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**EXPLORATION/ REMOTE CAMP
SUPPLEMENTARY QUESTIONNAIRE
(FOR RENEWAL OF #2BE-CHI0813)**

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: **AL O'CONNOR** Tel: (604) 408-8880 Fax: (604) 408-8880 E-mail: alan@pdiam.com
3. Does the applicant hold the necessary property rights?
Yes. Peregrine has reacquired 100% of the Chidliak Project by purchasing BHP Billiton's 51% interest in February 2012. [see Appendix 12 – News Releases related to Peregrine ownership.]
4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? **NO.**
If so, please provide letter of authorisation.
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
Requested Renewal: New Start: 01 June 2013 New Completion: 01 June 2018

CAMP CLASSIFICATION

6. Type of Camp
[] Mobile (self-propelled)
[] Temporary
[X] Seasonally Occupied: CH-6 Camp already approved, as one of four seasonal camps which include Discovery, Sunrise and Aurora.
[] 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?
CH-6 Camp has been approved as a 30-person camp. [Slightly updated Map 5 accompanies this application.]
8. Provide history of the site if it has been used in the past.
No change to this section, EXCEPT THAT 5 adjustments to project components are sought with the Renewal Application: (1) an additional contingency water source for CH-6; (2) use of the approved Equipment Trail to transport kimberlite bags off site by a CAT Challenger pulling a sleigh; (3) use of the approved Equipment Trail for return transport of the Challenger to site with fuel drums; (4) a contingency natural landing strip at Discovery Camp, for winter landings when a cross-wind prevents safe landing on the existing strip, and (5) several additional options for hole diameters for the bulk-sampling programme – larger sizes of 46cm and 61cm, in addition to the 34cm already approved. All 4

Peregrine camps, as well as exploration activities which now include bulk-sampling of kimberlites, are within the approved Project Scope. CH-6 Camp, approximately 400m NE of the CH-6 kimberlite, will support the bulk-sampling of CH-6.

CAMP LOCATION

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



CH-6 Camp as tents were being set up with AANDC's approval at end of 2011 season: relatively flat, sandy/silty active layer with well-sorted glacial rubble, low % cobbles, sparse vegetation, all typical of Hall Peninsula interior.

CH-6 Camp, shown above as it was being established, was approved by water-licence Amendment #4 and land-use permit Amendment #3. The only change in this renewal application in respect of CH-6 is that one additional water source, "Contingency Lake #2", which was surveyed as part of the 2011 bathymetric study, is proposed to be added as a potential water source (see accompanying Maps 2a, 2b and 11, the NWB Amendment Form and the Bulk-Sampling Monitoring Plan, Pages 11 and 13-14).

10. How was the location of the camp selected?
No change to this section from last amendment application.

Was the site previously used?
No.

Was assistance from the Regional Inuit Association Land Manager sought?
No change to this section from last amendment application.

Include maps and/or aerial photographs.
(17 maps, including one airphoto-composite map, accompany this application).

11. Is the camp or any aspect of the project located on:
- | | |
|--|---|
| <input checked="" type="checkbox"/> <u>Crown Lands</u> | Permit Number(s)/Expiry Date: <u>#N2008C0005 (expires 17 June 2013). Bulk Sample Focus Area, which includes CH-6 Camp, is on Crown Land</u> |
| <input type="checkbox"/> <u>Commissioners Lands</u> | Permit Number(s)/Expiry Date: _____ |
| <input checked="" type="checkbox"/> <u>Inuit Owned Lands</u> | Permit Number(s)/Expiry Date: <u>#Q10L1C008-Extension (expires 01 March 2013). 4 IOLs at the N and NE boundaries of Chidliak are outside the Bulk Sample Focus Area but are within the overall Project area (see Map 1a).</u> |

12. Closest Communities (distance in km):
No change to closest communities: Iqaluit, ~75km SW of closest SW point on Chidliak property. Pangnirtung, ~133km N of NE corner of Chidliak property. [See Map 1c accompanying this application.]
13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?
Yes. No change to this section, EXCEPT THAT additional meetings were held in November 2011 and April 2012 with communities and interested parties as part of ongoing consultation. Site visits for representatives of Pangnirtung and Iqaluit will occur again in summer 2012, as in past summers.
14. Will the project have impacts on traditional water use areas used by the nearby communities?
No. No change to this section from last amendment application.
- Will the project have impacts on local fish and wildlife habitats?
No. No change to this section from last amendment application.

