



SCREENING DECISION REPORT
NIRB FILE NO.: 11EA050

AANDC File No.: N2008C0005
NWB File No.: 2BE-CHI0813

February 20, 2012

Honourable John Duncan
Minister of Aboriginal Affairs and Northern Development
Executive Offices
10 Wellington St.
Gatineau, QC K1A 0H4

Via email: Duncan.j@parl.gc.ca and minister@aandc.gc.ca

Re: Screening Decision for Peregrine Diamonds Ltd.'s "Bulk Sample at Chidliak" Project Proposal, NIRB File No. 11EA050

Dear Mr. Duncan:

The primary objectives of the Nunavut Impact Review Board (NIRB) are set out in Section 12.2.5 of the Nunavut Land Claims Agreement (NLCA) as follows:

"In carrying out its functions, the primary objectives of NIRB shall be at all times to protect and promote the existing and future well-being of the residents and communities of the Nunavut Settlement Area, and to protect the ecosystemic integrity of the Nunavut Settlement Area. NIRB shall take into account the well-being of the residents of Canada outside the Nunavut Settlement Area."

Section 12.4.4 of the NLCA states:

"Upon receipt of a project proposal, NIRB shall screen the proposal and indicate to the Minister in writing that:

- a) the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5;*
- b) the proposal requires review under Part 5 or 6; NIRB shall identify particular issues or concerns which should be considered in such a review;*
- c) the proposal is insufficiently developed to permit proper screening, and should be returned to the proponent for clarification; or*

- d) *the potential adverse impacts of the proposal are so unacceptable that it should be modified or abandoned.*”

NIRB ASSESSMENT AND DECISION

After a thorough assessment of all material provided to the Board (please see *Procedural History* and *Project Activities* in **Appendix A**), in accordance with the principles identified within Section 12.4.2 of the NLCA, the decision of the Board as per Section 12.4.4 of the NLCA is:

12.4.4 (a): the proposal may be processed without a review under Part 5 or 6; NIRB may recommend specific terms and conditions to be attached to any approval, reflecting the primary objectives set out in Section 12.2.5.

RECOMMENDED PROJECT-SPECIFIC TERMS AND CONDITIONS (pursuant to Section 12.4.4(a) of the NLCA)

The Board is recommending that the following or similar project-specific terms and conditions be imposed upon the Proponent through all relevant legislation:

General

1. Peregrine Diamonds Ltd. (the Proponent) shall maintain a copy of the Project Terms and Conditions at the site of operation at all times.
2. The Proponent shall forward copies of all permits obtained and required for this project to the Nunavut Impact Review Board (NIRB) prior to the commencement of the project.
3. The Proponent shall operate in accordance with all commitments stated in the following correspondence provided to the NIRB:
 - a. Bulk Sampling Project Description and associated appendices/management plans, October 13, 2011;
 - b. NIRB Part 1 Form, October 13, 2011;
 - c. NIRB Part 2 Form, October 13, 2011;
 - d. Wildlife Management Plan, December 22, 2011; and,
 - e. Peregrine Diamonds Ltd.'s response to comments, December 8, 2011.
4. The Proponent shall operate the site in accordance with all applicable Acts, Regulations and Guidelines.

Water Use

5. The Proponent shall not extract water from any fish-bearing water body unless the water intake hose is equipped with a screen of appropriate mesh size to ensure that there is no entrapment of fish. Small lakes or streams should not be used for water withdrawal unless approved by the Nunavut Water Board.
6. The Proponent shall not use water, including constructing or disturbing any stream, lakebed or the banks of any definable water course unless approved by the Nunavut Water Board.

Waste Disposal/Incineration

7. The Proponent shall incinerate all combustible wastes daily, and remove the ash from incineration activities and non-combustible wastes from the project site to an approved facility for disposal.
8. The Proponent shall keep all garbage and debris in bags placed in a covered metal container or equivalent until disposed of at an approved facility. All such wastes shall be kept inaccessible to wildlife at all times.
9. The Proponent shall ensure that the incineration of combustible camp wastes comply with the *Canadian Wide Standards for Dioxins and Furans*, and the *Canadian Wide Standards for Mercury*.
10. The Proponent shall ensure that no waste oil/grease is incinerated on site.

Fuel and Chemical Storage

11. The Proponent shall ensure that storage of fuel and hazardous materials and re-fuelling of project equipment is conducted at a minimum of thirty-one (31) metres away from the high water mark of any water body and in such a manner as to prevent their release into the environment.
12. The Proponent shall store all fuel and chemicals in such a manner that they are inaccessible to wildlife.
13. The Proponent shall use adequate secondary containment or a surface liner (e.g. self-supporting insta-berms and fold-a-tanks) when storing barrelled fuel and chemicals at all locations. Appropriate spill response equipment and clean-up materials (e.g., shovels, pumps, barrels, drip pans, and absorbents) must be readily available during any transfer of fuel or hazardous substances, as well as at fuel caches, vehicle-maintenance areas and drill sites.
14. The Proponent shall inspect and document the condition of all large fuel tanks and fuel caches on a weekly basis. All fuel and chemical storage containers must be clearly marked with the Proponent's name and examined for leaks immediately upon delivery.
15. The Proponent shall remove and treat hydrocarbon contaminated soils on site or transport them to an approved disposal site for treatment.
16. The Proponent shall ensure that all personnel are properly trained in fuel and hazardous waste handling procedures, as well as spill response procedures. All spills of fuel or other deleterious materials of any amount must be reported immediately to the 24 hour Spill Line at (867) 920-8130.

