

BULK SAMPLING PROGRAMME – 2012 CHIDLIAK PROJECT:

A Presentation for Our Regulators



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PRESENTATION OUTLINE



- **PROPOSED 2012 EXPLORATION PROGRAMME**
 - Background Information
 - Permit, Licence Amendment
 - Bulk Sampling Focus Area
 - Proposed Timetable
 - Planned Programme
- **CONSULTATION, LOCAL HIRING AND LOCAL ECONOMIC OPPORTUNITIES**
- **TAKE-AWAY MESSAGES**
- **DISCUSSION**

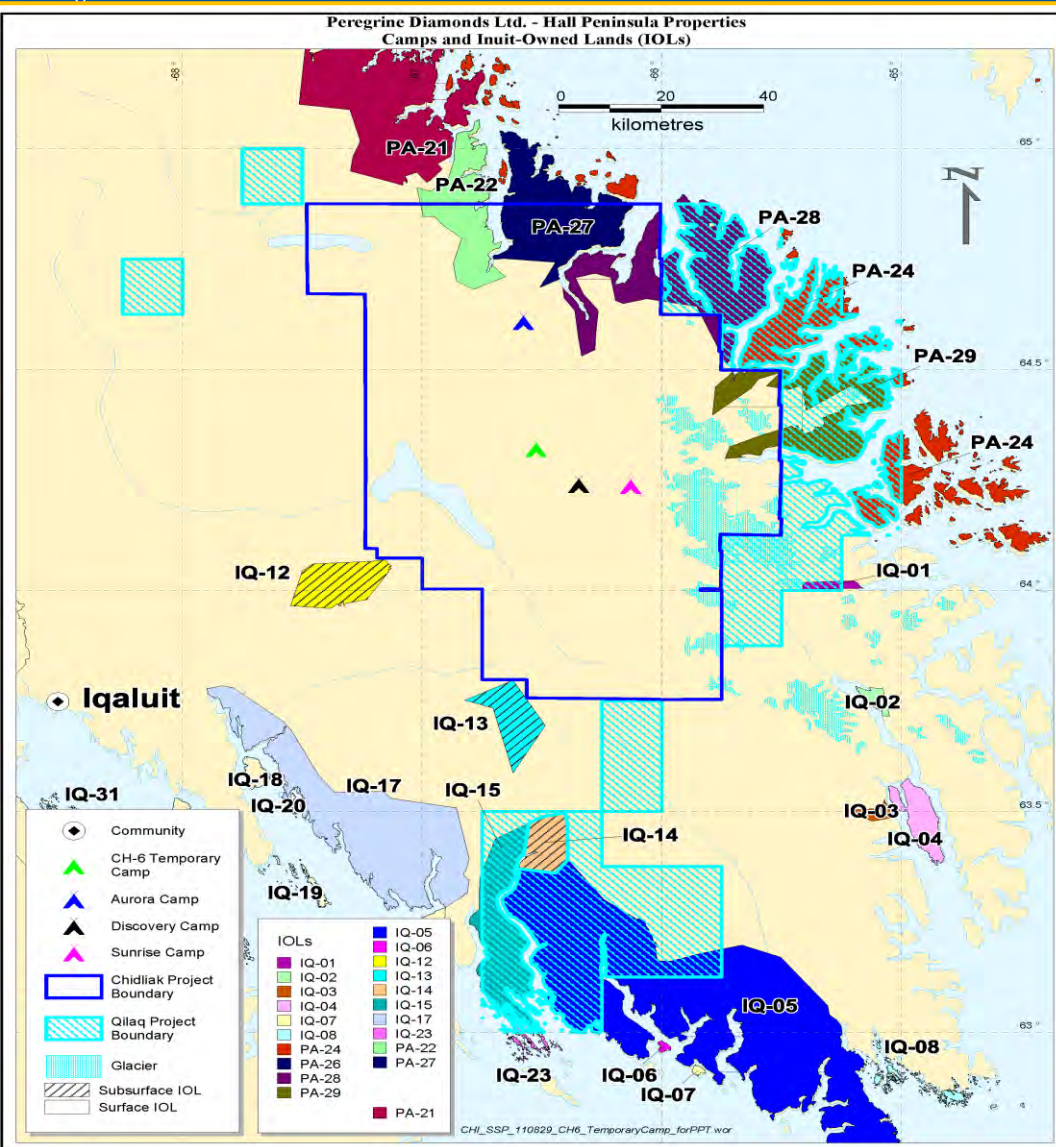


REFRESHER: STAGE OF PROJECT IN 2012

Commencement of Reconnaissance Exploration	<u>Chidliak</u> 2005
Land Acquisition	2007
First Kimberlite Discovery and Initial Diamond Testing	2008
Exploration, Mini-Bulk Sampling & Delineation Drilling (1-100 t samples)	2009
 Bulk Sampling (+100 t samples)	2012

