



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

October 26, 2011

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

Via email: Jeff.mercer@aandc.gc.ca and landsmine@aandc.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 13, 2011 the Nunavut Impact Review Board (NIRB or Board) received an extension request from Aboriginal Affairs and Northern Development Canada (AANDC) for Peregrine Diamonds Ltd.'s (Peregrine) land use permit (LUP) #N2007C0039 in association with the "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. On January 15, 2008 Indian and Northern Affairs Canada (INAC; now AANDC) referred the project proposal to the NIRB for screening by the Board in accordance with Part 4, Article 12 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 which indicated that 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 and one year extension to Peregrine's LUP N2007C0039. The proposal was sent out for comments on October 27, 2009 and based upon the comments received and the NIRB's review of the amendment request, the Board reissued the original (March 28, 2008) screening decision with additional project-specific terms and conditions on November 23, 2009, pursuant to NLCA section 12.4.4(a).

On October 5, 2010 the NIRB received an application to extend LUP N2007C0039 for an additional year and on October 6, 2010 the Board reissued the original March 28, 2008 screening

decision report including those additional project-specific terms and conditions as recommended on November 23, 2009.

The current AANDC 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. 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 its 2009 amendment application, Peregrine applied to include an on-ice drilling component to its previously approved project activities and, in 2010, Peregrine applied for a one-year extension to LUP N2007C0039.

CURRENT APPLICATION:

Peregrine is proposing to extend its LUP (N2007C0039) for an additional year to April 13, 2013. This application represents the third extension for this Class A permit, otherwise set to expire on April 13, 2012.

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 further 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 Tannis Bolt, Assistant Technical Advisor, at 867-983-4603 or tbolt@nirb.ca.

Sincerely,



Ryan Barry
Executive Director

cc: Shirley Standafer-Pfister, Peregrine Diamonds Ltd.
John Craig, AANDC
Tracey McCaie, AANDC
Phyllis Beaulieu, NWB

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