Wildlife - General

17. The Proponent shall ensure that there is no damage to wildlife habitat in conducting this operation.
18. The Proponent shall not harass wildlife. This includes persistently worrying or chasing animals, or disturbing large groups of animals. The Proponent shall not hunt or fish, unless proper Nunavut authorizations have been acquired.

19. The Proponent shall ensure that all project personnel and contractors are made aware of the measures to protect wildlife and are provided with training and/or advice on how to implement these measures.

Migratory Birds and Raptors Disturbance

20. The Proponent shall not disturb or destroy the nests or eggs of any birds. If nests are encountered and/or identified, the Proponent shall take precaution to avoid further interaction and or disturbance (e.g., a 100 metre buffer around the nests). If active nests of any birds are discovered (i.e. with eggs or young), the Proponent shall avoid these areas until nesting is complete and the young have left the nest.

Aircraft Flight Restrictions

21. The Proponent shall restrict aircraft/helicopter activity related to the project to a minimum altitude of 610 metres above ground level unless there is a specific requirement for low-level flying, which does not disturb wildlife and migratory birds.
22. The Proponent shall ensure that aircraft maintain a vertical distance of 1000 metres and a horizontal distance of 1500 metres from any observed groups (colonies) of migratory birds. Aircraft should avoid critical and sensitive wildlife areas at all times by choosing alternate flight corridors.
23. The Proponent shall ensure that aircraft/helicopter do not, unless for emergency, touch-down in areas where wildlife are present.
24. The Proponent shall advise all pilots of relevant flight restrictions and enforce their application over the project area, including flight paths to/from the project area.

Caribou Disturbance

25. The Proponent shall cease activities that may interfere with the migration or calving of caribou, until the caribou have passed or left the area.
26. The Proponent shall not block any paths or crossings known to be frequented by caribou or cause any diversion to caribou migration, and shall cease activities likely to interfere with migration such as airborne geophysics surveys, blasting, drilling or movement of equipment or personnel until such time as the caribou have passed.
27. During the period of May 15 to July 15, when caribou are observed within 1 km of project operations, the Proponent shall suspend all operations, including low-level over flights, blasting, and use of snow mobiles and all-terrain vehicles outside the immediate vicinity of the camps. Following July 15, if caribou cows or calves are observed within 1 km of project operations, the Proponent shall also suspend all operations in the vicinity, including low-level over flights, blasting, and use of snow mobiles and all-terrain vehicles, until caribou are no longer in the immediate area.

Ground Disturbance

28. The Proponent shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging. Overland travel of equipment or vehicles must be suspended if rutting occurs.

29. The Proponent shall implement suitable erosion and sediment suppression measures on disturbed areas before, during and after construction in order to prevent sediment from entering any water body.

Drilling on Land

30. The Proponent shall not conduct any land based drilling or mechanized clearing within thirty-one (31) metres of the normal high water mark of a water body unless otherwise authorized by the Nunavut Water Board.
31. If an artesian flow is encountered, the Proponent shall ensure the drill hole is immediately plugged and permanently sealed.
32. The Proponent shall ensure that all drill areas are constructed to facilitate minimizing the environmental footprint of the project area. Drill areas should be kept orderly with garbage removed daily to an approved disposal site.
33. The Proponent shall ensure that all sump/depression capacities are sufficient to accommodate the volume of waste water and any fines that are produced. The sumps shall only be used for inert drilling fluids, and not any other materials or substances.
34. The Proponent shall not locate any sump within thirty-one (31) metres of the normal high water mark of any water body unless otherwise authorized by the Nunavut Water Board. Sumps and areas designated for waste disposal shall be sufficiently bermed or otherwise contained to ensure that substances do not enter a waterway unless otherwise authorized.
35. The Proponent shall ensure all drill holes are backfilled or capped prior to the end of each field season. All sumps must be backfilled and restored to original or stable profile prior to the end of each field season.

Drilling on Ice

36. If drilling is conducted on lake ice, the Proponent shall ensure that any return water is non-toxic, and will not result in an increase in total suspended solids in the immediate receiving waters above the Canadian Council of Ministers for the Environment (CCME) Guidelines for the Protection of Freshwater Aquatic Life (i.e. 10 mg/L for lakes with background levels under 100 mg/L, or 10% for those above 100 mg/L).
37. The Proponent shall ensure that drill muds and additives are not used in connection with holes drilled through lake ice unless they are re-circulated or contained such that they do not enter the water, or are demonstrated to be non-toxic.
38. The Proponent shall ensure that all drill cuttings are removed from ice surfaces daily.

Winter Road/Trail

39. The Proponent shall select a winter route that maximizes the use of frozen water bodies.
40. The Proponent shall not move any equipment or vehicles without prior testing the thickness of lake ice to ensure the lake is in a state capable of fully supporting the equipment or vehicles.
41. The Proponent shall not move any equipment or vehicles unless the ground surface is in a state capable of fully supporting the equipment or vehicles without rutting or gouging.

42. The Proponent shall suspend overland travel of equipment or vehicles at signs indicative of trail deterioration including increased roughness, exposure of mineral soil, rutting, etc. Likewise, upon spring break up, or at such a time as the shorelines of frozen water bodies begin to thaw, the Proponent shall suspend all travel over water bodies if disturbance to the banks or shorelines of any definable water body occurs.
43. The Proponent shall ensure that winter lake/stream crossings are located to minimize approach grades and constructed entirely of ice and snow materials. Ice or snow free of sediment should be the only materials used to construct temporary crossings over any ice-covered watercourse.
44. The Proponent shall avoid utilizing slopes prone to natural erosion and shall ensure that bank disturbances are avoided, including prohibiting mechanized clearing immediately adjacent to any watercourse.
45. The Proponent shall ensure that stream crossings and/or temporary crossings constructed from ice and snow, which may cause jams, flooding or impede fish passage and or water flow, are removed or notched prior to spring break-up.
46. The Proponent shall implement sediment and erosion control measures prior to, and during operations to prevent sediment entry into the water during the spring thaw. This includes ensuring that a sufficient thickness of snow and ice is present on the winter road to prevent unnecessary erosion of the underlying ground surface and impact on underneath vegetation.
47. The Proponent shall implement a clean-up and reclamation stabilization plan which should include, but is not limited to, re-vegetation and/or stabilization of any areas where soil has been exposed by project activities.
48. Upon closure of the winter trail, the Proponent shall remove all trail markers, grease and oil marks; remove/flatten any snow banks or drifts; divert water away from erosion-prone areas; and note any areas suffering from damaged vegetation (due to gouging, etc.).