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)
Amendment Application Form is attached for Renewal of Water Licence #2BE-CHI0813
- ☒ Other: **Operate CH-6 Camp + 2 other existing camps (Discovery and Sunrise) to support the bulk-sampling programme, as approved.**
17. Type of deposit:
☐ Lead Zinc
☒ **Diamond**
☐ Gold
☐ Uranium
☐ Other: _____

DRILLING INFORMATION

18. Drilling Activities
☒ Land-Based drilling: (land-based large-diameter RC drilling in winter 2013; summer exploration drilling possible in July-August 2013; further drilling possible in succeeding years)
☒ Drilling on ice: (exploration drilling possible in winter 2013 and in succeeding years, as well as RC drilling of lake-based kimberlites, if warranted)
19. Describe what will be done with drill cuttings?
No change to this section from last amendment application, EXCEPT THAT commencement of the bulk-sampling programme has been deferred to winter 2013.

20. Describe what will be done with drill water?
No change to this section from last amendment application, EXCEPT THAT it should be noted that additional options for hole diameters may be considered for the large diameter (LDDH) programme. The size of drillhole discussed in that application was 34cm, although the amendment granted did not specify a limit to hole diameter. Peregrine may find it advantageous to collect a larger volume of sample per hole during bulk-sample drilling and thus would like to advise that holes drilled into kimberlites may be larger in diameter than originally envisioned and, in fact, may be either 34cm (size noted in the amendment), 46cm or possibly 61cm in diameter, where warranted. The main change resulting from drilling larger-diameter holes would be additional water use, up from the 15m³ discussed in the amendment application; however, usage would not exceed the overall volume per day for drilling and ancillary uses already allowed under the water licence.
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.
Please refer to updated MSDS CD (Appendix 2).
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.
Yes. Minor revision pages to the approved Spill Contingency Plan (Appendix 7a) and Emergency Response Plan (Appendix 7b), are attached with this amendment application. (NWB staff requested that Peregrine submit revisions rather than entirely new copies of Plans, where revisions exist.)
24. How many spill kits will be on site and where will they be located?
No change to this section from last amendment application. As reported in the Spill Plan, each camp compound has 1 complete spill kit, along with auxiliary materials such as extra absorbent pads and socks). The Discovery Camp Fuel Station being established will have a total of 5 full kits, in addition to other response supplies; for the Designated Fuel Station, please refer to Appendix 10, "Bulk Fuel Management Facility Monitoring Plan."
25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.
No change to this section from last amendment application, EXCEPT THAT commencement of the bulk-sampling programme has been deferred to winter 2013. (For MSDS CD, please refer to question 21 above.)

Projected Fuel Use for 2013 Chidliak Exploration Activities (same as for last amendment)

Fuels	No. of Containers	Capacity of Containers		
Diesel for drilling, equipment, camps	2000 drums	205L		
Aviation turbine fuel (Jet-B)	250 drums	205L		
Unleaded petrol (gasoline)	20 drums	205L		
Propane	65 cylinders	45kg		
Oxygen (medical)	3 cylinders	10kg		
Oxygen and Acetylene (welding, cutting)	4 cylinders (total)	45kg		
Oils/lubricants/cleaners	200	1L to 5L (typical sizes)		

Empty drums sent out intact or crushed; cylinders regularly backhauled.

Aviation fuel, diesel, unleaded petrol and propane, as well as welding/cutting /brazing gases, are found in Peregrine's MSDS inventory CD, in the sections on *Fuels/Fuel Additives/Oils* and *Misc. Chemicals*

No change to this section, which discussed the Designated Fuel Station and CH-6 Camp fuel storage.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

Location of water sources was discussed in last amendment application, EXCEPT the additional contingency water source, "Contingency Lake #2". Based upon recommendation of the EBA consulting engineers who conducted the bathymetric study of prospective bulk-sample water sources in 2011, Peregrine would like to add an extra contingency water source for drilling the CH-6 kimberlite. (For location of new water source, see Maps 2a, 2b and 11). "Contingency Lake #2", or Site E, was part of the original survey and lies on an already-approved winter trail, 2.4km north of the "Blue Hole" (Site B), the main water-supply source for CH-6 drilling and the CH-6 Camp.

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

No change to this section from last amendment application. Water use for domestic and industrial purposes already is established in the existing licence and no increase is sought with licence renewal. Maximum usage per person (drinking, washing, laundry, pro-rated portion of cooking/dishwashing) per day = $0.08\text{--}0.1\text{m}^3$.

