

Water Use Amendment
Water Use Permit – 2BE CHI1218

Peregrine Diamonds Ltd. is a diamond exploration company exploring in Nunavut. This permit amendment applies to the Chidliak Project which is located on the Hall Peninsula of Baffin Island, 120 kilometers northeast of Iqaluit and 200 kilometers south of Pangnirtung. Peregrine has found diamonds on the Hall Peninsula and needs to continue its work.

Peregrine is requesting an amendment to Type “B” Water Use Permit 2BE-CHI1218. The amendment requests an increase to the present allocation of water.

The permit currently allocates 95 cubic metres of water per day. Of this allocated amount, 70 cubic metres are for drilling, and 25 cubic metres are for domestic camp use. Peregrine requests the allotment be increased from 70 cubic metres per day to 221 cubic metres per day. This is a total increase of 151 cubic metres.

Peregrine is making this request for two reasons:

- a) Aboriginal Affairs Water Resources Division has recently changed its interpretation of water use. To maintain compliance with the permit terms and conditions the extra allocation is requested.
- b) In the future Peregrine may utilize additional core rigs thereby requiring additional water for its drilling activities.

All activities are consistent with the permit and permit application.