



Water Resources
Nunavut Regional Office
P.O. Box 100
Iqaluit, NU, X0A 0H0

January 12, 2016

Your file - Votre référence
2BE-CHI1218
Our file - Notre référence
CIDM# 1123459

Manager of Licencing
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU, X0A 1J0

Re: 2BE-CHI1218 – Peregrine Diamonds Ltd. – Chidliak Project – Amendment Application #2

Dear Manager of Licensing;

Thank you for your email received on December 13, 2016, concerning the above mentioned water licence application process.

A memorandum is provided for the consideration of the Nunavut Water Board (NWB). Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4282 or email at ian.parsons@aandc-aadnc.gc.ca for further comments or questions.

Sincerely,

Ian Parsons

A/Manager Water Resources

c.c Erik Allain, Manager of Field Operations – INAC, NRO

Re: 2BE-CHI1218 – Peregrine Diamonds Ltd. – Chidliak Project – Amendment Application #2

A. Background

The Nunavut Water Board (the Board or NWB) issued Type B water licence 2BE-CHI1218 (the licence or 2BE-CHI1218) to Peregrine Diamonds Ltd. (Peregrine) on May 7, 2008 and on December 24, 2012, Peregrine was issued a renewed licence to allow the use of water and deposit of waste during camp operations and activities related to exploration including diamond drilling, large diameter reverse circulation drilling and trenching for bulk sampling.

The Chidliak Project is located in the Qikiqtani region, on the Hall Peninsula of Baffin Island, approximately 120 km northeast of Iqaluit and 200 km south of Pangnirtung. The licence authorizes 4 camps: CH-6, Discovery, Sunrise, and Aurora.

On September 3, 2014, the Nunavut Water Board received an application to amend the licence to increase the present allocation of water by 151 cubic metres of water per day (m^3/day) for drilling and other purposes. The water licence currently authorizes the use of $95 m^3/day$ ($70 m^3/day$ for drilling and $25 m^3/day$ for domestic use) and $246 m^3/day$ ($221 m^3/day$ for drilling and $25 m^3/day$ for domestic use) is being requested to maintain compliance with the terms and conditions of the licence and to accommodate additional drilling activities anticipated in 2015 and beyond. This amendment was subsequently approved.

On December 13, 2016 the NWB distributed Peregrine Diamonds Ltd amendment #2 application for comments. Peregrine Diamonds ltd. are requesting three changes to their existing licence, (listed below) as well as any comments INAC may have.

B. Results of Review

Peregrine Diamonds are requesting the following three changes to be approved.

- 1.) The addition of a new large water source close to the CH-6 Camp and Ch-6 Kimberlite. The lake is located 12 kilometers west of the CH-6 Camp and Ch-6 Kimberlite and is better located for operational and safety purposes.
- 2.) The addition of a landing strip for large fixed wing aircraft (Herc Strip) at the same large lake proposed for the water source. This strip would be used for mobilization and demobilization of equipment, supplies and samples. Snow clearing will be necessary and, though not anticipated, flooding may be necessary if ice conditions are not seasonal norms.

- 3.) The addition of a small landing strip for small aircraft (Twin Otter) at a small lake 5 kilometers from the CH-6 Camp. This airstrip will be snow groomed. It will be used to transport personnel to and from the Iqaluit to the worksite. No water will be withdrawn from this location, and this is not a new water source.

INAC Water Resources Division has completed a review of the amendment application and has no concerns with the requested changes in the amendment application. However INAC would like to stress that if flooding is necessary for the development of ice airstrip then this would be a use of water and that daily usage would need to be recorded.