Temporary Camps

49. The Proponent shall ensure that all camps are located on gravel, sand or other durable land.
50. The Proponent shall not erect camps or store material on the surface ice of lakes or streams.

Restoration of Disturbed Areas

51. The Proponent shall ensure that all disturbed areas are restored to a stable or pre-disturbed state as practical as possible upon completion of field work.
52. The Proponent shall remove all garbage, fuel and equipment upon abandonment.
53. The Proponent shall complete all clean-up and restoration of the lands used prior to the end of each field season and/or upon abandonment of site.

Other

54. All field operations staff should be made aware of the proponents' commitments to the committed mitigation measures and provided with appropriate training prior to commencement of the project.
55. The Proponent should, to the extent possible, hire local people in conducting its activities in the region.

56. Any activity related to this application, and outside the original scope of the project as described in the application, will be considered a new project and should be submitted to the NIRB for screening.

MONITORING AND REPORTING REQUIREMENTS

In addition, the Board is recommending the following:

Annual Reporting

1. The Proponent shall submit a report to the NIRB by March 31st of each year that the Project is in operation (until final closure). This annual report shall include, but not be limited to providing the following information:
 - a. A summary of activities associated with the bulk sample program undertaken for the year;
 - b. A work plan for the following year, if applicable;
 - c. Descriptions of any wildlife encounters and actions/mitigation taken;
 - d. A log of instances in which project staff come upon or are in visual range of traditional land users (these should be considered to be any persons using the lands in proximity to project activities). This log should include the location and number of people encountered, activity being undertaken (i.e. berry picking, fishing, hunting, camping, etc.), date and time;
 - e. A summary of local hires and initiatives;
 - f. A summary of community consultations undertaken and how the results of these meetings have informed project activities, mitigation measures, adaptive management, or future development plans;
 - g. A discussion of issues related to wildlife and environmental monitoring, including the number of cease-work orders required as a result of proximity to caribou;
 - h. An analysis of the effectiveness of mitigation measures for wildlife; and,
 - i. A summary of how it has complied with all Project-Specific Terms and Conditions and how the Terms and Conditions are achieving their purpose.
2. The Proponent shall prepare and submit a wildlife monitoring report to the NIRB with its annual report as outlined in item 1. The wildlife monitoring summary report shall include, but should not be limited to the following information:
 - a. Wildlife species encountered and observed;
 - b. Locations (i.e., latitude and longitude), number of animals, gender and age if possible to identify;
 - c. Activity, including critical life events (i.e., feeding, mating, calving, migration, social gathering) within the project areas;
 - d. Behaviour or actions of wildlife when encountering project activities;

- e. Potential impacts from the project, and mitigation measures implemented to minimize the impacts; and,
- f. Evaluation of effectiveness of mitigation and description of any additional mitigation measures implemented.

Fuel and Chemical Storage

3. The Proponent shall update its Spill Contingency Plan to include the up to date emergency contact numbers for the Government of Nunavut-Department of Environment (867-975-4644) and the Manager of Pollution Control and Air Quality (867-975-7748) as well as the EC inspector (867) 975-4644.
4. The Proponent shall implement the recommendations found in the 2003 CCME Guidance Document PN 1326 entitled “Environmental Code of Practice for Above Ground and Underground Storage Tank Systems containing Petroleum Product and Allied Petroleum Products”.

Transport of Waste/Dangerous Goods

5. The Proponent shall ensure that a waste manifest accompanies the shipment of all waste oil/grease and is registered with the Government of Nunavut Department of Environment (GN-DoE). Contact the Manager of Pollution Control and Air Quality at (867) 975-7748 to obtain a manifest if hazardous waste will be generated during project activities.
6. The Proponent shall ensure that an export manifest or the appropriate transportation of dangerous goods (TDG) documentation accompany all potential hazardous samples and/or materials that are transported off site.

OTHER NIRB CONCERNS AND RECOMMENDATIONS

In addition to the project-specific terms and conditions, the Board is recommending the following:

Community Consultation

1. The Proponent should ensure that residents of the community of Pangnirtung and adjacent land users are kept apprised of ongoing project activities at regular intervals. When communicating project schedules and work plans, the Proponent should endeavor to provide an opportunity for additional mitigation measures to be developed to address public concerns prior to undertaking planned activities.
2. The Proponent should schedule its project activities appropriately based on information acquired from consultation with local residents, so as to ensure that project activities will not interfere with Inuit wildlife harvesting or traditional land use activities.

Bear and Carnivore Safety

3. The Proponent review the bear/carnivore detection and deterrent techniques outlined in “Safety in Grizzly and Black Bear Country” which can be down-loaded from this link: http://www.enr.gov.nt.ca/live/documents/content/Bear_Safety.pdf. Note that some recommendations in this manual are also relevant to polar bears. There is a DVD about polar

bears and safety available from Nunavut Parks at the following link <http://www.nunavutparks.com/english/visitor-information/suggested-resources.html> and a “Safety in Polar Bear Country” pamphlet from Parks Canada at the following link <http://www.pc.gc.ca/eng/pn-np/nu/auyuittuq/visit/visit6/d/i.aspx>.

