

**PEREGRINE DIAMONDS LTD.**  
**SUMMARY: APPLYING TO RENEW CHIDLIAK PROJECT**  
**LAND-USE PERMIT AND WATER LICENCE**

Peregrine Diamonds Ltd. (Peregrine) is seeking to renew its Aboriginal Affairs and Northern Development Canada (AANDC)\* Land-Use Permit and the associated Nunavut Water Board (NWB) Water Licence for its Chidliak Project (the Project) on the Hall Peninsula, South Baffin Island, NU. The existing permit #N2008C0005 and water licence #2BE-CHI0813 both expire in June 2013.

The reason for the renewal is so that Peregrine may continue exploration on the Project and conduct already-approved bulk-sampling of kimberlites with economic potential within the 16-km diameter “focus area” in the centre of the Hall Peninsula. The initial phase of the multi-year bulk-sample programme was postponed from winter 2012 to February-May 2013.

An amendment allowing the bulk-sample programme was granted in February 2012 for the land-use permit and in March 2012 for the water licence. Peregrine is not seeking major changes; Peregrine simply is seeking a renewed five-year land-use permit and a renewed five-year water licence, in order to conduct activities already approved, including bulk sampling. Work will remain within the approved Project Scope area, and no increase in water allotment is sought.

Five adjustments to the bulk-sampling programme will be discussed in the applications. An example of one change being requested is adding an extra contingency water source for drilling the CH-6 kimberlite. This additional water source was part of the engineers’ bathymetric survey in 2011 and lies on an already-approved winter trail to the main water-supply source for CH-6 drilling and the CH-6 Camp. (CH-6 lies approximately 13.75 km northwest of Discovery Camp.)

A second change being requested is use of the approved mobilisation trail between site and Iqaluit for the period between approximately 20 February 2013 and 20 May 2013 to transport bags of kimberlite to Iqaluit via a sleigh pulled by a tracked vehicle. About 15 such trips could be completed, with each trip taking about 12 hours. The load would be hauled by a second Challenger tractor which would be brought to site for this purpose and equipped with the same environmental supplies and subject to the same plans and operating procedures as the other equipment which will use the general winter trail network. The remainder of kimberlite bags would be flown out.

Under a renewed permit and licence, Peregrine will continue to be guided by strict safety and environmental practices. In addition, Peregrine will continue its environmental-baseline and archaeological studies, as well as community visits. Visits to site by representatives of the communities of Pangnirtung and Iqaluit also will continue. Should the Project expand during the bulk-sampling phases, opportunities for direct employment, service provision and other economic opportunities also will expand. 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.

\* AANDC was formerly known as “INAC”, or Indian and Northern Affairs Canada