- **CH-6** and **CH-7** in Bulk Sampling Focus Area are confirmed for sampling in 2012
- **CH-44, CH-45, CH-31** (land-based) are potential candidates for sampling in 2012: One or more of these will be sampled.

TIMING AND BASE CAMPS - 2012 PROGRAMME



The bulk sampling programme will be conducted within the CHIDLIAK PROJECT claim block between FEBRUARY and JUNE 2012.

Bases of operation:

- **DISCOVERY Camp**: operational centre which will house up to 40 programme personnel.
- **SUNRISE Camp**: Early logistical centre and aircraft landing base which will house 10-20 personnel.
- **CH-6 Temporary Camp**: centre of large-diameter drill sampling at CH-6, accommodating up to 30 personnel during one month of sampling.

PERMIT, LICENCE AMENDMENT

➤ WHAT IS PEREGRINE SEEKING?

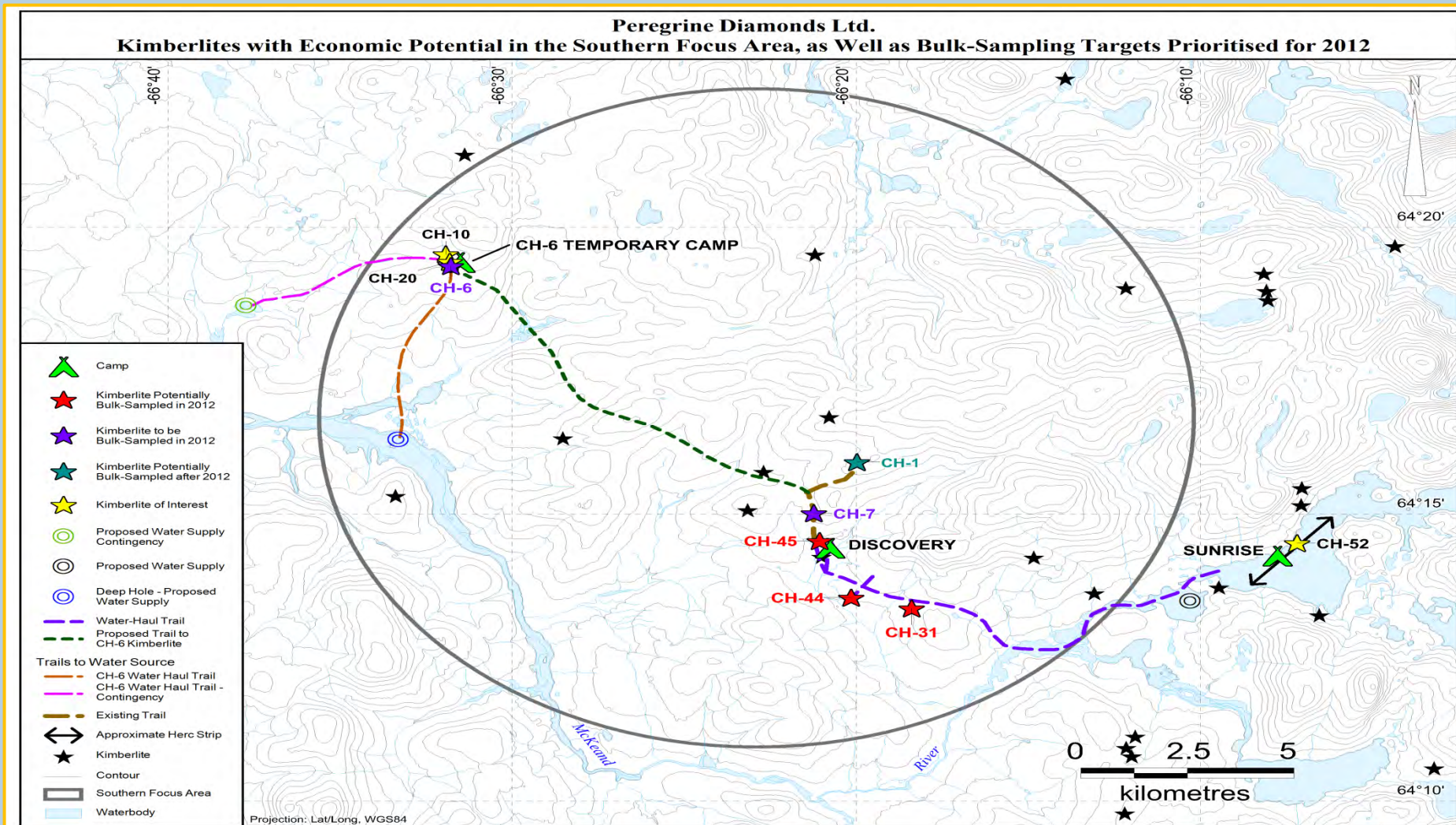
- Amendment to AANDC Class A Land-Use Permit #N2008C0005 and
- Amendment to NWB Type B Water Licence #2BE-CHI0813
- Screening by NIRB, as required