4. Any problem wildlife or any interaction with carnivores should be reported immediately to the local Government of Nunavut, Department of Environment Conservation Office. (Conservation Officer of the Baffin Region, Aden Williams, phone: (867) 979-7800, email: awilliams@gov.nu.ca).

Incineration of Wastes

5. The Proponent review Environment Canada’s “Technical Document for Batch Waste Incineration”, available at the following link: <http://www.ec.gc.ca/gdd-mw/default.asp?lang=En&n=F53EDE13-1>. The technical document provides information on appropriate incineration technologies, best management and operational practices, monitoring and reporting.

Species at Risk

6. The Proponent review Environment Canada’s “Environment Assessment Best Practice Guide for Wildlife at Risk in Canada”, available at the following link: <http://www.ec.gc.ca/Publications/default.asp?lang=En&xml=5407909E-10F6-4AFE-ACDF-75B9E820B4A1>. The guide provides information to the Proponent on what is required when Wildlife at Risk, including *Species at Risk*, are encountered or affected by the project.

Winter Roads/Trails

7. If ice bridges are constructed, the Proponent should follow the mitigation measures outlined in Fisheries and Oceans Canada’s (DFO) Operational Statement for Ice Bridges, available at: <http://www.dfo-mpo.gc.ca/regions/central/habitat/os-eo/provinces-territories-territoires/nu/index-eng.htm>.
8. Cutting or filling of crossing approaches below the high water mark will require prior review and approval by Fisheries and Oceans Canada - Fish Habitat Management Branch (DFO-FHM).

Change in Project Scope

9. All Authorizing Agencies shall notify the NIRB of any changes in operating plans or conditions associated with this project prior to any such change.

Caribou Management

10. Territorial and federal government agencies in Nunavut should work together with Regional Inuit Associations, co-management boards and industry to develop an action plan to identify and mitigate potential cumulative effects of human land use activities, including mineral exploration, on Baffin Island caribou populations. This assessment of cumulative effects should occur at a regional scale (i.e., larger than individual project areas).

11. Territorial and federal government agencies and regional Inuit associations should ensure that protection of caribou and caribou habitat figure prominently into their contributions towards the Nunavut Planning Commission's development of a Nunavut-wide land use plan.

Nunavut Planning Commission

12. The Nunavut Planning Commission (NPC) should be aware of the ongoing concerns regarding a lack of protection for caribou and caribou habitat within the Baffin Island region of Nunavut. In developing a Nunavut-wide land use plan, the NPC may wish to consider formalized protection of important caribou habitat, and seasonal restrictions on exploration activities in these areas to minimize disturbance to caribou lifecycles and Inuit harvesting activities.
13. The NPC should be aware of traditional use areas and other areas of importance to residents of the North Baffin region and specifically with respect to the proposed project.

Aboriginal Affairs and Northern Development Canada

14. Aboriginal Affairs and Northern Development Canada (AANDC) should impose mitigation measures, conditions and monitoring requirements pursuant to the Federal Land Use Permit, which require the Proponent to respect the sensitivities and importance of the area. These mitigation measures, conditions and monitoring requirements should be in regard to the location and area; type, location, capacity and operation of facilities; use, storage, handling and disposal of chemical or toxic material; wildlife and fisheries habitat; and petroleum fuel storage.
15. AANDC should also consider the importance of conducting regular Land Use Inspections, pursuant to the authority of the Federal Land Use Permit, while the project is in operation.

REGULATORY REQUIREMENTS

The Proponent is also advised that the following legislation may apply to the project:

Acts and Regulations

1. The *Fisheries Act* (<http://laws.justice.gc.ca/en/showtdm/cs/F-14///en>).
2. The *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (<http://www.canlii.org/ca/sta/n-28.8/whole.html>).
3. The *Migratory Birds Convention Act* and *Migratory Birds Regulations* (<http://laws.justice.gc.ca/en/showtdm/cs/M-7.01>).
4. The *Species at Risk Act* (<http://laws.justice.gc.ca/en/showtdm/cs/S-15.3>). Attached in **Appendix B** is a list of Species at Risk in Nunavut.
5. The *Nunavut Wildlife Act* which contains provisions to protect and conserve wildlife and wildlife habitat, including specific protection measures for wildlife habitat and species at risk.

6. The *Nunavut Act* (<http://laws.justice.gc.ca/en/showtdm/cs/N-28.6>). The Proponent must comply with the proposed terms and conditions listed in the attached **Appendix C**.
7. The *Transportation of Dangerous Goods Regulations*, *Transportation of Dangerous Goods Act* (<http://www.tc.gc.ca/eng/tdg/safety-menu.htm>), and the *Environmental Protection Act* (<http://laws.justice.gc.ca/en/C-15.31/text.html>). The Proponent must ensure that proper shipping documents accompany all movements of dangerous goods. The Proponent must register with the GN-DOE Manager of Pollution Control and Air Quality at 867-975-7748.
8. The *Aeronautics Act* (<http://laws.justice.gc.ca/en/A-2/>).
9. The *Navigable Waters Protection Act (NWPA)* (<http://laws.justice.gc.ca/en/N-22/index.html>).
10. The Proponent shall undertake quarrying in accordance with the Territorial Quarrying Regulations (<http://www.canlii.org/en/ca/laws/regu/crc-c-1527/latest/crc-c-1527.html>).

