P.O. BOX 119
GJOA HAVEN, NT X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

kNK5 wmoEp5 vtmpq
NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE [for Amendment]

Applicant: _*Peregrine Diamonds Ltd.*_____ **Licence No:** _____
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: **SHIRLEY STANDAFER-PFISTER** Tel: (250) 686-1769 Fax: (604) 408-8880 E-mail: shirley@pdiam.com

2. Project Manager: **PETER HOLMES** Tel: (604) 408-8880 Fax: (604) 408-8880 E-mail: peter@pdiam.com

3. Does the applicant hold the necessary property rights?
   Yes. Peregrine holds all ground 100%, including the Prospecting Permit where a new drill location is proposed in this amendment (in IOL *PA-28*).

4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? If so, please provide letter of authorization.
   No.

5. Duration of the Project
   [ ] Annual
   [**X**] Multi Year:
   If Multi-Year indicate proposed schedule of on site activities
   Current Licence *#2BE-CHI0813*: Start: 07 May 2008 Completion: 01 June 2013

CAMP CLASSIFICATION

6. Type of Camp
   [ ] Mobile (self-propelled)
   [ ] Temporary
   [X] Seasonally Occupied: *e.g.*, Mar-June 2010, July-Sept 2010
   [ ] Permanent
   [ ] Other:_____

7. What are the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?
   2 camps – Sunrise Camp (winter-use and summer-use) and Discovery Camp (summer-use only); both are similar tent camps, each accommodating up to 25 people at any one time. Typical loading would be 22 persons per camp, except at start up (first few days to a week) and shutdown (last few days to a week), when only a handful of people would be on site. Since activities are staged, personnel who complete their tasks (such as the airborne geophysical contractor) would leave site when their work is completed to make room for new crew arriving (such as the ground geophysical contractor or the sediment sampling crews). After startup (approx. 3 people), population will fluctuate, *e.g.*, 20 to 24 people at one time.

8. Provide history of the site if it has been used in the past.

Peregrine Diamonds Ltd. currently holds 86 federal Prospecting Permits on the Hall Peninsula and 581 federal mineral claims. Peregrine was granted the original 35 Prospecting Permits on the Chidliak property on 01 February 2007, following grassroots prospecting in 2006. Current exploration commenced in 2008, when the first camp (Discovery Camp) was established, and continued in 2009, with the establishment of an additional tent camp 12km E, the Sunrise Camp. Drilling of land-based drill targets commenced in summer 2009.

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.

Discovery Camp is sited in a flat gravel outwash area, sparsely vegetated, with access to an unnamed glacial rill, approx. 35m SE. (*See Discovery layout map at end of this form*). Sunrise Camp is sited in a boulderfield, sparsely vegetated, with an unnamed small lake proximal for landing aircraft in winter; the lake is 71m from the tent camp, at the closest point. (*See Sunrise layout map at end of this form*).

10. How was the location of the camp selected?

Few suitable locations on the property. Discovery site was selected as providing a natural airstrip and access to potable water in summer; Sunrise site was selected because of presence of a lake for landing aircraft on ice in winter/spring, as well as for access to potable water in winter and summer.

Was the site previously used?

Discovery site was used for several tents in 2007, then reoccupied for a larger tent camp in 2008. Sunrise site was not used until 2009.

Was assistance from the Regional Inuit Association Land Manager sought?

No. Sites are on Crown land. Peregrine has consulted with the local HTAs in Iqaluit and Pangnirtung, regarding conduct of a TK/IQ study which, amongst other information, would suggest a suitable site for a new, larger camp. Discussion has been held in 2010 with both QIA-Lands and the hamlet of Pangnirtung in regard to conduct of TK/IQ studies.

Include maps and/or aerial photographs.

(Refer to camp layout maps at end of this form).

11. Is the camp or any aspect of the project located on:

[x] Crown Lands — Permit Number(s)/Expiry Date*:* *N2008C0005* (expires 17 April 2011 and can be extended)

[ ] Commissioners Lands — Permit Number (s)/Expiry Date: _____

[**x**] Inuit Owned Lands — Permit Number (s)/Expiry Date: QIA Land Licence *#Q09L1C11* (expires 31 August 2010).

12. Closest Communities (distance in km):

Iqaluit, ~60km from closest southern point on the property block; Pangnirtung, ~133km N of NE corner of property.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?

