

December 13, 2016 File No: 2BE-CHI1218

David Willis Peregrine Diamonds Ltd. Suite 654-999 Canada Place Vancouver, BC V6C 3E1 Email: dave@pdiam.com

<u>Subject: Peregrine Diamonds Ltd. – Chidliak Project – Amendment No. 2 – Type "B", Qikiqtani Region</u>

Dear: Willis

The Nunavut Water Board (NWB) provides notice that, on November 15, 2016 an amendment application for a Type "B" water license for water use and/or waste disposal associated with activities in the Qikiqtani region of Nunavut was filed by Peregrine Diamonds Ltd.. By way of this correspondence, the Board invites parties to provide the NWB with their comments with respect to the application as outlined below. The application consists of the following documents:

- Abandonment and Restoration Plan dated October 31, 2016
- Spill Contingency Plan dated October 31, 2016
- 2016 Annual Water Use Report
- CH06 Trench Water Monitoring Report by EBA
- CH07 Cuttings Disposal Area Monitoring Report by EBA
- 2015 Annual Water Use Report
- CH06 Trench Water Licence Report
- Trench Plan (Draft)
- Cover Letter for Water Licence Application
- Amendment 2 Water Licence Application
- Inuktitut Summary Report

The application can be obtained from our ftp site at the following link: ftp://ftp.nwb-oen.ca/registry/2%20MINING%20MILLING/2B/2BE%20-%20Exploration/2BE-CHI1218%20Peregrine/

As noted in the NWB's earlier correspondence acknowledging receipt of this application, under the Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Agreement) Article 11, Section 11.5.9 and s. 76 (1) of *Nunavut Planning and Project Assessment Act* (NuPPAA), the proponent of a project proposal governed by

the Nunavut Agreement and NuPPAA that requires a water licence is required to submit a project proposal document (which may include the water licence application) directly to the Nunavut Planning Commission (NPC or Commission). The NPC then reviews the project proposal and makes a determination regarding the applicable land use planning requirements and/or provides direction regarding whether the project proposal is subject to screening by the Nunavut Impact Review Board (NIRB). Under Articles 11, 12 and 13 of the Nunavut Agreement, NuPPAA and Part 3 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (NWNSRTA), until the project proposal has concluded the applicable land use planning and assessment process required by the NPC and the NIRB, the NWB cannot issue a water licence.

On this basis, the NWB, while previously acknowledging the receipt of the application, waited for the Commission's determination and recommendations before proceeding to the next steps in the NWB's processing of the application. Please be advised that on December 8, 2016 the NWB received the required determinations and recommendations from the Commission.

Now that the application has concluded the pre-licensing steps required under the Nunavut Agreement, NuPPAA and the NWNSRTA, the NWB is now proceeding to the next steps in processing the application, including providing the attached Notice of Application which will be published in due course. In addition, to ensure this application is dealt with in a timely fashion, the NWB has forwarded notice of all documentation received by the NWB in respect of the application to regulators and Council of the Municipality(ies) most affected by the project. The NWB is also inviting interested parties to make representations about the application, including information requests, identifying issues of water user compensation and providing technical review comments directly to the NWB within thirty (30) days from the date of this letter; on or before January 13, 2017.

After the NWB receives and reviews the comments received, the Board may provide additional procedural instructions regarding the next steps in the Board's processing of the application. Please note that throughout the Board's consideration of the application, the NWB retains the right to request additional information and studies, as set out under ss. 48(1)-(3) of the NWNSRTA. If additional information will be requested, the NWB's technical staff will contact the applicant to discuss the Board's request in detail.

If the applicant or parties have any questions regarding this matter, please contact Sonia Aredes, the Technical Advisor for the file.

Sincerely,

Robin Ikkutisluk Licence Administrator

Enclosure: Notice of Application

Cc: Distribution List – Qikiqtani