Other Applicable Guidelines

11. The Proponent shall follow the Fisheries and Oceans Canada's (DFO) Guidelines for the use of Explosives in or near Canadian Fisheries Waters (<http://www.dfo-mpo.gc.ca/Library/232046.pdf>) and shall not conduct blasting if wildlife is within sight or hearing distance of the project area.
12. The Proponent shall practice progressive reclamation in accordance with the restoration guidelines outlined in Aboriginal Affairs and Northern Development Canada's Northern Land Use Guidelines: Pits and Quarries (<http://www.aadnc-aandc.gc.ca/eng/1100100023585>).

Validity of Land Claims Agreement

Section 2.12.2

Where there is any inconsistency or conflict between any federal, territorial and local government laws, and the Agreement, the Agreement shall prevail to the extent of the inconsistency or conflict.

Dated February 15, 2012 at Yellowknife, NT.



Lucassie Arragutainaq, Chairperson

Attachments: Appendix A: Procedural History and Project Activities
Appendix B: Species at Risk in Nunavut
Appendix C: Archaeological and Palaeontological Resources Terms and Conditions for Land Use Permit Holders

Appendix A

Procedural History and Project Activities

Procedural History

On October 12, 2011 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an amendment and extension to Peregrine Diamonds Ltd.'s (Peregrine or the Proponent) land use permit N2008C0005 for its "Bulk Sample at Chidliak" project. A conformity determination from the Nunavut Planning Commission (NPC) was not required for this file as the project is located in an area without an approved land use plan in place.

As the proposed activities appeared to be a significant change from the original project scope as proposed in 2008 (NIRB File No. 08AN008), the NIRB determined that the current application for bulk sample activities should undergo a new screening. The NIRB assigned this project proposal file number 11EA050 and commenced screening the proposal.

Public Commenting Period

This project proposal was distributed to community organizations in Pangnirtung, Iqaluit and Kimmirut, as well as to relevant federal and territorial government agencies, and Inuit organizations. The NIRB requested that interested parties review the proposal and provide the Board with any comments or concerns by November 16, 2011 (later extended to November 28, 2011) regarding:

- whether the proposed component or activity was a part of the original proposal;
- whether its inclusion would significantly modify the project;
- any additional mitigation measures that are appropriate; and,
- any other matter of importance to the Party related to the project proposal.

On or before November 28, 2011 the NIRB received comments from the following interested parties:

- **Environment Canada**
- **Government of Nunavut**
- **Qikiqtani Inuit Association**
- **Fisheries and Oceans Canada**
- **Individual comments** (specifically, 25 submissions from Pangnirtung residents)

On December 8, 2011, the NIRB provided an opportunity for the Proponent to respond to the issues raised during the public commenting period. The Proponent provided a response to comment submissions on December 18, 2011. The NIRB distributed this submission to parties for review, requesting that any additional comments be submitted to the Board by January 16, 2012.

The NIRB received comments from the following interested parties on or before January 16, 2012:

- **Environment Canada**
- **Government of Nunavut**
- **Qikiqtani Inuit Association**
- **Individual comments** (specifically, 3 submissions from Pangnirtung residents)

The NIRB staff also met with Peregrine to discuss the public concerns raised regarding this screening on January 24, 2012.

All comments provided to NIRB regarding this project proposal can be viewed on NIRB's ftp-site, at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS>

Project Activities

Previous NIRB Screening (File No. 08AN008)

The proposed Chidliak project is located in the South Baffin Region approximately 75 kilometres (km) north of Iqaluit and 133 km east of Pangnirtung. Peregrine has been conducting exploration activities in the project area since 2008; those activities were screened by the Board (NIRB File No. 08AN008) and permitted to proceed in accordance with the NIRB's terms and conditions.¹ In addition to the original proposal received in 2008, the NIRB has screened a number of project amendments associated with the Chidliak exploration project (08AN008) as follows:

Date of Decision	Document	Type of Application	Reporting AA	AA file number
March 28, 2008	Screening: 12.4.4(a)	Initial Exploration	INAC/QIA	N2008C0005/Q09L1C11
December 18, 2008	Screening: 12.4.4(a)	Amendment	INAC	N2008C0005
April 16, 2009	Exemption: 12.4.3	Access to IOL	QIA	Q09L1C11
October 1, 2009	Exemption: 12.4.3	2-year Extension to LUP	INAC	N2008C0005
November 9, 2010	Exemption: 12.4.3	Amendment and Extension to LUP	INAC/NWB	N2008C0005/2BE-CHI0813
March 9, 2011	Exemption: 12.4.3	Research – weather monitoring	NRI	01 083 11N-M (2012 renewal 01 002 12R-M)

The NIRB's previous assessment of Peregrine's exploration project (NIRB File No. 08AN008) and all considerations given to the relevant authorizations as indicated in the table above included the following project activities:

¹ NIRB Screening Decision Report(s), File No. 08AN008 dated March 23, 2008 and December 18, 2008.

- Setup and operation of 3 temporary camps;
- Establishment of temporary helipad area at camp site;
- Temporary storage of fuel and propane at camp site;
- Staking and prospecting;
- Ground magnetic surveying and heavy mineral sampling;
- Airborne magnetic and electromagnetic surveying by helicopter;
- Surface sediment sampling program to involve:
 - Helicopter support of a 2-person crew in new prospecting area known as Qiliaq and Chidliak (2009 amendment);
- On-ice and land-based drilling program;
- Use of Buffalo DC3 for larger fuel hauls to temporary camp;
- Use of lake ice as airstrip (particularly the establishment of ice runway for Buffalo DC3);
- Use of helicopter to move drill from site to site;
- Increase in water consumption rate (from 60 m³ to 95 m³ per day);
- Trenching for collecting 100 tonnes kimberlite surface samples;
- Blasting activities;
- Use of Twin Otter to set up and supply the camp;
- Seasonal movement of personnel to and from drill sites and/or camps via snowmobile and helicopter;
- Demobilization and winterization of camp;
- Establishment of two (2) meteorological stations near the Discovery Camp, to remain operational until December 2014.