NEW COMPONENTS SOUGHT:

- **expansion** of Discovery Camp to **40** persons.
- establishment of CH-6 Temporary **Camp** near the CH-6 kimberlite to accommodate up to **30** persons serving the bulk-sampling programme.
- use of **water** within the already-approved Project Scope area for:
 - (a) **domestic** supply for CH-6 Temporary **Camp**; (b) **water** supply for large-diameter reverse circulation (**RC**) **drilling, processing**.
- **expansion** of existing **winter-trail network** to include new trails linking camps to bulk-sample sites and water sources.
- new **equipment**: RC drill, water and fuel tanks, 5 pieces of heavy equipment to haul water, fuel, samples, equipment and cuttings, crew transport, and construct and maintain ice strip on Sunrise Camp Lake.

NOTE: All work remains within the approved Project Scope area. No increase in water allotment is sought. Approval for a large aircraft landing strip on Sunrise Camp Lake already exists.

SOUTHERN FOCUS AREA



Southern Focus Area currently extends from CH-6 to east of CH-31



PROPOSED TIMETABLE

➤ **DECEMBER 2011-JANUARY 2012:**

- Aerial reconnaissance of Sunrise Camp Lake ice, followed by Herc strip construction (7 people) and camp opening (5 people). Drive in 3 pieces of heavy equipment – Sno-Cat, Morooka, Challenger.

➤ **15 FEBRUARY-1 MARCH 2012:**

- Mobilise by Herc: RC drill, 2 x 10m³ water tanks, sleds, other equipment, 100 fuel barrels. Camp nos. = 16. Build trail network. Build drill pads. Open Discovery camp (18 people), build fuel station, groom Discovery airstrip for winter landings. Build CH-6 Temporary Camp. Transport drill to CH-6. Close Sunrise Camp temporarily.

➤ **21 FEBRUARY-21 MARCH 2012:**

- Drill CH-6. Camp nos. = 30 (CH-6), 10 (Discovery). Close Sunrise camp.

➤ **21 MARCH-01 JUNE 2012:**

- Drill CH-7 and one or more of CH-44, CH-31, CH-45, based at Discovery. Camp numbers = 36 + 4 (misc., consultants). Exploration drilling?

➤ **JULY-SEPTEMBER 2012:**

- Store drill, winter equipment at Discovery. Summer exploration, environmental baseline, archaeology.



PLANNED PROGRAMME:

Collection of Bulk Sample

➤ COLLECTION OF KIMBERLITE BULK SAMPLE:

- **Duration:** 14 weeks (max.) between 15 February and 01 June 2012
- **Volume:** 100-200 tonnes from each of 3-5 bodies, for total of 600 tonnes
- **Method of extraction:** large-diameter reverse circulation (RC) drill rig:
 - **Hole Diameter:** 34 cm (through 41 cm casing)
 - **Anticipated time to drill each hole:** 6 days (approx.) to depth of 150m-250 m
 - **Water requirement:** 15m³ per day – drilling (additional 20m³ possible at startup for related, e.g., trail-building, drill pads)
 - **Cuttings generated:** approx. 35% of total overall sample volume (fine cuttings <1.25mm). *Example:* if total sample is 600 tonnes, 35% = approx. 200 tonnes.
 - **Where cuttings go:** natural sumps (engineer-inspected) with capacity > volume of cuttings; some sumps may be shared between adjacent kimberlites, e.g., a large rock basin

➤ EXPLORATION PROGRAMME:

- May occur in winter 2012.
- Anticipated to occur in summer, as per previous years.

