



NIRB File No.: 11EA050 AANDC File No.: N2008C0005 NWB File No.: 2BE-CHI0813

October 26, 2011

Shirley Standafer-Pfister
Manager, Regulatory and Environmental Affairs
Peregrine Diamonds Ltd.
Suite 201-1250 Homer Street
Vancouver, BC V6B 1C6

Via email: Shirley@pdiam.com

Re: Notice of Part 4 Screening for Peregrine Diamonds Ltd.'s "Bulk Sample at Chidliak" project proposal

Dear Shirley Standafer-Pfister:

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 an extension to land use permit N2008C0005 for Peregrine Diamonds Ltd.'s (Peregrine or the Proponent) "Bulk Sample at Chidliak" project. The NIRB has assigned this project proposal file number 11EA050 – please reference this number in all future related correspondence.

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 since 2008 when the activities were previously screened (NIRB File No. 08AN008) and permitted to proceed in accordance with the NIRB's project-specific recommended terms and conditions contained in its screening decision report to the Minister of Indian and Northern Affairs Canada (INAC; now AANDC). The Proponent is currently proposing to amend its existing AANDC land use permit (No. N2008C0005) to conduct a bulk sampling program proposed to take place in five (5) areas of interest starting in December 2011 and would be completed by the spring of 2012.

The proposed project activities may include:

- Bulk sampling program for 5 locations collecting approximately 600 tonnes from all of the sites;
- Movement to site and use of a large-diameter reverse-circulation (RC) drill to collect bulk-sample materials;

¹ NIRB Screening Decision Report, File No. 08AN008 dated December 18, 2008.

- 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 Discover Camp from 24 to 40 people;
- Establishment of a new 30-person camp ("CH-6 temporary camp") to accommodate bulk sample program staff (consisting of 8 sleeper tents; a medic tent/first-aid shack; 2 dry tents; a Pacto tent; kitchen tent; an office tent; generator shed; incinerator; bermed fuel area and associated fuel station; helipad and winter landing strip for Twin aircraft); and
- Expansion of the existing winter-trail network by a total of 3.6 km.

In addition to an amendment application for the above-noted activities, the Proponent is also proposing to extend its land use permit for this project for an additional year, until April 17, 2013.

All documents received and pertaining to this project proposal can be obtained from the NIRB's ftp site at http://ftp.nirb.ca/01-SCREENINGS/ACTIVE%20SCREENINGS/11EA050-Peregrine%20Diamonds%20-%20Chidliak/ including:

- NIRB Part 1 Summary Application Form in English
- NIRB Part 1 Summary Application Form in Inuktitut
- NIRB Part 2 form and Project Specific Information Requirements (PSIR)
- Maps
- Non-technical Project Proposal summary in English
- Non-technical Project Proposal summary in Inuktitut
- Spill Contingency Plan
- Abandonment and Restoration of Camp Facility and worksheets
- Standard Operating Procedures for the Bulk Sample and Bulk-Fuel Management Facility
- Monitoring Plan for Bulk Sample
- Spill Contingency Plan

Pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA), the NIRB shall proceed to screen this project proposal. The NIRB may request additional information at any time during the process. The NIRB will copy you on screening process related correspondence and upload related documents to the above ftp site for public access.

The NIRB is copying parties and municipalities potentially affected by Peregrine's project proposal with this letter, and we invite interested parties to comment directly to the NIRB by **November 16, 2011**.

The NIRB would like Parties to provide comments 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.

Please send your comments directly to the NIRB at info@nirb.ca or via fax to (867) 983-2594.

If you have any questions or concerns, please do not hesitate to contact myself at kgillard@nirb.ca or (867) 983-4619.

Please note that an Inuktitut translation of the attached document will follow as soon as possible.

Sincerely,

Kelli Gillard

Nunavut Impact Review Board

cc:

Robert St. Eloi, QIA Jeff Mercer, AANDC Tracey McCaie, AANDC Phyllis Beaulieu, NWB Derrick Moggy, DFO

Enclosures (2): Comment Forms (English and Inuktitut)