Current Bulk Sample Application – NEW Screening – NIRB File No. 11EA050

The Proponent is currently proposing to amend its existing AANDC land use permit to conduct bulk sampling activities in five (5) areas of interest (new NIRB File No. 11EA050).

The current bulk sample application is being screened as a new file, and includes the following project activities and components:

- Bulk sampling program at 5 locations, collecting an approximate total of 600 tonnes from all sites;
- Transport to site and subsequent use of a large-diameter reverse-circulation drill to collect bulk-sample materials;
- Movement to site and use of 5 additional pieces of heavy equipment: Challenger 875C, Morooka MST 3000, 2 CAT loaders and Sno-Cat BR-350;
- Expansion of the existing Discovery Camp from 24 to 40 people;
- Expansion of the existing winter trail network by a total of 3.6 km;
- Establishment of a new 30-person camp (“CH-6 temporary camp”) to accommodate personnel associated with the bulk sample program. New camp to consist of:
 - 8 sleeper tents;
 - 1 medic tent/first-aid shack;
 - 2 dry tents;
 - 1 Pacto tent;
 - 1 kitchen tent;

- 1 office tent;
- Generator shed;
- Incinerator;
- Construction of a bermed fuel area and associated fuel station; and
- Helipad and winter landing strip for Twin aircraft.

Appendix B

Species at Risk in Nunavut

This list includes species listed on one of the Schedules of SARA (*Species at Risk Act*) and under consideration for listing on Schedule 1 of SARA. These species have been designated as at risk by COSEWIC (Committee on the Status of Endangered Wildlife in Canada). This list may not include all species identified as at risk by the Territorial Government.

- Schedule 1 is the official legal list of Species at Risk for SARA. SARA applies to all species on Schedule 1. The term “listed” species refers to species on Schedule 1.
- Schedule 2 and 3 of SARA identify species that were designated at risk by the COSEWIC prior to October 1999 and must be reassessed using revised criteria before they can be considered for addition to Schedule 1.
- Some species identified at risk by COSEWIC are “pending” addition to Schedule 1 of SARA. These species are under consideration for addition to Schedule 1, subject to further consultation or assessment.

Schedules of SARA are amended on a regular basis so it is important to periodically check the SARA registry (http://www.sararegistry.gc.ca/default_e.cfm) to get the current status of a species.

Updated: January 2012

Terrestrial Species at Risk ¹	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility ²
Eskimo Curlew	Endangered	Schedule 1	EC
Ivory Gull	Endangered	Schedule 1	EC
Ross's Gull	Threatened	Schedule 1	EC
Harlequin Duck (Eastern population)	Special Concern	Schedule 1	EC
Rusty Blackbird	Special Concern	Schedule 1	GN
Felt-leaf Willow	Special Concern	Schedule 1	GN
Peregrine Falcon	Special Concern (<i>anatum-tundrius</i> complex ³)	Schedule 1 - Threatened (<i>anatum</i>) Schedule 3 – Special Concern (<i>tundrius</i>)	GN
Short-eared Owl	Special Concern	Schedule 3	GN
Peary Caribou	Endangered	Schedule 1	GN

Terrestrial Species at Risk ¹	COSEWIC Designation	Schedule of SARA	Government Organization with Primary Management Responsibility ²
Barren-ground Caribou (Dolphin and Union population)	Special Concern	Schedule 1	GN
Polar Bear	Special Concern	Schedule 1	GN
Red Knot (<i>rufa</i> subspecies)	Endangered	Pending	EC
Red Knot (<i>islandica</i> subspecies)	Special Concern	Pending	EC
Porsild's Bryum	Threatened	Pending	GN
Horned Grebe (Western population)	Special Concern	Pending	EC
Grizzly Bear	Special Concern	Pending	GN
Wolverine (Western population)	Special Concern	Pending	GN
Atlantic Cod, Arctic Lakes	Special Concern	No schedule	DFO
Atlantic Walrus	Special Concern	Pending	DFO
Beluga Whale (Cumberland Sound population)	Threatened	Pending	DFO
Beluga Whale (Eastern Hudson Bay population)	Endangered	Pending	DFO
Beluga Whale (Western Hudson Bay population)	Special Concern	Pending	DFO
Beluga Whale (Eastern High Arctic – Baffin Bay population)	Special Concern	Pending	DFO
Bowhead Whale (Eastern Canada – West Greenland population)	Special Concern	Pending	DFO
Killer Whale (Northwest Atlantic / Eastern Arctic populations)	Special Concern	Pending	DFO
Narwhal	Special Concern	Pending	DFO

¹ The Department of Fisheries and Oceans has responsibility for aquatic species.

² Environment Canada (EC) has a national role to play in the conservation and recovery of Species at Risk in Canada, as well as responsibility for management of birds described in the Migratory Birds Convention Act (MBCA). Day-to-day management of terrestrial species not covered in the MBCA is the responsibility of the Territorial Government. Populations that exist in National Parks are also managed under the authority of the Parks Canada Agency.

³ The *anatum* subspecies of Peregrine Falcon is listed on Schedule 1 of SARA as threatened. The *anatum* and *tundrius* subspecies of Peregrine Falcon were reassessed by COSEWIC in 2007 and combined into one subpopulation complex. This subpopulation complex was assessed by COSEWIC as Special Concern.

