



AANDC reference
CIDM# 873260

November 28, 2014

NWB reference
2BE-NQN0914

Phyllis Beaulieu
Manager or Licensing
Nunavut Water Board
Gjoa Haven, NU, X0E 1J0

**Re: Peregrine Diamonds Ltd. - 2BE-NQN0914 Water Licence Amendment –
Kivalliq Region**

Dear Phyllis Beaulieu:

Thank you for the email on October 29, 2014 concerning the above mentioned water licence amendment application.

Review findings are provided in the attached memorandum for the Nunavut Water Board's (Board or NWB) consideration. 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 867-975-4555 or email at lisa.bachellier@aandc.aandc.ca if you have any comments or questions.

Sincerely,

Lisa Bachellier
Water Resource Technician

c.c.: Ian Parsons, A/Manager Water Resources, AANDC
Erik Allain, Manager of Field Operations, AANDC



Memorandum

TO	Phyllis Beaulieu Manager of Licensing Nunavut Water Board	AANDC reference CIDM# 873260
		NWB reference 2BE-NQN0914
FROM	Lisa Bachellier Water Resource Technician Aboriginal Affairs and Northern Development Canada	DATE November 28, 2014

Re: Peregrine Diamonds Ltd. - 2BE-NQN0914 Water Licence Amendment – Kivalliq Region

A. BACKGROUND INFORMATION

On June 18, 2009, the Board issued a Type B water licence 2BE-NQN0914 (the licence) for the Nanuq North Project to Indicator Minerals Inc. which was later assigned to Peregrine Diamonds Ltd. (PDL) on September 19, 2011.

On November 16, 2009 the NWB issued an amendment to the licence to allow remote camp operations and the use of 58 cubic metres of water per day.

On October 15 2014, PDL submitted a water licence renewal application to the NWB and interested parties were requested to review the information and provide comments by November 28, 2014.

B. RESULTS OF REVIEW

On behalf of AANDC, the following comments are submitted to the Nunavut Water Board for consideration:

1. Fuel Storage

It is unclear in the Spill Contingency Plan whether fuel is stored within secondary containment.

Recommendation

AANDC recommends that fuel is stored within secondary containment to satisfy Term and Condition No. 9 of the NIRB Screening Decision Report and Part H, Item 3 of the licence.



2. Management Plans

Previous concerns regarding the incineration of sewage, hazardous waste and radioactive material were raised in previous reviews of the licence. The NWB strongly recommended in the amended licence that the Licensee consult the comments received by interested persons on issues identified. It appears that some of the issues previously identified by parties have not yet been addressed.

Recommendations

AANDC recommends that the plan be revised to include previous recommendations by parties.

3. Contaminated Soil

The A&R Plan states that all drill sites will be inspected for soil contamination, with any remaining waste being taken to camp to be burned if possible or to be flown out to an approved disposal location. However, there is no plan for treatment or disposal of contaminated soil in the Spill Contingency Plan.

Recommendations

AANDC recommends that the A&R Plan is updated to include the treatment and disposal of contaminated material (i.e. contaminated soil).

4. Spills n Ice and Snow

The Spill Contingency Plan states that fuel spills in snow and ice can sometimes be burned or the spill can be isolated from the source.

Recommendation

AANDC notes that burning should only be considered if other approaches are not feasible and is only to be undertaken upon consultation with relevant authorities (i.e. NWB, AANDC Inspector, etc.).