Yes, consultation regarding work on the Hall Peninsula properties has been under way with community groups and the QIA since 2008. Peregrine last met with the Amarok HTA in Iqaluit, as well as the hamlet and HTA in Pangnirtung, in February 2010 to discuss proposed activities. Open houses also were held in February and April 2010 in Pangnirtung. The QIA is kept informed of activities on both Crown Land and IOLs on a regular basis.

14. Will the project have impacts on traditional water use areas used by the nearby communities?

No.

Will the project have impacts on local fish and wildlife habitats?

No. Exploration is occurring sparsely and seasonally over a large property. In the case of helicopter surveying, caution will be exercised in approaching polar bear habitat, as well as any bird-colonies (coastal) or aggregations of caribou. Mitigation includes following the altitude and distance limits established in existing permits and in NIRB recommendations, completing Wildlife Logs of any observations to inform programmes, and giving animals and land-users the right-of-way. In all cases where human safety is not at stake, wildlife will be given right-of-way (*e.g.*, not entering a sensitive area until the animals have moved on), and no harassment of wildlife will be tolerated. Peregrine also has a sampling protocol in place with the Canadian Wildlife Service in regard to Bird Site #29 along the Cumberland Sound. Several potential raptor nest sites discovered through raptor surveying on the Chidliak property in 2009 have been given a 1km buffer to avoid disturbance. Aquatic studies will commence as soon as more information is known on a potential project footprint and longer-term camp location, which approach has been discussed with DFO. In terms of the additional item of work which necessitated completing a new Remote Questionnaire: Activity will be confined to several days to a week of land-based drilling at the target on *PA-28*, and minimal water use will be required.

PURPOSE OF THE CAMP

15. ⦸ **Mining (Exploration)**
    - ○ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.) (Omit questions # 16 to 21)
    - ○Other _____ (Omit questions # 16 to 22)

16. Activities (check all applicable)
    - ○ Preliminary site visit
    - ○ Prospecting
    - ○ Geological mapping
    - ○ Geophysical survey
    - ⦸ **Diamond drilling ***
    - ○ Reverse circulation drilling
    - ○ Evaluation Drilling/Bulk Sampling (also complete separate questionnaire)

      *** Drill target at:** 64° 42' 15.2316" N. Lat. - 65° 48' 17.19" W. Long. on IOL *PA-28*.

    - ○ Other: _____

17. Type of deposit:
    - ○ Lead Zinc
    - ⦸ **Diamond**
    - ○ Gold
    - ○ Uranium
    - ○ Other: _____

DRILLING INFORMATION

18. Drilling Activities
    - ⦸ Land Based drilling **(on target noted above)**
    - ○ Drilling on ice

19. Describe what will be done with drill cuttings?

    Cuttings will report to a suitable sump location (natural depression or outcrop near drillhole), and monitored such that drainage is away from watercourses. If drilling contractor Boart Longyear determines that a PolyDril tank is required, this would replace use of a sump. No drill additives will be employed. Anticipated water source is a pond 1km W of the drill site.

20. Describe what will be done with drill water?

    Drillwater is recirculated up to 80%, with relict clean drillwater and cuttings reporting to a suitable sump location or PolyDril tank as noted in Question #19 above.

21. List the brand names and constituents of the drill additives to be used? Include MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.
MSDS already are on file for this licence. No drill additives are proposed for use under this amendment.

22. Will any core testing be done on site? Describe.
No.

SPILL CONTINGENCY PLANNING

23. Does the proponent have a spill contingency plan in place? Please include for review.
An updated Spill Contingency Plan (Appendix 7a) and Emergency Response Plan (Appendix 7b) have been provided with this amendment request to the NWB.

24. How many spill kits will be on site and where will they be located?
1 at each camp, with auxiliary materials (such as absorbent pads) deployed as/when required; 1 at camp fuel berms, 1 at heli area, 1 at any remote temporary fuel cache, and 1 at each drill site when drills are in operation. (Extra absorbents, as well as drip pans/catch pails and refuge drums, also will be present).

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.

DRILL SITE (for this amendment – co-ordinates are given above): 3-5 drums at any one time, whilst drilling is under way, then everything removed. Any drum cache at drill site will be in poly-lined area or inside secondary containment. Drum of diesel in use at drillshack will be within secondary containment. Drums are checked at least daily, but usually more often, *i.e.*, at each shift.