Appendix C
Archaeological and Palaeontological Resources Terms and Conditions
for Land Use Permit Holders



INTRODUCTION

The Department of Culture, Language, Elders and Youth (CLEY) routinely reviews land use applications sent to the Nunavut Water Board, Nunavut Impact Review Board and the Department of Indian and Northern Affairs Canada. These terms and conditions provide general direction to the permittee/proponent regarding the appropriate actions to be taken to ensure the permittee/proponent carries out its role in the protection of Nunavut's archaeological and palaeontological resources.

TERMS AND CONDITIONS

- 1) The permittee/proponent shall have a professional archaeologist and/or palaeontologist perform the following **Functions** associated with the **Types of Development** listed below or similar development activities:

	Types of Development (See Guidelines below)	Function (See Guidelines below)
a)	Large scale prospecting	Archaeological/Palaeontological Overview Assessment
b)	Diamond drilling for exploration or geotechnical purpose or planning of linear disturbances	Archaeological/ Palaeontological Inventory
c)	Construction of linear disturbances, Extractive disturbances, Impounding disturbances and other land disturbance activities	Archaeological/ Palaeontological Inventory or Assessment or Mitigation

Note that the above-mentioned functions require either a Nunavut Archaeologist Permit or a Nunavut Palaeontologist Permit. CLEY is authorized by way of the *Nunavut and Archaeological and Palaeontological Site Regulations*² to issue such permits.

² P.C. 2001-1111 14 June, 2001

- 2) The permittee/proponent shall not operate any vehicle over a known or suspected archaeological or palaeontological site.
- 3) The permittee/proponent shall not remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- 4) The permittee/proponent shall immediately contact CLEY at (867) 934-2046 or (867) 975-5500 should an archaeological site or specimen, or a palaeontological site or fossil, be encountered or disturbed by any land use activity.
- 5) The permittee/proponent shall immediately cease any activity that disturbs an archaeological or palaeontological site encountered during the course of a land use operation until permitted to proceed with the authorization of CLEY.
- 6) The permittee/proponent shall follow the direction of CLEY in restoring disturbed archaeological or palaeontological sites to an acceptable condition. If these conditions are attached to either a Class A or B Permit under the Territorial Lands Act INAC's directions will also be followed.
- 7) The permittee/proponent shall provide all information requested by CLEY concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- 8) The permittee/proponent shall make best efforts to ensure that all persons working under its authority are aware of these conditions concerning archaeological sites and artifacts and palaeontological sites and fossils.
- 9) If a list of recorded archaeological and/or palaeontological sites is provided to the permittee/proponent by CLEY as part of the review of the land use application the permittee/proponent shall avoid the archaeological and/or palaeontological sites listed.
- 10) Should a list of recorded sites be provided to the permittee/proponent, the information is provided solely for the purpose of the proponent's land use activities as described in the land use application, and must otherwise be treated confidentially by the proponent.

LEGAL FRAMEWORK

As stated in Article 33 of the *Nunavut Land Claims Agreement*:

Where an application is made for a land use permit in the Nunavut Settlement Area, and there are reasonable grounds to believe that there could be sites of archaeological importance on the lands affected, no land use permit shall be issued without written consent of the Designated Agency. Such consent shall not be unreasonably withheld. [33.5.12]

Each land use permit referred to in Section 33.5.12 shall specify the plans and methods of archeological site protection and restoration to be followed by the permit holder, and any other conditions the Designated Agency may deem fit. [33.5.13]

Palaeontology and Archaeology

Under the *Nunavut Act*³, the federal government can make regulations for the protection, care and preservation of palaeontological and archaeological sites and specimens in Nunavut. Under the *Nunavut Archaeological and Palaeontological Sites Regulations*⁴, it is illegal to alter or disturb any palaeontological or archaeological site in Nunavut unless permission is first granted through the permitting process.

Definitions

As defined in the *Nunavut Archaeological and Palaeontological Sites Regulations*, the following definitions apply:

“archaeological site” means a place where an archaeological artifact is found.

“archaeological artifact” means any tangible evidence of human activity that is more than 50 years old and in respect of which an unbroken chain of possession or regular pattern of usage cannot be demonstrated, and includes a Denesuline archaeological specimen referred to in section 40.4.9 of the Nunavut Land Claims Agreement.

“palaeontological site” means a site where a fossil is found.

“fossil” includes:

Fossil means the hardened or preserved remains or impression of previously living organisms or vegetation and includes:

(a) natural casts;

(b) preserved tracks, coprolites and plant remains; and

(c) the preserved shells and exoskeletons of invertebrates and the preserved eggs, teeth and bones of vertebrates

³ s. 51(1)

⁴ P.C. 2001-1111 14 June, 2001

GUIDELINES FOR DEVELOPERS FOR THE PROTECTION OF ARCHAEOLOGICAL RESOURCES IN THE NUNAVUT TERRITORY

(NOTE: Partial document only, complete document at: <http://gov.nu.ca/cley/english/arch.html>)

Introduction

The following guidelines have been formulated to ensure that the impacts of proposed developments upon heritage resources are assessed and mitigated before ground surface altering activities occur. Heritage resources are defined as, but not limited to, archaeological and historical sites, burial grounds, palaeontological sites, historic buildings and cairns. Effective collaboration between the developer, the Department of Culture, Language, Elders and Youth (CLEY), and the contract archaeologist(s) will ensure proper preservation of heritage resources in the Nunavut Territory. The roles of each are briefly described.

CLEY is the Nunavut Government agency which oversees the protection and management of heritage resources in Nunavut, in partnership with land claim authorities, regulatory agencies, and the federal government. Its role in mitigating impacts of developments on heritage resources is as follows: to identify the need for an impact assessment and make recommendations to the appropriate regulatory agency; set the terms of reference for the study depending upon the scope of the development; suggest the names of qualified individuals prepared to undertake the study to the developer; issue an archaeologist or palaeontologist permit authorizing field work; assess the completeness of the study and its recommendations; and ensure that the developer complies with the recommendations.

