



NIRB File No. 08AN008  
INAC File No. N2008C0005  
NWB Licence No. 2BE-CHI0813

November 9, 2010

Honourable Minister John Duncan  
Minister of Indian and Northern Affairs Canada  
c/o Jeff Mercer  
Manager Land Administration  
Indian and Northern Affairs Canada  
Iqaluit, NU

Via email: [jeff.mercer@inac-ainc.gc.ca](mailto:jeff.mercer@inac-ainc.gc.ca) and [landsmining@inac.ainc.gc.ca](mailto:landsmining@inac.ainc.gc.ca)

**Re: Application exempt from Screening pursuant to Section 12.4.3 of the NLCA: Peregrine Diamonds Ltd.'s "Chidliak" project**

Dear Jeff Mercer:

On October 7, 2010 the Nunavut Impact Review Board (NIRB or Board) received an application from Indian and Northern Affairs Canada (INAC) for an amendment and extension to INAC land use permit N2008C0005 for Peregrine Diamonds Ltd.'s (Peregrine) "Chidliak" project.

Please be advised that the original project proposal (NIRB File No. 08AN008) was received by the NIRB from the Qikiqtani Inuit Association (QIA) on January 28, 2008 and from INAC on February 13, 2008. The proposal was screened in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA) and 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 amendment request from INAC for Peregrine's Chidliak project. After a thorough assessment of the amendment application information and comments received, 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.

On March 26, 2009 the NIRB received an application from QIA for access to Inuit Owned Land to conduct a "Sediment Sampling" program associated with the Chidliak project. After an assessment of the proposed activities, the NIRB determined that the activities did not

significantly change the general scope of the original project activities and re-issued the original terms and conditions dated March 28, 2008.

The INAC application and the original NIRB screening file, 08AN008 are available from 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 located within the Qikiqtaaluk region, approximately 30 kilometres (km) west of Pangnirtung. The Proponent indicated that it intended to conduct an early stage diamondiferous kimberlite exploration project.

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 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 m<sup>3</sup> to 95 m<sup>3</sup> per day).

The activities/components associated with the March 26, 2009 amendment 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.

#### CURRENT APPLICATION:

Peregrine is proposing to extend their land use permit (N2008C0005) for an additional year to April 13, 2012 and this would represent the second extension for this permit. In addition, Peregrine is proposing to amend their land use permit to include the following components/activities:

- Establishment of third temporary camp with potential to also be used in the summer;
  - Camp may also be used for continuance of environmental 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.

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.”*

On October 8, 2010 the NIRB distributed the current amendment and extension request to a regional distribution list, requesting submission of any comments or concerns related to the application by October 20, 2010.

The following comments were received from Environment Canada, Transport Canada, Government of Nunavut Culture, Language, Elders and Youth and Department of Environment (combined submission under the Government of Nunavut Department of Executive & Intergovernmental Affairs) and Qikiqtani Inuit Association regarding the proposed amendment and extension:

- The addition of lime to the sumps or the use of other suitable treatment measures to neutralize acids and precipitate metals should be considered where appropriate.
- Spill kits be maintained at any frozen lakes used as airstrips and a Spill Contingency Plan be in place for the airstrip.
- Spill kits be maintained and readily available in all locations where fuel is be stored or transferred and should accompany transport vehicles in order to provide immediate response in the event of a spill (i.e., snowmobiles, airstrips, float plane docks etc.).
- Records indicate that the closest archaeological site is 15 kilometres north-west of the proposed camp. It is the responsibility of the Proponent to ensure that no paleontological or archaeological sites are disturbed in the course of their activities.
- The Proponent is asked to incorporate cumulative effects into their annual reporting due to the extensive size of the property and the number of consecutive amendments made to

the current project. These reports should also include/consider mitigation measures for cumulative effects.

- Surface sample locations should have a reclamation plan in place.
- Activities should take into account the wildlife in the area (i.e., caribou, polar bears, raptor nesting areas).
- Recommendation to clarify transportation plans to include, where applicable, establishment of overland trails, routes, closure procedures and emergency contingency plans for both land and aircraft activities.
- Recommendation for closure at the first sign of deterioration of either trail or runway and at a minimum:
  - Remove any trail markers, grease and oil marks;
  - Remove/flatten any snow banks or drifts;
  - Divert water away from observed erosion problems; and
  - Note areas with damaged vegetation from equipment (e.g., gouging).
- Included updated contact list.

After completing a review of the information provided in support of the current application, as well as the comments received from interested parties, the NIRB is of the understanding that the proposed amendment and 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 screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the March 28, 2008 and December 18, 2008 Screening Decision Reports (enclosed).

If you have any questions or concerns, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or [kgillard@nirb.ca](mailto:kgillard@nirb.ca).

Sincerely,



Stephanie Autut  
Executive Director

cc: Shirley Standafer-Pfister, Peregrine  
John Craig, INAC  
Tracey McCaie, INAC  
Phyllis Beaulieu, NWB  
Stephen Bathory, QIA

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