CAMP (Max. volumes for programme are shown here: Only about 50-80 drums at any one time)

Diesel – 200 (205L) drums stored in a cache area at camp.
Jet-B – 600 (205L) drums, stored as per diesel.
Unleaded petrol (gasoline) – 10 (205L) drums, stored as per diesel and Jet-B.
Propane cylinders – 50 (45kg), stored upright, secured with chain or in a cage, near the kitchen and dry (where propane use will occur). Empties will be bled and flown out on backhauls.
Bungs and valves will be checked daily during rounds by the camp personnel. A commercial hand-held gas detector can be used for checking propane bottles. Chemicals will be stored in their original, labelled containers in their use areas (kitchen, dry, generator shed, drillshack) on absorbent padding or inside non-reactive drip trays. Up to about 140L of chemicals/hazardous substances could be required in a programme season. Drilling-related chemicals, principally oils/greases, are stored in their original large tubs at drill-side, in the approx. volume of 200L for a long programme. Lead-acid batteries in use would be in corrosive-resistant sleeves and storage of spares would be in similar boxes.

MSDS already are on file for this existing licence.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.
For this amendment, water use will be within the existing drilling allotment of 70m^3 per day: No additional capacity is requested. Actual water use for the drilling of the target noted in this amendment will be a nominal 10m^3 per day. There will be no camp established at this drill site, and thus no use of potable water. Drillers will commute back and forth from one of Peregrine's existing camps, Discovery or Sunrise. The water source for the drillhole is a pond 1KW west. (*Map of drillsite is included in SPILL PLAN as "Map 4"*).

27. Estimated demand (in L/day * person):

Water use already is established in existing licence. No new capacity is required for either drilling or camp use, and no new camp is required.

- ⦸ Domestic Use: *25 m^3/day for camp* Water Source: *existing camps*
- ⦸ Drilling Units: *70m^3/day total* Water Source: *existing allowable for drilling*
- ○ Other: _____ Water Source: _____

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:

Existing camps are authorised in current water licence. Mesh screen is used to prevent entrainment of fish in camp water systems.

29. Will drinking water quality be monitored? What parameters will be analysed and at what frequency?

There is no new camp being proposed for this amendment, Chlorination is accepted by northern environmental-health officers as suitable treatment for camp potable-water supply, and is being conducted at current camps, along with UV filtration at Sunrise Camp. Drinking water was sampled (raw and treated) at Sunrise camp in April 2010 and analysed at an accredited environmental lab for faecals, total coliforms and *Escherichia coli* (*E. coli*) within 24 hours. Results were acceptable. Another potable-water sampling event is scheduled for Discovery and Sunrise camps in July 2010. (Separate winter water-quality sampling for total and dissolved metals, routines and nutrients, and turbidity was conducted at the camp lake in April 2010).

30. Will drinking water be treated? How?

Yes. See answer to Question #29 above.

31. Will water be stored on site?

No water storage is required or requested for this amendment. In the existing camps covered under the existing licence, water is pumped to 1100L poly-tanks in each camp. The tanks are sited in the camp drys, from whence water (after chlorination) is distributed via hose-lines to sinks (kitchen and dry), to Pacto sheds (hand-washing basins) and showers (dry).

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

No waste treatment is required for this amendment, which has to do with an additional drillsite. In regard to the existing camps authorised in the current water licence, please note:

- Camp Sewage (blackwater)

Under the existing licence, Pacto sheds are authorised for each camp, currently housing 3 waterless Pacto toilets per shed. All sheds are sited the requisite distance from water. Bagged sewage from Pactos up to a volume of approx. 30L/day will be generated, depending on camp population; bags will be incinerated on site in the existing dual-chamber Inciner8 units. If a pit privy is used in future, pits will be limed daily. Toilets are checked daily by camp attendants.

- Camp Greywater

Under the existing licence, cooking grease is removed from the waste stream for incineration; it does not enter the greywater sump. Enviro-products are used for washing and cleaning. Greywater from the kitchen and dry at each existing camp is pumped to hand-dug sumps the requisite distance from water (at least 30m). The liquid component of greywater reporting to the sump will both evaporate and percolate through the gravelly soil; the sump contents will be treated with Javex, if required to control odours which might attract wildlife; in summer 2009, Peregrine began trial of a natural degreaser and odour-control enviro-product called Liqui-Bac (MSDS supplied in 2009); the product is being used on a trial basis at each camp in summer conditions.

