



NIRB File Nos.: 08AN008, 11EA050

AANDC File No.: N2012C0024

NWB File No.: 2BE-CHI0813

February 26, 2015

The Honourable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Tracey McCaie
Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Sent via email: tracey.mccaie@aandc.gc.ca and landsmine@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Peregrine Diamonds Ltd.'s "Chidliak" project, Qikiqtani (South Baffin) Region

Dear Tracey McCaie:

On February 6, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to AANDC Land Use Permit N2012C0024 for Peregrine Diamonds Ltd.'s "Chidliak" project. On February 17, 2015 the NIRB received correspondence from the Nunavut Planning Commission (NPC) indicating that a conformity determination would not be required for this file as the proposed project is located within a region that does not currently have an approved land use plan in place (South Baffin Region).

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 as well as Indian and Northern Affairs Canada (INAC; now AANDC) 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.

Owing to the significant amendments associated with the "Bulk Sample at Chidliak" proposal (File No.: 11EA050), which was received by the NIRB from AANDC on October 12, 2011, the project was screened in accordance with Part 4, Article 12 of the NLCA. On February 20, 2012 the NIRB issued a 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and

Northern Development, indicating that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

Additional authorization and extension requests associated with the "Chidliak" (File No.: 08AN008) and "Bulk Sample at Chidliak" (File No.: 11EA050) project have also been reviewed by the NIRB following screening of the original project proposals. A summary of the additional applications associated with NIRB File No. 08AN008 and 11EA050 is presented in Table 1.

Table 1: Additional applications associated with NIRB File No. 08AN008 and 11EA050

Authorization	Application Received by NIRB			NIRB Decision	
	Date Received	Type	Reason for Application	Date Issued	Type
INAC LUP (N2008C0005)	January 28, 2008	Amendment	Additional camp, trenching, blasting, and ice drilling	December 18, 2008	Reissued 08AN008 March 28, 2008 SDR with <i>additional terms and conditions</i>
QIA Land Use Licence (Q09L1C11)	March 26, 2009	Access Inuit Owned Land	Sediment sampling	April 16, 2009	Reissued December 18, 2008 SDR
INAC LUP (N2008C0005)	September 16, 2009	2-year Extension	Continue exploration activities	October 1, 2009	Reissued December 18, 2008 SDR
INAC LUP (N2008C0005), NWB Water Licence (2BE-CHI0813)	October 7, 2010	Amendment/ Extension	Establish third camp and increase exploration activities	November 9, 2010	Reissued December 18, 2008 SDR
NRI 01 083 11N-M (2012 renewal 01 002 12R-M)	February 23, 2011	Amendment	Establish two weather monitoring stations	March 9, 2011	Reissued December 18, 2008 SDR
AANDC LUP (N2008C0005)	October 12, 2011	Extension/ Amendment	New bulk sample activities	February 20, 2012	11EA050 SDR
AANDC LUP (N2012C0024), NWB Water Licence (2BE-CHI0813)	September 5, 2012	Amendment/ Replace LUP	Establishment of natural airstrip, continue exploration on Crown lands	November 28, 2012	Reissued 08AN008 December 18, 2008 SDR <i>and</i> 11EA050 February 20, 2012 SDR

Notes: AANDC=Aboriginal Affairs and Northern Development Canada; QIA=Qikiqtani Inuit Association; NIRB=Nunavut Impact Review Board; NRI=Nunavut Research Institute; NWB=Nunavut Water Board; SDR=Screening Decision Report

The current AANDC application, the original NIRB Screening Decision Reports (File No. 08AN008 and 11EA050) and related file information are available from the NIRB's online public registry at the following location:

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

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08AN008) the “Chidliak” project was located within the Qikiqtani (South Baffin) region, approximately 75 kilometres (km) north of Iqaluit and 133 km east of Pangnirtung. The Proponent indicated that it intended to conduct exploration activities for diamonds on the Chidliak Property in 2008-2009.

The activities and components associated with the previously screened proposal (File No. 08AN008) and additional applications included:

- Setup and operation of three 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 two-person crew in new prospecting area known as Qilaq and Chidliak (2009 amendment);
- On-ice and land-based drilling program;
- Use of Buffalo DC3 for fuel hauls to temporary camp;
- Use of lake ice 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 cubic meters (m³) to 95 m³ per day];
- Trenching for the collection of 100 tonnes of 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 meteorological stations near the Discovery Camp, to remain operational until December 2014.

The activities and components associated with the previously screened proposal (File No. 11EA050) included the following activities and components:

- Bulk sampling program at five locations, collecting an approximate combined total of 600 tonnes from all sites;
- Transportation of a large-diameter reverse-circulation drill to site, use of the drill in the collection of bulk-sample materials;
- Overland transportation to site and subsequent use of five additional pieces of heavy equipment: Challenger 875C, Morooka MST 3000, two CAT loaders and Sno-Cat BR-350;
- Expansion of the existing Discovery Camp from 24 to 40 people;

- Have approximately 2000 drums of diesel, 250 drums of aviation fuel, 20 drums of gas, 65 cylinders of propane, 3 cylinders of oxygen, 4 cylinders of Oxygen/acetylene for welding and 200 drums of oils/lubricants and cleaners brought in by air and stored on site;
- Expansion of the existing winter trail network by a total of 3.6 kilometers (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 re-fuelling station; and
 - Helipad and winter landing strip for Twin aircraft.

The activities and components associated with the previous September 5, 2012 application for a new AANDC Land Use Permit (No.: N2012C0024) and Water Licence (No.: 2BE-CHI0813) renewal included:

- Inclusion of a contingency water source for the CH-6 kimberlite drilling site;
- Transportation of kimberlite bags to Iqaluit via the previously approved overland trail;
- Overland transportation of approximately 1,500 drums of fuel from Iqaluit annually;
- Inclusion of a natural landing strip at Discovery Camp (for contingency use if needed); and
- Inclusion of additional options for diameter of bulk sample drill holes.

CURRENT APPLICATION:

Peregrine is currently proposing to extend its Land Use Permit No. 2012C0024 with AANDC for one year to continue previously approved activities, including exploration and bulk sampling.

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 in support of the current application, the NIRB is of the understanding that the proposed extension 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 the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the December 18, 2008 Screening Decision Report (File No.: 08AN008) as well as the February 20, 2012 Screening Decision Report (File No.: 11EA050) (enclosed).

If you have any questions or require additional clarification, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: David Willis, Peregrine Diamonds Ltd.
Phyllis Beaulieu, Nunavut Water Board
Joel Fortier, Qikiqtani Inuit Association

Enclosed (2): NIRB Screening Decision Report, File No.: 08AN008 (*December 18, 2008*)
NIRB Screening Decision Report, File No.: 11EA050 (*February 20, 2012*)