by the hamlet. Peregrine awaits completion of the study report, which is based upon Pangnirtung-led interviews with knowledge-holders.

- Met with Hamlet of Pangnirtung representatives – **04 August 2010** to advise that Peregrine had just selected a proposed campsite which was 12km W of *Qasigijjat* (Ptarmigan Fjord). Discussed possible dates for community meeting + form of meeting(s). Hamlet suggested a public radio call-in question-and-answer session in lieu of a standard public meeting, as hamlet felt this would allow more participation.
- Met with Amarok HTA in Iqaluit – **13 September 2010** to discuss NEW CAMP + accept input. Generally approved of project; asked Peregrine to return in November, so HTA could indicate their use sites on topo map.
- Held call-in question-and-answer show at Pangnirtung community radio station – **14 September 2010**.
- Met with Pangnirtung HTA – **15 September 2010**. Generally approved of project; asked Peregrine to return in November, so HTA could indicate their sites on topo map.
- Held open house in Pangnirtung – **15 September 2010**.
- Planning under way for Peregrine meetings in Iqaluit and Pangnirtung week of **22 November 2010**.
-

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

☐ Yes ☒ No **(None requested previously).**

Does the proposed amendment change the estimate of the total financial security for final reclamation?

☐ Yes ☒ No **(None requested previously).**

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

(See attached Remediation Cost Document, which is based upon A&R Plan requirements).

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☐ Yes ☒ No **(None requested previously).**

Provide an updated statement of financial security. **(Sent by e-mail to Licensing Mgr. + Licensing Administrator on 28 September 2010)**

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No **(None requested previously.)**

Provide a list of the officers of the company. **List of officers sent to Licensing Mgr. + Licensing Administrator on 28 September 2010).**

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☐ Yes ☒ No **(None requested previously.)**

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name. **NU Registration certificate was sent to Licensing Mgr. + Licensing Administrator on 28 September 2010).**

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Two baseline-data reports have been provided to NWB to date and two more (for 2010) are in preparation.

④ Physical Environment (Landscape and Terrain, Air, Water, etc.) **“2009 BASELINE ENVIRONMENTAL PROGRAMME, CHIDLIAK PROJECT, SOUTH BAFFIN ISLAND, NUNAVUT”, EBA Engineering Consultants, November 2009**

④ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.) **“2009 BASELINE ENVIRONMENTAL PROGRAMME, CHIDLIAK PROJECT, SOUTH BAFFIN ISLAND, NUNAVUT”, EBA Engineering Consultants, November 2009**

④ Socio-Economic Environment (Archaeology, Land and Resources Use, Demographics, Social and Culture Patterns, etc.) **“ARCHAEOLOGICAL INVENTORY AND ASSESSMENT OF CHIDLIAK CLAIM BLOCK, HALL PENINSULA, BAFFIN ISLAND, NU”, Thomson Heritage Consultants, December 2009**

○ **NOTE:** Report on the 2010 biophysical programmes from EBA Engineering and on the archaeological assessment from Thomson Heritage Consultants are in preparation and will be provided to our regulators later this autumn, when completed.

○ **NOTE:** Peregrine commissioned the hamlet of Pangnirtung in May 2010 to supervise a traditional-knowledge study of the Chidliak property area; study was licensed by the Nunavut Research Institute and product is awaited. Report will contain results of interviews with local knowledge-holders to help inform and enrich Chidliak exploration, and to assist the community in educating local youth.

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

COMPLIANCE ASSESSMENT AND STATUS REPORT - #2BE-CHI0813

PART B: GENERAL CONDITIONS

1. (Fees) – STATUS: Payment is up to date.
2. (Annual Report) – STATUS: Reports for 2008 and 2009 filed on time. Annual Report for 2010 will be filed on time.
3. (Notify of changes) – STATUS: Notification has been provided to NWB in advance, *e.g.*, addition of new equipment, drilling-plan maps.
4. (Meas. Water vol.) – STATUS: Water tank is a known volume with gradations; fill records are kept during camp operations.
5. (Plans must be approved) – STATUS: Monitoring Plans are updated as programmes or details change; updated Plans are provided to NWB for approval.
6. (Implement Plans as approved) – STATUS: In compliance.
7. (Plans become part of Licence) – STATUS: In compliance.
- 8.-11. – STATUS: In compliance.

PART C: CONDITIONS APPLYING TO WATER USE

1. (AMENDMENT #1 – Max. Water-use limits increased) – STATUS: In compliance.
- 2.-7. – STATUS: In compliance.

