

PEREGRINE DIAMONDS LTD.
SUMMARY: REQUEST TO AMEND EXISTING LAND-USE PERMIT
AND WATER LICENCE – CHIDLIAK PROJECT

Peregrine Diamonds Ltd. (Peregrine) would like to amend its existing land-use permit and water licence to allow for expansion of its exploration activities in 2009 on the Chidliak Property (the Property), which is located on South Baffin Island, between Cumberland Sound and Frobisher Bay. Peregrine is primarily interested in exploring for diamonds on the Property.

In spring 2008, Peregrine obtained Class A Land-Use Permit #N2008C0005 from Indian and Northern Affairs Canada (INAC) and Type B Water Licence #2BE-CH10813 from the Nunavut Water Board (NWB). Peregrine also obtained Land Licence I #Q08L1C01 from the Qikiqtani Inuit Association (QIA) in order to access several surface-rights Inuit-Owned Lands (IOL) parcels adjoining the Property. This amendment does not include the QIA licence, because a new licence will be sought to cover any proposed activity on IOLs in 2009. This amendment request applies to Crown land only.

In its amendment, Peregrine is proposing to add 6 components to its permit and water licence: (1) a second field camp on a large lake approximately 15km east of the existing camp, which will be suitable for a winter ice strip so that larger aircraft may bring in a larger volume of fuel and supplies per trip, as well as drills; (2) trenching at up to 7 locations at a known kimberlite to extract up to 100t of sample; the sample would be hammered or blasted, then excavated; (3) conveying a piece of heavy equipment to site (a CAT 247B) to be used for stripping overburden at the trench locations, maintaining the ice airstrip, loading the sample into drums, moving fuel drums and drill parts, and breaking up rock, if a hammer attachment is used; (4) blasting to break up the rock in the trenches; this would be carried out by a licensed contractor; (5) drilling from ice on lakes on the property (land-based drilling already is permitted) and using the ice of the new-camp lake as an airstrip during winter conditions; (6) increase of the water-licence allotment from 60 m³ to 95 m³ per day to allow for use of water for the second camp and for increased drilling.

Other activities which are proposed but do not require an amendment are: claims-staking on the existing Prospecting Permits, a 12 000 line-km helicopter-borne geophysical survey, ground geophysics, drilling of up to 30 targets across the Property on Crown land, delineation drilling of up to 5 holes each into the 3 known kimberlites on the property, with the main focus in 2009 being delineation of the CH-1 kimberlite, 3.5km N of the current camp. The programme is expected to commence in mid-April 2009 (depending on the approval of this amendment request) and conclude in September 2009. Several Inuit will be hired to participate in the programme in 2009 and Inuit companies will be used, e.g., Qikiqtaaluk Corporation and Unaalik Aviation, as well as local hotels and services.

Peregrine looks forward to working co-operatively with its regulators and the Nunavumiut of Iqaluit and Pangnirtung in conducting the Chidliak Project.