



Water Resources Division
Nunavut Regional Office
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Our File: / CIDMS# 300534

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Nunavut Water Board
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**Refer: 2BE-CHI0813 – Peregrine Diamonds Ltd. –Chidliak Project –
Licence Amendment Application**

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the water license (# 2BE-CHI0813) amendment application submitted by Peregrine Diamonds Ltd. This amendment includes application for the construction of a second camp, on ice drilling, blasting, trenching and an increase in water use. In conducting the review, INAC has referred to the documents on the NWB's FTP-site under 2BE-CHI.

The following documents were reviewed:

- Amendment application received November 21, 2008
- AR Plan received November 14, 2008
- Inuktitut & English Summary received November 14, 2008
- Project description received November 14, 2008
- 2BE-CHI0813 Water Licence
- Spill Contingency Plan

INAC recommends that the Nunavut Water Board consider the following comments/recommendations for this amendment application:

Comments/Recommendations

1. INAC has no objection to the proponent 's request to increase water use to 95m³/day from 60 m³/day
2. The NWB should impose standard conditions applicable to this project for Fuel Storage, Deposit of Waste, and Storage/Disposal of Hazardous Materials, or as otherwise stated in the existing licence. 2(b) The Board should consider requiring that secondary containment be placed around all fuel caches. 2(c), 2(d)



3. The proponent should be required to ensure that there is no open burning of plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials from incomplete combustion and/or leachate from contaminated ash residual from impacting any surrounding waters.
4. The proponent should be required to update the spill contingency plan to include the CAT Skidsteer 247B (heavy equipment). A spill kit should be required to be carried on this equipment. In general, the proponent should be fully prepared to deal with spills resulting from heavy equipment accidents along the road in a timely and efficient manner.
5. The proponent should report all spills to Peter Kusugak, INAC Manager of Filed Operations, phone: 867-975-4295, fax 867-975-6445 as well as the Nunavut Spill Report Line.
6. The proponent should follow Fisheries and Oceans Canada's (DFO's) Guidelines for the Use of Explosives In or Near Canadian Fisheries Waters when blasting is to occur.
7. 2(c)The NWB should impose a condition in the amended license that requires best practises to prevent particles/dust from entering surrounding water bodies as a result of trenching and blasting.
8. 2(d)It was noted that the proponent is conducting drilling on ice. The Board should impose standard conditions related to this activity.

Please contact me should you have any questions or concerns. I can be reached by telephone at (867)975-4282 or email at Dee.Karadag@ainc-ianc.gc.ca.

Regards,

Dee Karadag
Water Resources Technician

Cc. Kevin Buck, Manager of Water Resources – Indian and Northern Affairs
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