

NIRB File No.: 08EN002  
INAC File No.: N2007C0039  
NWB File No.: 2BE-NAN0813

October 6, 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 "Nanuq Diamond Exploration" project**

Dear Jeff Mercer:

On October 5, 2010 the Nunavut Impact Review Board (NIRB or Board) received an application for an extension request from Indian and Northern Affairs Canada (INAC) for Peregrine Diamonds Ltd.'s (Peregrine) "Nanuq Diamond Exploration" project proposal.

Please be advised that the original project proposal (NIRB File No.: 08EN002) was received by the NIRB from the Nunavut Planning Commission (NPC) on January 8, 2008 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On March 28, 2008 the NIRB issued the original NLCA 12.4.4(a) screening decision to the Minister of INAC indicating the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On October 21, 2009 the NIRB received a request for an amendment to Peregrine's land use permit (LUP) in addition to a one year extension request. The proposal was sent out for comments on October 27, 2009. Based on comments received and review of the amendment request, the NIRB issued the original NLCA 12.4.4(a) screening decision with additional project-specific terms and conditions on November 23, 2009.

The current INAC application, the revised NIRB Screening Decision Report (08EN002) and related file information are available from the NIRB's ftp site at the following link: <http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2008/08EN002-Peregrine%20Diamonds%20-%20Nanuq/>

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 08EN002), the “Nanuq Diamond Exploration” project was located within the Kivalliq region, approximately 30 kilometres (km) south of Wager Bay and near the Ukkusiksalik National Park. The nearest community was Chesterfield Inlet located 120 km south of the project. The Proponent indicated that it intended to target diamondiferous kimberlites through exploration drilling.

The activities/components associated with this proposal included:

- The movement of an existing camp to a new location approximately 1 km overland;
- Clean-up of abandoned camp location;
- Set up seasonal camp to accommodate 20 people;
- Demobilize and secure camp at the end of each field season (over winter);
- Project supported by helicopter, fixed wing aircraft and, in the spring, by snow machine;
- Existing natural-sand airstrip;
- On land drilling equipment to include 2 diamond drills (Boart LF-70 and/or Boyles BBS25);
- 2 fuel caches – one at camp and one near active drill site, for combined fuel storage totals of 102,500 L diesel, 61,500 L Jet B, 1640 L gasoline, and 1125 kg propane;
- Exploration activities to include: airborne and ground geophysics, surficial sediment sampling, conventional HQ-diameter core drilling, till sampling;
- Anticipate a total of 2000 metres (m) drilled through core program;
- Possibility for a mini-bulk sampling program (drilling of 4000 m) to obtain up to 200 tonnes of materials, dependent upon outcome of conventional drilling program;
- Consumption of water for use in camp and with drill program;
- Production of wastes (human, solid, hazardous, chemical);
- Incineration of wastes;
- Treatment and possible recirculation of drill and grey waters;
- Backhauling and disposal of non-combustible wastes; and
- Abandonment and reclamation.

In the 2009 amendment application, Peregrine applied to include an on-ice drilling component to their project.

#### CURRENT APPLICATION:

Peregrine is proposing to extend their LUP for an additional year to April 13, 2012. This would represent the second extension for this Class A permit that would otherwise expire on April 13, 2011.

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 screening as per Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the revised November 23, 2009 Screening Decision Report (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 at Peregrine Diamonds Ltd.  
John Craig at INAC  
Tracey McCaie at INAC  
Phyllis Beaulieu at NWB

Enclosed: NIRB Screening Decision Report, File No.: NIRB File 08EN002 (November 23, 2009)