



NIRB File No.: 09EN011
AANDC File No.: N2012C0026
NWB File No.: 2BE-NQN0914

December 19, 2014

The Honourable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
c/o Tracey McCaie, Manager Land Administration
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU X0A 0H0

Sent via email: tracey.mccaie@aandc.gc.ca and landsmine@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 North" Project, Kivalliq Region

Dear Tracey McCaie:

On December 10, 2014 the Nunavut Impact Review Board (NIRB or Board) received an application from Aboriginal Affairs and Northern Development Canada (AANDC) for an extension to the Land Use Permit (No. N2012C0026) associated with Peregrine Diamonds Ltd.'s (Peregrine) "Nanuq Diamond Exploration" project proposal. On December 17, 2014 the NIRB received correspondence from the Nunavut Planning Commission (NPC) that its previous positive conformity determination (Keewatin Land Use Plan) made on April 17, 2013 still applied to the current application.

Please be advised that the original project proposal (NIRB File No.: 09EN011) was received by the NIRB from Indian and Northern Affairs Canada (INAC, now AANDC) on March 6, 2009 and was screened by the Board in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On April 28, 2009 the NIRB issued the enclosed 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 June 3, 2009 the NIRB received an application for an amendment request from INAC to Land Use Permit (No. N2009C0005) for the above mentioned project. After a thorough assessment of the amendment request, the Board determined that the amendment would result in a change to the original scope of the project; therefore, on July 13, 2009 the NIRB re-issued the recommended project-specific terms and conditions contained within the original April 28, 2009 Screening Decision Report, as well as issuing *additional* terms and conditions to address the amended activities.

On March 28, 2011 the NIRB received an application from INAC for an extension to Land Use Permit (No. N2009C0005). 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 Screening Decision Report on April 6, 2011.

On May 10, 2013 the NIRB received an application from AANDC for a new Land Use Permit (No. N2012C0026) to replace the previous permit (No. N2009C0005). After a thorough assessment of the application to replace the previous permit, the NIRB determined that the application was exempt from the requirement for further screening pursuant to Section 12.4.3 of the NLCA, reissued the enclosed screening decision report on July 17, 2013.

The current AANDC application, the original NIRB Screening Decision Report (File No.: 09EN011) and related file information are available from the NIRB's online public registry at the following address:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2009/09EN011-Indicator%20Minerals%20Inc%20-%20Nanuq%20North/>.

PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No.: 09EN011), the "Nanuq North" project was located within the Kivalliq region, approximately 230 kilometres (km) southwest of the community of Repulse Bay and 250 km north of Chesterfield Inlet. Project activities were planned to occur just south of Wager Bay, adjacent to the southern border of Ukkusiksalik National Park on claims within the Nanuq North property. The Proponent indicated that it intended to conduct a seasonal diamond exploration program from May to September each year starting in 2009 and continuing to 2013.

The activities and components associated with the previously screened proposal included:

- Diamond exploration; including prospecting, mapping, ground geophysics and delineation drilling (land);
- Use of a small lake in the Nanuq North property for drilling purposes;
- Temporary fuel caches in the field to support exploration activities;
- Community consultations in 2009 in Baker Lake, Rankin Inlet, Repulse Bay and Chesterfield Inlet;
- Use of Peregrine Diamonds Ltd.'s Nanuq camp; and
- Use of Peregrine Diamonds Ltd.'s airstrip.

The activities and components associated with the previous June 3, 2009 amendment application to Land Use Permit (No. N2009C0005) included:

- Establishment of a remote camp for approximately 10 personnel including installation and seasonal shutdown of camp structures and facilities;
- Fuel caching of no more than:
 - 50 drums of diesel,

- 100 drums of jet fuel,
- 5 drums of gasoline,
- 25 propane tanks,
- Incineration of wastes; and
- Camp operations including use of an esker airstrip near the camp (additional information received June 19, 2009) which included:
 - Airstrip located next to the camp; therefore no roads will be established between proposed camp and no buildings will be located on the airstrip;
 - 10 takeoffs/landings will be required to bring in camp equipment, then another 10-20 to bring in drill equipment (number of flights are dependent on aircraft used); subsequent flights will be for personnel and supplies;
 - Potential contract from Baker Lake; single engine aircraft or from Rankin Inlet; twin engine aircraft;
 - In total, approximately 50 to 60 takeoffs/landings will occur during the season; and
 - Potential that aircraft be used at end of season to help remove drill equipment.

The activities and components associated with the previous March 28, 2011 extension application to Land Use Permit (No. N2009C0005) included:

- Indicator operated a 1,020 metre drilling program during spring 2010, and a small till sampling program the following August; and
- At the present time, Indicator has no plans to conduct exploratory work on the Nanuq North Property during the 2011 exploration season, although this does not rule out future work.

The activities associated with the previous May 10, 2013 application for a new AANDC Land Use Permit (No. N2012C0026) to replace its previous permit (No. N2009C0005) were to continue exploratory drilling activities and temporary camp activities at the “Nanuq North” project.

CURRENT APPLICATION:

Peregrine is currently applying for a one-year extension to its Land Use Permit (No. N2012C0026) to continue exploratory drilling activities and temporary camp activities at the “Nanuq North” project.

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 extension application 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 terms and conditions recommended in the July 13, 2009 Screening Decision Report (enclosed).

If you have any questions or require additional clarification, please contact, Jaida Ohokannoak, Manager Technical Administration at (867) 983-4609 or johokannoak@nirb.ca.

Sincerely,

A handwritten signature in black ink, reading "Ryan Barry", followed by a horizontal line extending to the right.

Ryan Barry
Executive Director
Nunavut Impact Review Board

cc: David Willis, Peregrine Diamonds Ltd.
Phyllis Beaulieu, Nunavut Water Board
Luis Manzo, Kivalliq Inuit Association

Enclosure: NIRB Screening Decision Report, File No.: 09EN011 (*July 13, 2009*)