PART D: CONDITIONS APPLYING TO WASTE DISPOSAL

1. The Licensee shall locate areas designated for waste disposal at a minimum distance of thirty (30) metres from the ordinary high water mark

1. (Waste-disposal sites at least 30m from OHWM) – STATUS: All such sites at 2 existing camps are at least 40m from OHWM. NEW CAMP sites also will be in compliance.
2. (AMENDMENT #1 – No on-site land-filling or open burning for listed substances) – STATUS: In compliance. No land-filling or open burning has occurred.
- 3.-6. – STATUS: In compliance.
7. (Greywater sumps at least 30m from OHWM) – STATUS: All such sites at 2 existing camps are at least 40m from OHWM. NEW CAMP sites also will be in compliance.
- 8.-10. – STATUS: In compliance.
11. (Direct water in blast trenches to Trench Water Containment) – STATUS: No trenching to date.
12. (10 Days' Notice prior to release from Trench Water Containment) – STATUS: No trenching to date.
13. (Discharge in accord. with *D.(1)* + effluent parameters) – STATUS: No effluent discharge to date.
14. (Confirm compliance prior to discharge) – STATUS: No effluent discharge to date.

PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS

1. (Only store materials on frozen lake/stream if for immediate use) – STATUS: INAC authorised Peregrine in Apr 2010 to erect medic tent + core tent on lake ice during lake-based drilling (several days/site) and this was incorporated into the 26 March 2010 version of the Chidliak A&R Plan.
2. (No impact on surface drainage) – STATUS: In compliance.
3. (Winter lake/stream crossings to be entirely of water, ice or snow) – STATUS: None to date.
- 4.-5. (AMENDMENT #1 – No deposition of debris or sediment into waterbody; no rutting by heavy equipment) – STATUS: In compliance. Heavy equipment authorised for transport to/from *CH-7* was moved in frozen conditions over snow cover only (INAC authorisation 30 Jan 2010).

PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS

- 1.-2. (No land-based drilling within 30m of OHWM; all drill waste to report to sump). – STATUS: In compliance with both conditions. No drilling muds or salts have been employed to date.
3. (Directions if artesian flow encountered) – STATUS: No artesian flows encountered to date.
4. (Where drilling has penetrated below permafrost layer, NWB proponent to record depth of permafrost and location) STATUS – Not achievable in exploration drilling (such data traditionally is captured over time via thermistors). On 06 Oct 2009, Don Carr wrote to Peregrine: ~~“I have~~ [chatted with David Abernethy over at INAC – Water Resources as INAC initially provided the comment that requested permafrost depth data. The intention of the condition was never to require a Licensee to generate data on the depth of permafrost. The idea was that if this information is readily available from drilling, then it could be provided to supplement existing permafrost depth databases. As the information you have provided describes how diamond drilling is not able to properly define where the permafrost lower boundary is, the NWB no longer requests permafrost depth data for the Chidliak Project.”](#)
5. (AMENDMENT #1 – No drill additives unless drillwater recirculated + no toxic additives) – STATUS: No drilling additives have been employed to date.
6. (AMENDMENT #1 – Where no drill additives used in on-ice drilling, return water released must have TSS within CCME guidelines) – STATUS: In compliance. With limited lake-based drilling in spring 2010, TSS was low (3-5mg/L) for both pre- and post-drilling sampling events.
7. (AMENDMENT #1 – Water-quality sampling pre- and post-drilling) – STATUS: In compliance. Final EBA Engineering report incl. all results will be provided to NWB when available in late autumn 2010.
8. (AMENDMENT #1 – Trenching within OHWM of nearby waterbodies allowed during frozen conditions. – STATUS: No trenching to date.
9. (AMENDMENT #1 – During trenching, take measures to prevent transport of blast rock + residues from entering water) – STATUS: No trenching to date.
10. (AMENDMENT #1 – For activities not covered by this amendment, submit a Trenching and Drilling Plan

Plan meeting 6 conditions. For drilling only, size + location of on-ice sites required) – STATUS: Trenching as outlined was covered by this amendment but did not occur. Lake-based drilling under amendment did not occur until 2010, and most of that drilling was deferred due to weather. In practice, Peregrine reports all drill plans to NWB as soon as plans are available.

PART G: CONDITIONS APPLYING TO MODIFICATIONS

- 1.-3. – STATUS: In compliance. No modifications requested to date. One notification was made 05 Jul 2010 under licence (not a modification) regarding limited blasting away from water at *CH-7*. NWB acknowledged notification on 06 Jul 2010.

PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING

- 1.-3. (AMENDMENT #1 – Requirements for Plan and Addenda) – STATUS: Spill Plan accommodates all requirements; Plan has been updated numerous times since its original acceptance in 2008. Latest revision completed in Sept 2010 accompanies this application and incorporates addition of NEW CAMP.

PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING

1. -14. – STATUS: A&R Plan accommodates all requirements; Plan has been updated numerous times since its original acceptance in 2008. Latest revision completed in Sept 2010 accompanies this application and incorporates addition of NEW CAMP.
- 15-16. (AMENDMENT #1 – Stockpile overburden + vegetation removed during trenching; exercise erosion-control measures. Restore trenches prior to seasonal closure.) – STATUS: No trenching to date.

PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM

- 1.-7.—STATUS: In compliance. Records are kept on all water use, as well as co-ordinates of all water-use sites, waste-disposal sites and locations of fuel caches + heli-pads. Peregrine has maintained use of a CAEAL-accredited environmental lab, ALS Environmental, since 2008.
7. (AMENDMENT #1 – Addendum contains requirement to sample the water column before/after drilling from ice according to established parameters.) – STATUS: Drilling from ice commenced in spring 2010, and samples were collected before/after drilling; all results will be presented in EBA Engineering final 2010 report, which is due in late autumn 2010.
8. (AMENDMENT #1 – Effluent sampling parameters). – STATUS: Summer water-quality grab sampling occurs from stations established in 2009 and continued in 2010 using parameters set out in *Part J* plus Oil & Grease. No trenching to date.

INAC INSPECTIONS AND RESPONSES - 2008

INAC Lands inspection - Verbal rpt. 10 September 2008, followed by written rpt. 17 September. No major concerns. INAC Inspector K. Robertson suggested implementing 1 or more means of secondary containment for fuel drums in 2009, and expanding sump capacity. Also suggested that Peregrine consider professional spill-response training for personnel in 2009. Postscript: Peregrine did erect secondary-containment berms for 2009 programme. Could not locate a professional trainer, but did conduct spill drill in July 2008.

INAC INSPECTIONS AND RESPONSES - 2009

INAC Lands inspection - new Sunrise Camp: 26 May: Request to disinfect water supply + stabilise secondary containment berms ; work on berms commenced thereafter. INAC Waters inspection - Sunrise + Discovery Camps: 25 July (written rpt. transmitted later): Similar recommendations, plus request to establish defined greywater sumps; work commenced thereafter. By early August, chlorination + improvements of water measurement were in place. INAC Lands inspection - Sunrise + Discovery Camps: 05 September : Request to expand sumps for next winter + to continue with general site improvements. No significant concerns were noted. Postscript: Sumps were significantly modified in summer 2010, with big cobbles removed, depressions levelled and lined with plywood cribbing.

INAC INSPECTION AND RESPONSES - 2010

On 01 Sept 2010, Chidliak Operations Mgr. wrote: "Kevin Robertson, Tracy McCaie, Peter Kusugak from INAC visited Discovery and Sunrise camp today for a camp inspection. Kevin was happy with his findings. He had a few minor suggestion and comments.

1. Small single fuel drum berm needs more support (Discovery tent # 1). We already fixed it.
2. The Jet-A berm at Sunrise needs water drained. I will adjust the rain drain.
3. He is happy with the greywater boxes and likes the drainage.
4. Flew over RC drill site 258 and over 482 core drill site. All good."

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? 01 June 2013

Is the Licensee applying for a combined renewal and amendment of the existing licence?

☐ Yes ☒ No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): _____

Requested date of renewal issuance: _____ Requested Expiry Date: _____
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

☐ Yes ☒ No

If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

☒ Yes ☐ No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)
(Questionnaire Revised)

☒ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

☒ Yes **(Pgs. 15-17 above)** ☐ No If no, date expected _____
(Inspector reports information + responses = Pgs. 17-18 above).

Indication of Renewal Requirement (see Block 26)
(Not required: Renewal is not sought at this time).

☐ Yes ☒ No If no, date expected 2013

English Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Renewal Application.

☒ Yes ☐ No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

☒ Yes ☐ No If no, date expected _____
(Completed by telephone call)

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☒ Yes ☐ No If no, date expected _____
Completed by telephone call)

28. SIGNATURE

Shirley Standafer-Pfister

Mgr. Env. & Reg. Affairs



05 Oct 2010

Name (Print)

Title (Print)

Signature

Date