



NIRB File No.: 08AN008
INAC File No.: N2008C0005
QIA File No.: Q09L1C11

March 9, 2011

Honourable Daniel Shewchuk
Minister Responsible for Nunavut Arctic College
Iqaluit, NU
c/o Mosha Cote, Manager, Research Liaison
Nunavut Research Institute
Iqaluit, NU

Via email: Mosha.Cote@arcticcollege.ca

Re: Application exempt from NIRB Screening pursuant to Section 12.4.3 of the NLCA: Peregrine Diamonds Ltd.'s "Baffin Island weather monitoring" project

Dear Mosha Cote:

On February 23, 2011 the Nunavut Impact Review Board (NIRB or Board) received an application from the Nunavut Research Institute (NRI) for a Scientific Research Licence for Peregrine Diamonds Ltd.'s (Peregrine; the Proponent) "Baffin Island weather monitoring" project. This Scientific Research Licence would permit research activities in support of Peregrine's "Chidliak" diamond exploration project.

Please be advised that the original "Chidliak" project proposal (NIRB File No. 08AN008) was received by the NIRB from the Qikiqtani Inuit Association (QIA) on January 28, 2008 and from Indian and Northern Affairs Canada (INAC) on February 13, 2008 and was screened by the NIRB in accordance with Article 12, Part 4 of the Nunavut Land Claims Agreement (NLCA). On March 28, 2008 the NIRB issued a NLCA 12.4.4(a) screening decision to the Minister of INAC and the President of QIA indicating the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On November 17, 2008 the NIRB received an application from INAC for an amendment to INAC Land Use Permit N2008C0005 for Peregrine's Chidliak project. After a thorough assessment of the amendment application, including comments received from the public, the NIRB determined that the request would result in a change to the original scope of the project and re-issued the original terms and conditions (March 28, 2008), along with additional terms and conditions as outlined in the December 18, 2008 Screening Decision Report to the Minister of INAC.

On March 26, 2009 the NIRB received an application from QIA for access to Inuit Owned Land (QIA File No. Q09L1C11) to conduct a “Sediment Sampling” program associated with the Chidliak project. After an assessment by the NIRB, it was determined that the proposal did not significantly change the general scope of the original project activities and on April 16, 2009 the Board re-issued the original terms and conditions contained in the Screening Decision Reports dated March 28, 2008 and December 18, 2008.

On October 7, 2010 the NIRB received an application from INAC for an amendment and extension to INAC Land Use Permit N2008C0005 for Peregrine’s Chidliak project. After an assessment of the proposed activities, it was determined that the application was exempt from further screening as per Section 12.4.3 of the NLCA, and on November 9, 2010 the NIRB re-issued its previous Screening Decision Reports dated March 28, 2008 and December 18, 2008 to INAC.

The current NRI application, the original NIRB Screening Decision Report (08AN008) and related file information are available from the NIRB’s ftp site at the following link:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2008/08AN008-Peregrine%20Diamonds%20-%20Chidliak/>

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08AN008), the “Chidliak” project was an early stage diamondiferous kimberlite exploration project located within the Qikiqtaaluk region, approximately 30 kilometres west of Pangnirtung.

The activities/components associated with this proposal included:

- Setup and operation of temporary camp;
- Airborne magnetic and electromagnetic surveying by helicopter;
- Ground magnetic surveying and heavy mineral sampling; and
- Demobilization and winterization of camp.

The additional components/activities associated with the November 17, 2008 amendment to INAC Land Use Permit N2008C0005 included:

- Establishment of second field camp;
- Trenching for collecting 100 tonnes kimberlite surface samples;
- Conveying of a piece of heavy equipment;
- Blasting;
- Ice drilling;
- Use of lake ice as airstrip; and
- Increase in water consumption rate (from 60 to 95 cubic metres per day).

The activities/components associated with the March 26, 2009 application to QIA for access to Inuit Owned Lands included:

- Helicopter support of a 2-person crew in a new prospecting area known as the Qilaq and Chadliak Project areas;

- Persons to be housed in the Peregrine base camp;
- Surficial sediment sampling; and
- Samples to be sent for analysis.

The activities/components associated with the October 7, 2010 amendment and extension to INAC Land Use Permit N2008C0005 included:

- Establishment of third temporary camp with potential to also be used in the summer;
 - Camp may also be used for continuance of environmental baseline studies and archaeological surveys in both the winter and summer programs.
- Continue spring on-ice drilling program;
- Potential land based drilling program in summer based on spring drilling results;
- Use of helicopter to move drill from site to site;
- Establishment of temporary helipad area at camp site;
- Temporary storage of fuel and propane at camp site;
- Use of Twin Otter to set up and supply the camp;
- Continue use of lake in spring for aircraft landings and potential use in summer for aircraft landings;
- Snowmobile travel for personnel to and from drill sites from camp during spring program and potential of helicopter transportation during the summer program if required;
- Potential use of Buffalo DC3 for larger fuel hauls to temporary camp; and
- Potential establishment of ice runway for Buffalo DC3.

CURRENT APPLICATION:

Peregrine is currently applying for a Scientific Research Licence from the Nunavut Research Institute in order to conduct the proposed “Baffin Island weather monitoring” project as part of its environmental baseline studies for the Chidliak project. Peregrine proposes to establish two (2) meteorological stations approximately 300 metres northwest of the Discovery Camp which will remain operational until decommissioning in December 2014.

Please note that Section 12.4.3 of the NLCA states that:

“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:

(a) such component or activity was not part of the original project proposal; or

(b) its inclusion would significantly modify the project.”

After completing a review of the information provided, the NIRB is of the understanding that the application received from INAC does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original Screening Decision Reports to INAC dated March 28, 2008 and December 18, 2008 (enclosed).

If you have any questions or concerns, feel free to contact Kofi Boa-Antwi, Assistant Technical Advisor, at 867-983-4609 or kboa-antwi@nirb.ca.

Sincerely,



Ryan Barry
Director, Technical Services

For:

Stephanie Autut
Executive Director

cc: Shirley Standafer-Pfister, Peregrine Diamonds Ltd. (Shirley@pdiam.com)
Jeff Mercer, INAC (Jeff.Mercer@inac-ainc.gc.ca; landsmining@inac-ainc.gc.ca)
Phyllis Beaulieu, NWB (licensing@nunavutwaterboard.org)
Salamonie Shoo, QIA (landsdirector@qia.ca)

Enclosed: NIRB Screening Decision Report, File No.: 08AN008 (March 28, 2008 and December 18, 2008)