



NIRB File No.: 08EN002

AANDC File No.: N2012C0028

Previous AANDC File No.: N2007C0039

NWB File No.: 2BE-NAN0813

December 20, 2012

The Honourable 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 landsmining@aandc.gc.ca

Re: Application Exempt from the Requirement for Screening Pursuant to Section 12.4.3 of the NLCA: Peregrine Diamonds Ltd.'s "Nanuq Diamond Exploration" project, Kivalliq Region

Dear Jeff Mercer:

On October 23, 2012 the Nunavut Impact Review Board (NIRB or Board) received materials from Peregrine Diamonds Ltd. (Peregrine) in support of its applications for a *new* Land Use Permit (No. N2012C0028) with Aboriginal Affairs and Northern Development Canada (AANDC) to replace its previously issued Land Use Permit (No. N2007C0039) and a renewal of its Type B Water Licence (No. 2BE-NAN0813) with the Nunavut Water Board (NWB). Both applications are associated with Peregrine's "Nanuq Diamond Exploration" project proposal. On November 21, 2012 the NIRB received a formal request from AANDC to screen the new Land Use Permit application pursuant to Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA).

Please be advised that the original project proposal (NIRB File No.: 08EN002) and a positive conformity determination (Keewatin Regional Land Use Plan) for the file were 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 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 from INAC for an amendment and a one year extension to Peregrine's Land Use Permit (No. N2007C0039). After a thorough assessment of the request and comments received, the NIRB determined that this request would result in a change to the original scope of the project and on November 23, 2009 reissued the original screening decision (March 28, 2008) to the Minister of INAC along with additional project-specific terms and conditions.

On October 5, 2010 the NIRB received an application for an extension request from AANDC to the Land Use Permit for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed November 23, 2009 screening decision report to the Minister of INAC on October 6, 2010.

On October 13, 2011 the NIRB received an application for an extension request from AANDC to the Land Use Permit for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA, and again reissued the enclosed November 23, 2009 screening decision report to the Minister of INAC on October 26, 2011.

The current AANDC and NWB applications, the NIRB Screening Decision Reports (File No. 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 120 km north of the hamlet of Chesterfield Inlet. The Project was also located 12 km south of the Ukkusiksalik National Park. The Proponent indicated that it intended to target diamondiferous kimberlites through exploration drilling. The proposed project was to start in May of 2008 and potentially operate until February 2010.

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 Litres (L) diesel, 61,500 L Jet B aviation fuel, 1640 L gasoline, and 1125 kilograms propane;
- Exploration activities to include: airborne and ground geophysics, surficial sediment sampling, conventional HQ-diameter core drilling, till sampling;
- Anticipated total 2000 metres (m) drilled for 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 Peregrine's 2009 application to amend its AANDC Land Use Permit (No. N2007C0039), it indicated that it wished to include an on-ice drilling component to its previously approved project activities.

In both 2010 and 2011, Peregrine applied for one-year extensions to its AANDC Land Use Permit (No. N2007C0039) associated with the file.

CURRENT APPLICATION:

Peregrine is currently applying for a *new* Land Use Permit (No. N2012C0028) to replace its previously issued and expiring permit (No. N2007C0039) with AANDC and for a renewal of its Type B Water Licence (No. 2BE-NAN0813) with the NWB. While new authorizations are required in support of this project, within its applications Peregrine has indicated that the scope of its continued mineral exploration activities at the Nanuq properties remains as previously screened by the NIRB.

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 *new* Land Use Permit application and the application for renewal of the NWB Water Licence 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 screening pursuant to Section 12.4.3 of the

NLCA and the activities therein remain subject to the originally issued and additional terms and conditions as recommended in the November 23, 2009 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or kgillard@nirb.ca.

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: David Willis, Peregrine Diamonds Ltd.
Tracey McCaie, Aboriginal Affairs and Northern Development
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association

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