PLANNED PROGRAMME:

Supporting Activities

➤ SUPPORTING ACTIVITIES:

- **Establish airstrip(s):** Build ice airstrip on Sunrise Camp Lake. If feasible, groom and use Discovery Camp strip for winter landings.
- **Open camps:**
 - Reopen and expand Discovery Camp to accommodate an additional 16 persons (new camp total = 40) for the bulk-sampling programme.
 - Reopen Sunrise Camp
 - Construct CH-6 Temporary Camp** (max. of 30 persons for month-long programme at CH-6.)
- **Create and Expand Existing winter-trail network:**
 - **Purpose of trails:** * Haul water for CH-6 Temporary Camp. * Haul water for drilling. * Haul cuttings to sumps. * Transport drills, parts, fuel, materials, sample bags and personnel.
 - Create and maintain winter-trail network
 - Extend Discovery/CH-7/CH-1 Trail: Add a 12-km extension to CH-6, a 12-km extension between Discovery and Sunrise, and extensions of a few hundred metres to several kms to other kimberlites, water sources and sumps.

** CH-6 camp will be disassembled or closed after programme, but may be reopened, depending on bulk-sampling results.



PLANNED PROGRAMME: *Supporting Activities (cont.)*

➤ OTHER SUPPORTING ACTIVITIES:

- **Equipment storage and maintenance:** Operate new 18 m x 12 m heavy-equipment shed at Discovery Camp.
- **Fuel transport, storage, transfer:** Due to fuel requirements for bulk sampling, fuel usage will increase to approx. 2 000 drums of diesel. Fuel will be transferred by a designated fuel specialist to 2 x 10 000L enviro tanks, which will be moved to camps and drillsites via sled. Jet-A fuel use is expected to decrease to approx. 250 drums, due to increased reliance on ground support.
- **Environmental and safety control:** Proactive camp and drillsite management to avoid hazards, leaks and spills by daily inspection of fuels in storage or use, utilising manufactured containment, employment of a fuel specialist for fuel transfer and management, use of RC drill with containment built into housing.
- **Training and Retraining of Personnel and Contractors**
- **Continuance of Environmental Baseline Studies and Archaeology:** Includes winter water-quality sampling if drilling from ice, summer water-quality sampling, potable-water sampling, wildlife surveys, archaeological review of new locations.

CONSULTATION , LOCAL HIRING AND LOCAL ECONOMIC OPPORTUNITIES



- **Site visits by residents of Pangnirtung and Iqaluit will continue in 2012 (commenced in 2009)**
- **Community visits will continue in 2012 (commenced in 2008)**

- **Local hiring from the communities of Iqaluit and Pangnirtung will continue in 2012**

- **Use of local businesses for a wide range of services – ranging from transportation to food to various specialist services – will continue in 2012**



LOCAL HIRING



2011

➤ **45** workers from Pangnirtung and Iqaluit worked on the Chidliak Project in 2011. Local hiring will continue as a strong focus of the 2012 programme, as it has since the project was permitted in 2008.



2009



2011

TAKE-AWAY MESSAGES

- **Few new components:** 1 new drill, 5 new pieces of heavy equipment, new temporary camp, new additions to existing trail network and expansion of existing Discovery Camp.
- **Sampling** of up to **5** kimberlites within already-authorized work area.
- **Shift** to greater reliance on ground transport.
- **Winter bulk-sampling** lessens potential impact to environment, archaeological sites to offset greater reliance on ground transport.
- **Exploration** activities may continue as time, resources permit.
- **Environmental-baseline, water-quality sampling, archaeology** will continue.
- **Focus on environmental care and safety** will continue.
- **Local consultation, local hiring and use of local services** will continue.
- **Emphasis on seeking advice from our regulators, working co-operatively** will continue.

QUESTIONS AND DISCUSSION