The primary regulatory agencies that CLEY provides information and assistance to are the Nunavut Impact Review Board, for development activities proposed for Inuit Owned Lands (as defined in Section 1.1.1 of the Nunavut Land Claims Agreement), and the Department of Indian and Northern Affairs, for development activities proposed for federal Crown Lands.

A developer is the initiator of a land use activity. It is the obligation of the developer to ensure that a qualified archaeologist or palaeontologist is hired to perform the required study and that provisions of the contract with the archaeologist or palaeontologist allow permit requirements to be met; i.e. fieldwork, collections management, artifact and specimen conservation, and report preparation. On the recommendation of the contract archaeologist or palaeontologist in the field and the Government of Nunavut, the developer shall implement avoidance or mitigative measures to protect heritage resources or to salvage the information they contain through excavation, analysis, and report writing. The developer assumes all costs associated with the study in its entirety.

Through his or her active participation and supervision of the study, the contract archaeologist or palaeontologist is accountable for the quality of work undertaken and the quality of the report produced. Facilities to conduct fieldwork, analysis, and report preparation should be available to this individual through institutional, agency, or company affiliations. Responsibility for the curation of objects recovered during field work while under study and for documents generated in the course of the study as well as remittance of artifacts, specimens and documents to the repository specified on the permit accrue to the contract archaeologist or palaeontologist. This

individual is also bound by the legal requirements of the *Nunavut Archaeological and Palaeontological Sites Regulations*.

Types of Development

In general, those developments that cause concern for the safety of heritage resources will include one or more of the following kinds of surface disturbances. These categories, in combination, are comprehensive of the major kinds of developments commonly proposed in Nunavut. For any single development proposal, several kinds of these disturbances may be involved

- *Linear disturbances: including the construction of highways, roads, winter roads, transmission lines, and pipelines;*
- *Extractive disturbances: including mining, gravel removal, quarrying, and land filling;*
- *Impoundment disturbances: including dams, reservoirs, and tailings ponds;*
- *Intensive land use disturbances: including industrial, residential, commercial, recreational, and land reclamation work, and use of heritage resources as tourist developments.*
- *Mineral, oil and gas exploration: establishment of camps, temporary airstrips, access routes, well sites, or quarries all have potential for impacting heritage resources.*

Types of Studies Undertaken to Preserve Heritage Resources

Overview: An overview study of heritage resources should be conducted at the same time as the development project is being designed or its feasibility addressed. They usually lack specificity with regard to the exact location(s) and form(s) of impact and involve limited, if any, field surveys. Their main aim is to accumulate, evaluate, and synthesize the existing knowledge of the heritage of the known area of impact. The overview study provides managers with baseline data from which recommendations for future research and forecasts of potential impacts can be made. A Class I Permit is required for this type of study if field surveys are undertaken.

Reconnaissance: This is done to provide a judgmental appraisal of a region sufficient to provide the developer, the consultant, and government managers with recommendations for further development planning. This study may be implemented as a preliminary step to inventory and assessment investigations except in cases where a reconnaissance may indicate a very low or negligible heritage resource potential. Alternately, in the case of small-scale or linear developments, an inventory study may be recommended and obviate the need for a reconnaissance.

The main goal of a reconnaissance study is to provide baseline data for the verification of the presence of potential heritage resources, the determination of impacts to these resources, the generation of terms of reference for further studies and, if required, the advancement of preliminary mitigative and compensatory plans. The results of reconnaissance studies are primarily useful for the selection of alternatives and secondarily as a means of identifying

impacts that must be mitigated after the final siting and design of the development project. Depending on the scope of the study, a Class 1 or Class 2 Permit is required for this type of investigation.

Inventory: A resource inventory is generally conducted at that stage in a project's development at which the geographical area(s) likely to sustain direct, indirect, and perceived impacts can be well defined. This requires systematic and intensive fieldwork to ascertain the effects of all possible and alternate construction components on heritage resources. All heritage sites must be recorded on Government of Nunavut Site Survey forms. Sufficient information must be amassed from field, library and archival components of the study to generate a predictive model of the heritage resource base that will:

- allow the identification of research and conservation opportunities;
- enable the developer to make planning decisions and recognize their likely effects on the known or predicted resources; and
- make the developer aware of the expenditures, which may be required for subsequent studies and mitigation. A Class 1 or 2 permit is required

Assessment: At this stage, sufficient information concerning the numbers and locations of heritage resources will be available, as well as data to predict the forms and magnitude of impacts. Assessments provide information on the size, volume, complexity and content of a heritage resource, which is used to rank the values of different sites or site types given current archaeological knowledge. As this information will shape subsequent mitigation program(s), great care is necessary during this phase.

Mitigation: This refers to the amelioration of adverse impacts to heritage resources and involves the avoidance of impact through the redesign or relocation of a development or its components; the protection of the resource by constructing physical facilities; or, the scientific investigation and recovery of information from the resource by excavation or other method. The type(s) of appropriate mitigative measures are dictated by their viability in the context of the development project. Mitigation strategies must be developed in consultation with, and approved by, the Department of Culture, Language, Elders and Youth. It is important to note that mitigation activities should be initiated as far in advance of the construction of the development as possible.

Surveillance and monitoring: These may be required as part of the mitigation program.

Surveillance may be conducted during the construction phase of a project to ensure that the developer has complied with the recommendations.

Monitoring involves identification and inspection of residual and long-term impacts of a development (i.e. shoreline stability of a reservoir); or the use of impacts to disclose the presence of heritage resources, for example, the uncovering of buried sites during the construction of a pipeline.