- Solid Waste

Combustible kitchen waste on the order of at least one 121L garbage bin by volume will be incinerated daily at each camp. Non-combustible solid waste which can't be reused or recycled will be collected and removed on backhauls for proper disposal at the Iqaluit landfill (authorisation is on file with regulators); waste includes pails of clean ash from incinerators.

- Bulky Items/Scrap Metal

It is conceivable that up to 2/3 of a Twin-load of such scrap (500kg) could be accumulated during a long programme and flown out for proper disposal, most likely at a contractor's storage yard (*e.g.*, broken parts, spent drill rod, *etc*.) Timbers would be stored on site for future needs.

- Waste Oil/Hazardous Waste

A volume of 2 drums' worth of waste oil/fuel, filters, oily rags, *etc*., could be generated in 2010 at each camp or per drill in a long drill programme; these drums would be labelled as to contents, sealed and

removed on backhauls for proper disposal to a Registered Waste Receiver. For this amendment, which is in respect of only 1-2 drillholes, the amount of waste oil would be closer to 20L in total.

- Empty Barrels/Fuel Drums

Empty drums will be segregated from full drums, bungs tight, and flown out on backhauls, with a certain number reserved for use as refuge drums (containers for waste fuel, scrap, any spilt hydrocarbons, should such occur).

- Other: *N/A*

33. Please describe incineration system if used on site. What types of wastes will be incinerated?
A CSA-rated dual-chamber incinerator, the Inciner8, is authorised for use in each camp under the existing licence. Combustible waste – typically, food waste, paper and Pacto bags – will be incinerated. Ash remains will be bagged and flown out on backhauls for disposable at the Iqaluit landfill. No additional incinerator is requested under this amendment.

34. Where and how will non-combustible waste be disposed of ? If in a municipality in Nunavut, has authorization been granted?
As indicated in the "Solid Waste" section above, non-combustible solid waste which can't be reused or recycled will be collected and removed on backhauls for proper disposal. Authorisation to dispose to the Iqaluit landfill was provided to regulators in 2009.

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).
Sumps (for camp and for DDH at any future drillsites) will be sited as far as possible from waterbodies and at least 30m, unless permission is obtained in advance from the INAC inspector. Camp sumps are on the order of 1m x 1m x 1.5m, with a freeboard of at least 0.4m, depending on actual conditions. Sumps are expanded if required to accommodate volume. Any drill sump associated with the drill location noted in this amendment will be a minimum of 30m from high-water mark of the closest waterbody.

36. Will leachate monitoring be done? What parameters will be sampled and analysed, and at what frequency?
N/A

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? Yes.

What known O&M problems may occur? What contingency plans are in place?
Please refer to the updated SPILL PLAN accompanying this amendment application.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.
Please refer to the updated ABANDONMENT & RESTORATION PLAN accompanying this amendment application. (At the end of final operations at any camp, the camp infrastructure will be dismantled; materials which can be incinerated will be and remaining materials, drums, *etc*., flown off site, such that the use area is returned to its prior condition. The camp sumps will be examined, cleaned of debris (if required), infilled and re-covered with reserved overburden. Documenting photographs will be taken before/during/after the cleanup.) A similar process will occur for any drillsites, with holes closed, materials removed and cleanup documented.

BASELINE DATA

38. Has or will any baseline information be collected as part of this project? Provide bibliography.

For this amendment application, two baseline-data reports have been provided to NWB.

- ❹ Physical Environment (Landscape and Terrain, Air, Water, etc.) "**2009 BASELINE ENVIRONMENTAL PROGRAMME, CHIDLIAK PROJECT, SOUTH BAFFIN ISLAND, NUNAVUT", EBA Engineering Consultants, November 2009**
- ❹ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic Organisms, etc.) "**2009 BASELINE ENVIRONMENTAL PROGRAMME, CHIDLIAK PROJECT, SOUTH BAFFIN ISLAND, NUNAVUT", EBA Engineering Consultants, November 2009**
- ❹ Socio-Economic Environment (Archaeology, Land and Resources Use, Demographics, Social and Culture Patterns, etc.) **"ARCHAEOLOGICAL INVENTORY AND ASSESSMENT OF CHIDLIAK CLAIM BLOCK, HALL PENINSULA, BAFFIN ISLAND, NU", Thomson Heritage Consultants, December 2009**
- ○ Other:

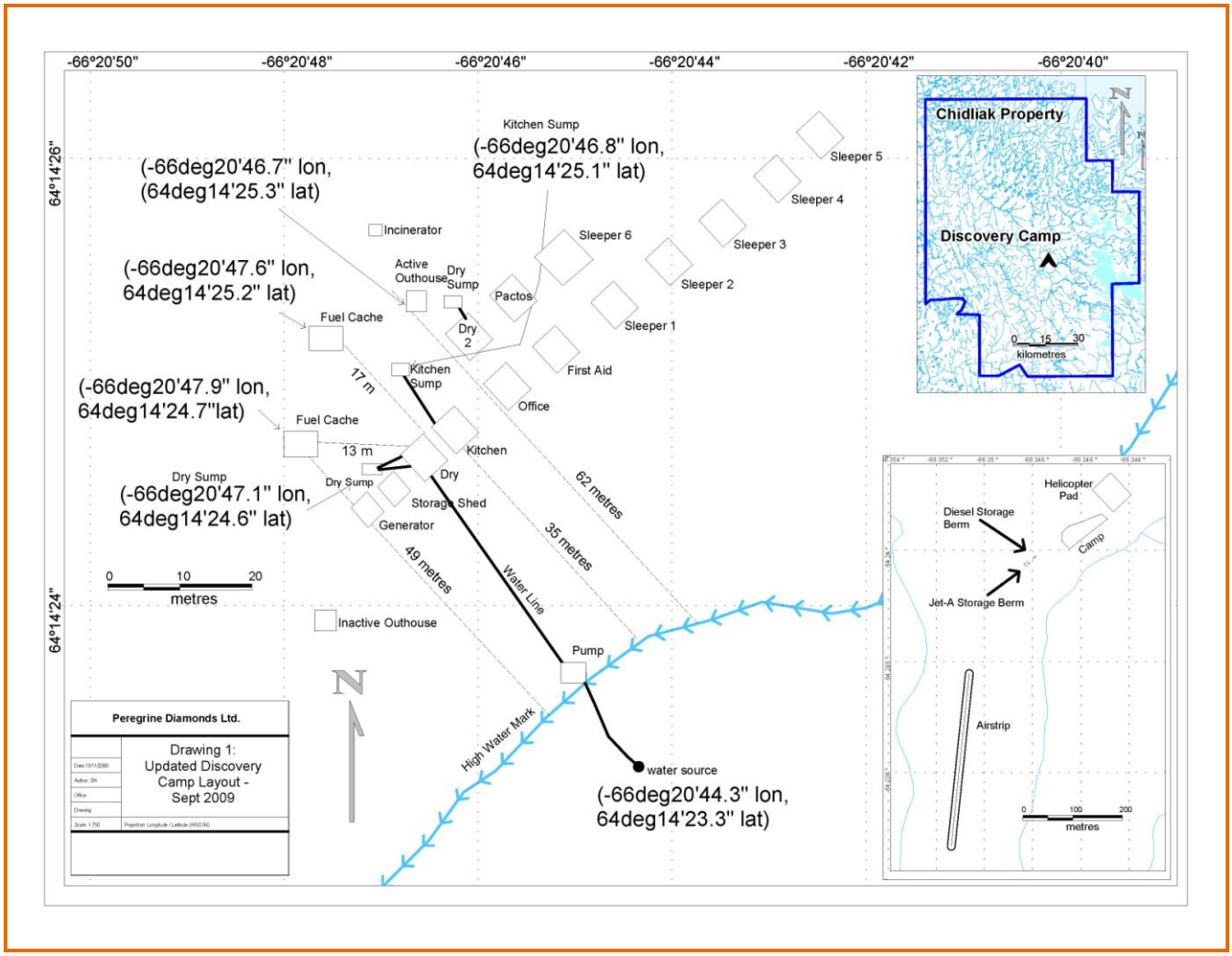
REGULATORY INFORMATION

40. Do you have a copy of

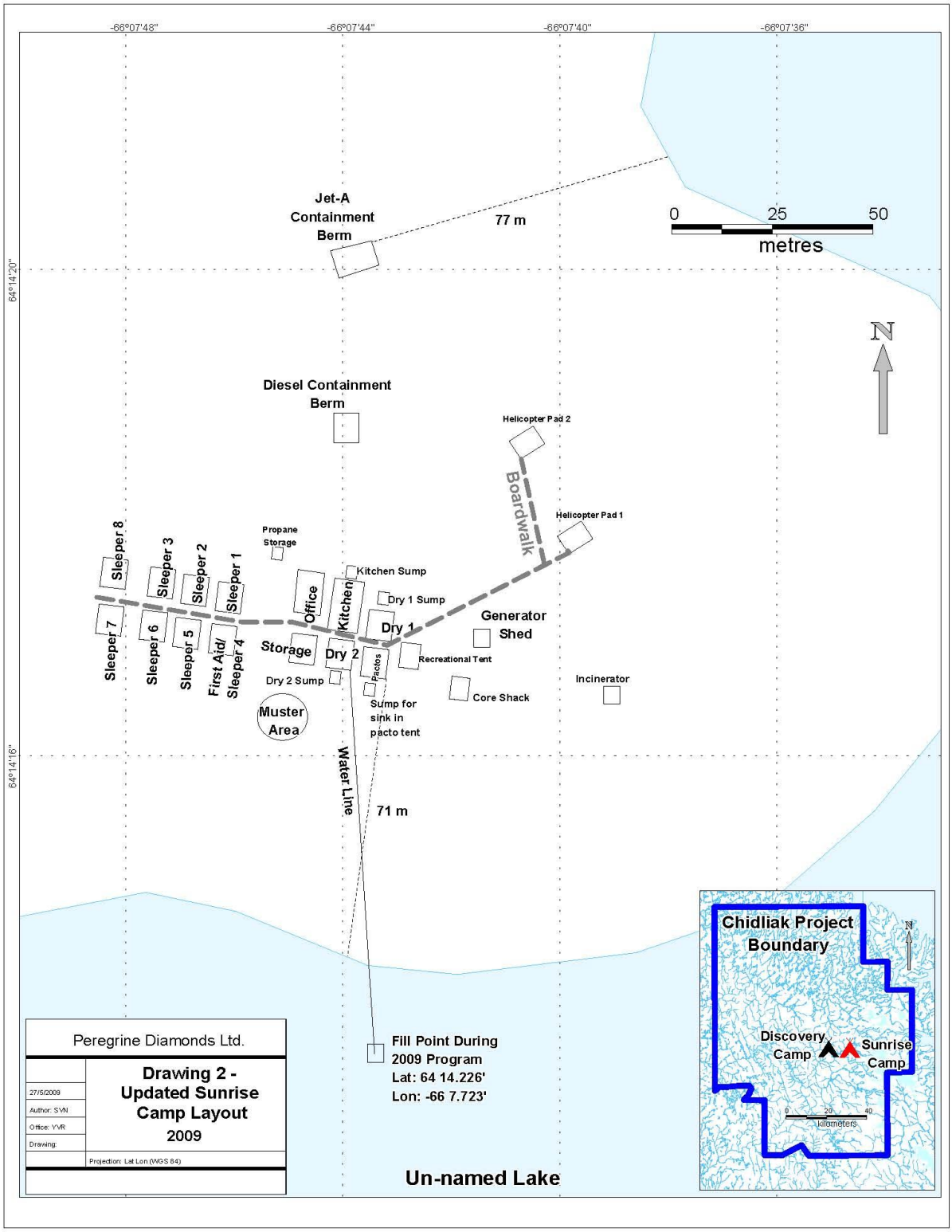
- √ Article 13 - Nunavut Land Claims Agreement
- √ NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
- √ NWB - Interim Rules of Practice and Procedure for Public Hearings
- √ NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
- √ NWTWB - Guidelines for Contingency Planning
- √ DFO - Freshwater Intake End of Pipe Fish Screen Guideline
- √ Fisheries Act - s.35
- √ RWED - Environment Protection- Spill Contingency Regulations
- √ Canadian Drinking Water Quality Guidelines
- √ Public Health Act Camp Sanitation Regulations
- √ Public Health Act Water Supply Regulations
- √ Territorial Land Use Act and Regulations

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.

(MAPS OF EXISTING DISCOVERY CAMP AND SUNRISE CAMP ARE ATTACHED AT THE END OF THIS QUESTIONNAIRE)



Discovery (summer-use camp) – layout.



Sunrise (winter-use, summer-use camp) – layout.