⊙ Domestic Use: $25\text{ m}^3/\text{day}$ for all camps Water Sources: Sunrise Camp Lake; lake west of Sunrise (for CH-7, Discovery et al); preferred McKeand "deep hole"; and Contingency Lake #1 or #2 for CH-6 Camp. A realistic TOTAL for simultaneous water use at 3 camps operating at capacity at same time would be an est. maximum of $11\text{m}^3/\text{day}$.

⊙ Drilling Units: $70\text{m}^3/\text{day}$ total Water Sources: Lake W of Sunrise for drilling CH-7 and 4 proximal kimberlites; and Blue Hole, Contingency Lake #1 and Contingency Lake #2 for drilling CH-6. With use of larger-diameter holes, est. volume. for water consumption is $35\text{m}^3/\text{day}$ for a 46cm hole and $45\text{m}^3/\text{day}$ for a 61cm hole; the amount noted in the amendment application was consumption of $15\text{m}^3/\text{day}$ for a 34cm-diameter hole.

⊙ Other: Water for spraying trails (for building trails and compaction). Water Sources: same as above. Potential maximum volume of $20\text{m}^3/\text{day}$.

NOTE: Water for flooding of ice strip on Sunrise Camp Lake is not considered water consumption, as water is NOT removed from the lake, but simply transferred from below the ice cover to the surface above it, leaving the overall lake volume the same.

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:
Fine mesh screen on water intake suction hose. No change to this section from last amendment application.

29. Will drinking water quality be monitored? What parameters will be analysed and at what frequency?
No change to this section from last amendment application. Water is treated by chlorination or both chlorination and UV filtration, and potable-water samples are collected and analysed periodically during the camp season, with analysis occurring within the required 24-hour holding time.

30. Will drinking water be treated? How?
Yes. See answer to Question #29 above.

31. Will water be stored on site?
Yes. No change to this section from last amendment application. Water for CH-6 Camp and the other approved camps is pumped to 1100L poly-tanks in each camp. The tanks are sited in the camp dries, from whence water (after treatment) is distributed via plastic piping 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:

⊙ Camp Sewage (blackwater)

No change to this section from last amendment application, EXCEPT THAT incineration of CH-6 Camp waste will occur at the Discovery Camp incinerator over the approx. 30 days of CH-6 Camp use in 2013.

☒ Camp Greywater

No change to this section from last amendment application.

☐ Solid Waste

No change to this section from last amendment application.

☐ Bulky Items/Scrap Metal

No change to this section from last amendment application.

☐ Waste Oil/Hazardous Waste

No change to this section from last amendment application.

☐ Empty Barrels/Fuel Drums

No change to this section from last amendment application.

☐ Other: *N/A*

33. Please describe incineration system if used on site. What types of wastes will be incinerated?
No change to this section from last amendment application, EXCEPT THAT incineration of CH-6 Camp waste will occur at the Discovery Camp incinerator over the approx. 30 days of CH-6 Camp use in 2013. (An updated Waste Management Strategy accompanies this application as Supplementary Document #3.)
34. Where and how will non-combustible waste be disposed of? If in a municipality in Nunavut, has authorisation been granted?
No change to this section from last amendment application.
35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).
No change to this section from last amendment application. Just as at the other 3 camps, waste water from CH-6 Camp will report to natural sump areas, hand-dug or modified natural depressions (typical dimensions are 1m x 1m x 1.5m). (See Map 5.) Waterbodies are in no danger of greywater migration from kitchen and dry sumps, in that the closest waterbody is approx. 2.5km SE.
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 (Appendix 7a), accompanying this Renewal Application. (At NWB's request, only pages with revisions are supplied with the current 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 (Appendix 6) accompanying this Renewal Application. (At NWB's request, only pages with revisions are supplied with the current application.)

BASELINE DATA

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

All baseline reports to date have been provided to NWB; 2012 reports will be provided when available at year-end or early in the first quarter of 2013. Titles and dates of 7 studies were provided in the last amendment application. In addition, the following are NEW reports available

since that time:

④ Physical Environment and Biological Environment: "2011 ENVIRONMENTAL BASELINE PROGRAMME, CHIDLIAK PROJECT, BAFFIN ISLAND, NUNAVUT", EBA Engineering Consultants, February 2012

④ Socio-Economic Environment: "ARCHAEOLOGICAL INVENTORY AND ASSESSMENT OF PEREGRINE DIAMONDS LTD. CHIDLIAK AND QILAQ CLAIM BLOCKS, HALL PENINSULA, BAFFIN ISLAND, NU, 2011", Thomson Heritage Consultants, February 2012

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.