

PEREGRINE DIAMONDS LTD.
SUMMARY: REQUEST TO AMEND EXISTING QIA LAND LICENCE
TO ALLOW FOLLOWUP SAMPLING AND DRILLING ON ONE IOL

Peregrine Diamonds Ltd. (Peregrine) would like to amend its existing Qikiqtani Inuit Association (QIA) Land Licence #Q09L1C11 in order to conduct followup surficial sediment sampling and to drill from one to several land-based targets within surface Inuit-Owned Land (IOL) surface parcel PA-28. The licence already allows access to 12 IOLs on or adjoining Peregrine's landholdings on the Hall Peninsula; these IOLs are: PA-21, PA-22, PA-27, PA-28, PA-24, PA-29, IQ-01, IQ-02, IQ-03, IQ-04, IQ-05 and IQ-15. It is requested that QIA also allow access to surface parcel IQ-23, for the collection of one soil sample. For the 2010 sampling, Peregrine will only be accessing eight IOLs rather than 12. Peregrine is primarily interested in exploring for diamonds on its Nunavut landholdings.

Peregrine also holds Indian and Northern Affairs (INAC) Class A Land-Use Permit #N2008C0005 and Nunavut Water Board (NWB) Type B Water Licence #2BE-CHI0813. There is sufficient allotment in the current water licence to allow drilling on the IOL, and both water and land use will be minimal. The proper time to drill the one or two targets in PA-28 is summer 2010, when Peregrine will have two drill rigs on the Chidliak property; drilling the known existing target will take only several days, after which the drill will be de-mobed to Crown land on the Chidliak property. Similarly, collection of 294 soil samples on IOLs will take only about 3 days.

The current QIA land licence expires on 31 August 2010. All planned work – collecting of the samples by hand on IOLs with helicopter support, and several days of drilling – will occur during the life of this licence. If further followup activity is planned for 2011, a new land licence will be sought.

In all its projects, Peregrine hires locally to the extent possible. As work under QIA land licence is small-scale and short term, the main opportunity would be for individual employment, but it also must be emphasised that Peregrine uses local business where possible; *i.e.*, Unaalik Aviation/Kenn Borek, Qikiqtaaluk Corporation's warehouse in Iqaluit, Baffin Cannery and the fish plant in Pangnirtung; in 2009, approx. \$2 million went to such businesses as a result of Peregrine's project activities. Peregrine also enhances its communications through regular community visits to Iqaluit and Pangnirtung, through a community newsletter in English and Inuktitut, and through regular correspondence with various interested parties. Should the project continue and expand, opportunities for direct employment, service provision and other benefits also would expand. Whatever the project outcome, Peregrine looks forward to a co-operative and mutually beneficial relationship with the citizens of the South Baffin, principally the closest communities of Iqaluit and Pangnirtung.

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