



**Mackenzie Valley Land and Water Board**  
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**Staff Report**

<b>Applicant:</b> Peregrine Diamonds Ltd.	
<b>Location:</b> Lac de Gras Area	<b>Application:</b> MV2011C0005
<b>Date Prepared:</b> March 19, 2011	<b>Meeting Date:</b> March 24, 2011
<b>Subject:</b> Determination of Transboundary Application and Exemption from Preliminary Screening	

**1. Purpose/Report Summary**

The purpose of this report is to seek a determination from the Mackenzie Valley Land and Water Board (the Board or MVLWB) on whether Land Use Permit (LUP) Application MV2011C0005 is eligible for exemption from Preliminary Screening under Paragraph 2 of Part 1, Schedule 1 of the Exemption List Regulations annexed to subsection 143(1) of the *Mackenzie Valley Resource Management Act* (MVRMA).

If the application is determined not to be exempt from Preliminary Screening, the Board will also need to determine whether the application is Transboundary as per the approved Transboundary Policy of October, 2005.

**2. Background**

- February 26, 2004 – LUP MV2004C0001 issued
- February 12, 2009 – Two-year extension approved, and project deemed to be Transboundary
- February 18, 2011 – Storage Authorization approved by the Board
- February 25, 2011 – LUP MV2004C0001 expired
- March 11, 2011 – LUP Renewal Application submitted
- March 17, 2011 – Application deemed incomplete
- March 17, 2011 – Additional information received
- March 24, 2011 – Presented to the Board

### 3. Discussion

#### Preliminary Screening Exemption:

Peregrine has applied for a renewal of LUP MV2004C0001. To be exempt from a preliminary screening, a renewal application must meet the requirements outlined in Paragraph 2 of Part 1, Schedule 1 of the Exemption List Regulations annexed to subsection 143(1) of the MVRMA which states:

A development, or part thereof, for which renewal of a permit, licence or authorization is requested that:

- a) has not been modified; and
- b) has fulfilled the requirements of the environmental assessment process established by the *Mackenzie Valley Resource Management Act*, the *Canadian Environmental Assessment Act* or the Environmental Assessment Review Process Guidelines Order.

The scope of the LUP MV2004C0001 states:

Mineral exploration including till sampling, mapping, trenching, diamond drilling of up to 40 holes, and the establishment of support infrastructure including a camp including a camp at Afridi Lake and fuel caches, in the Lac de Gras, MacKay Lake and Thonokied Lake areas.

Location: Minimum latitude: 64°05' N; Maximum latitude: 64°37' N  
Minimum longitude: 109°15' W; Maximum longitude: 111°18' W

Overall, the scope and location of the project are proposed to be the same. Any changes to the project description are outlined below.

The location of the project will remain the same. Drilling target areas have only been outlined for 2011 at this time; however, as previous, all activities during the life of the permit will take place within the Lac de Gras East and West claimblocks. No new mineral claims have been included with this application.

The timing of the project will remain the same. Activities will be seasonal (late winter and/or late summer programmes). The proposed camp will be closed during the remainder of the year.

Proposed exploration activities are the same, including operation of a camp, sampling, drilling, possible trenching, mapping, and airborne and ground geophysics.

Drilling will consist of NQ-size drillholes as per the previous project description. LUP MV2004C0001 allowed for a maximum of 40 drillholes. Eight (8) drillholes have been completed to date. Eighty percent of drillwater is noted to be recirculated; however, an estimate of water use for drilling has not been provided in the application.

Equipment on site will be similar, consisting of a drill, a helicopter, snowmobiles, a generator, and pumps. The tracked vehicle and pick-up included in the original application are not proposed in the renewal application. The renewal application does propose the possibility of an additional drill in programmes beyond 2011.

Site access will continue to be by air on floats or skis. Transport within the land use area will be by helicopter and snowmobile. A helicopter landing area will be designated at the camp.

The crew will be accommodated in a seasonal tent camp. A maximum of 20 people is proposed instead of 12; however, the camp footprint of 80m x 10m will remain the same. The camp will be located on the west arm of Lac de Gras at an existing campsite (currently in care and maintenance). The original camp location for MV2004C0001 was at Afridi Lake, but a change in camp location was approved by the Inspector through a field modification on February 12, 2007.

When the camp is operational, water is to be drawn from Lac de Gras for camp use. Greywater from the kitchen and camp dry will continue to be disposed of in a hand-dug sump. Sewage will continue to be disposed of either in pit toilets, treated with lime, or in waterless Pacto toilets.

Combustible garbage (including Pacto bags) will be incinerated on site daily when the camp is operational. In the renewal application, a dual-chamber, fuel-fired incinerator is proposed. Incinerator ash and non-combustible waste will continue to be collected and removed from site for disposal.

Estimated fuel use has increased for the project; however, the maximum fuel to be stored on site at any one time will continue to be 4,000L (or as authorized by the Inspector). A bermed fuel storage area will be created near the camp. Fuel is to be transported to drill sites as required. Other chemicals on site will include propane, oil and lubricants, cleaners, and drilling additives. Some of the additives and oils proposed will be new to the project.

Community engagement was conducted in association with the original project application in 2004. Peregrine indicates that engagement was followed up during the life of the permit. Community engagement related to the renewal application commenced in October, 2010. Peregrine met with five of the eleven groups contacted.

#### Transboundary Determination:

The claim blocks on which the project activities will be conducted are located within both the Wek'èezhii Management Area and the unsettled area (see attached map).

If the application is considered to be exempt from preliminary screening and will be processed as a renewal, a transboundary determination will not be necessary, since MV2004C0001 was deemed to be transboundary in 2009.

#### **4. Comments**

##### Preliminary Screening Exemption:

The primary concerns for environmental impacts from the proposed continuation of the project are spills of fuels or drilling wastes. Wildlife may also be affected by activities on site, and archaeological sites may be encountered. Board staff have not identified any new concerns associated with the renewal application as compared to the original application.

A spill contingency plan, a closure reclamation plan, and procedures for recording/avoiding archaeological sites were submitted with the renewal application. Descriptions of practices for minimizing impact on wildlife were also included in the application.

#### **5. Review Comments**

n/a

#### **6. Security**

Security in the amount of \$9,000 is currently held under LUP MV2004C0001. A final plan has been submitted; however, since some materials are left on site under the Storage Authorization, the Inspector does not recommend final clearance at this time.

#### **7. Conclusion**

##### Preliminary Screening Exemption:

The scope and location of the project will remain the same as LUP MV2004C0001. Board staff have not identified any new concerns associated with proposed project activities that were not considered during the Preliminary Screening in 2004. Board staff believe that MV2004C0001 LUP Conditions are still appropriate for mitigating the concerns associated with project.

##### Transboundary:

The application is transboundary due to the location of the project.

#### **8. Recommendation**

##### Preliminary Screening Exemption:

The Board should make a determination on whether the application is exempt from Preliminary Screening.

Transboundary:

If the application is not determined to be exempt from Preliminary Screening, Board staff recommend that the Board declare this a transboundary application, and the Board coordinate the review process between the Wek'èezhii Land and Water Board and the MVLWB through the MVLWB office in Yellowknife, NT.

**9. Attachments**

- Application and Project Description
- February 26, 2004 Preliminary Screening Report

Respectfully submitted,



Lindsey Cymbalisky  
Regulatory Officer