



Application for Water Licence Amendment

Document Date: April 2013

Application Submission Date:

Month/Day/Year

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NUNAVUT IMALIRIYIN KATIMAYIT
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

DOCUMENT MANAGEMENT

Original Document Date: April 2010

DOCUMENT AMENDMENTS

	Description	Date
(1)	Updated for public distribution as separate document from NWB Guide 7	June 2010
(2)	Updated NWB logos and reformatted table to allow rows to break across page	May 2011
(3)	New NWB logo; request for background information; and change to Block 24	April 2013
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		



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NUNAVUT WATER BOARD

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OFFICE DES EAUX DU NUNAVUT

APPLICATION FOR WATER LICENCE AMENDMENT

The applicant is referred to the NWB's Guide 7: Licensee Requirements Following the Issuance of a Water Licence for more information about this application form.

Where possible, provide background information regarding the original licence application or attach previously submitted information.

EXISTING LICENCE NO: 2BE-CHI1218

1. LICENSEE CONTACT INFORMATION

Is the licensee the same as that referred to on the existing licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB. **An amendment will only be issued in the name of the current licensee in the absence of assignment of the licence.**

If the licensee is the same, but the name of the licensee has changed, attach a certificate of name change.

Name: Peregrine Diamonds Ltd.

Address: Suite 654 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1

Phone: David Willis Direct (604) 608-4524

Fax: (604) 408-8881

e-mail: dave@pdiam.com

2. LICENSEE REPRESENTATIVE CONTACT INFORMATION – If different from Block 1.

Name: Same as above

Address:

Phone: _____

Fax: _____

e-mail: _____

(Attach authorization letter.)

3. NAME OF PROJECT **Chidliak Project**

Has the name of the project changed? **No.....**

☐ Yes ☒ No

If Yes, indicate the name of the project including the name of the location: _____

4. LOCATION OF UNDERTAKING

Does the proposed amendment change the location of the amended undertaking?

☐ Yes ☒ No

Provide the project extents and camp locations. Identify proposed changes.

Project Extents

At the time of completing this application the project consists of 506 mineral claims with an aggregate area of 513,248 hectares

Approximate Project Centre is the Junction of 50K NTS Sheets 26B01, 26B02, 26B07 & 26B08

Fid	Description	Projection	Datum	Latitude (dd.mm.ss)	Longitude (dd.mm.ss)
1	Project Centre	Lat/Long	WGS84	64o15'00"	-66o30'00"

Camp Location(s):

Fid	Camp Name	Year Est.	Projection	Datum	Latitude (dd.mm.ss)	Longitude (dd.mm.ss)	50K NTS
1	Discovery Camp	2008	Lat/Long	WGS84	64o14'25"	-66o20'45"	26B01
2	Sunrise Camp	2009	Lat/Long	WGS84	64o14'17'	-66o7'45"	26B01
3	Aurora Camp	2011	Lat/Long	WGS84	64o36'32"	-66o34'43"	26B10
4	Ch-6 Camp	2013	Lat/Long	WGS84	64o19'24"	-66o31'20"	26B07

5. MAP

Does the proposed amendment change the locations of any of the main components of the undertaking?

☒ Yes ☐ No

Proposed New Water Source

Attach a topographical map, indicating the main components of the undertaking. Identify proposed changes.

NTS Map Sheet No.: **26B07** Map Name: **Unnamed** Map Scale: **See attached**

See Attached : Map 1

6. NATURE OF INTEREST IN THE LAND

Does the proposed amendment change the nature of the interest in the land?

☐ Yes ☒ No

If Yes, indicate changes. _____

Check any of the following that are applicable to the proposed undertaking (at least one box under the 'Surface' header must be checked).

Sub-surface

☐ Mineral Lease from Nunavut Tunngavik Incorporated (NTI)

Date (expected date) of issuance: _____ Date of expiry: _____

☒ Mineral ~~Lease~~ Claim from Indian and Northern Affairs Canada (INAC)

Date (expected date) of issuance: August 2009 Date of expiry: August 2019

Surface

☒ Crown Land Use Authorization from Indian and Northern Affairs Canada (INAC) N2012C0024

Date (expected date) of issuance: June 2013 Date of expiry: June 2017

☐ Inuit Owned Land (IOL) Authorization from Kitikmeot Inuit Association (KIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Kivalliq Inuit Association (KivIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ IOL Authorization from Qikiqtani Inuit Association (QIA)

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Commissioner's Land Use Authorization

Date (expected date) of issuance: _____ Date of expiry: _____

☐ Other _____

Date (expected date) of issuance: _____ Date of expiry: _____

Is the name of the entity(s) holding authorizations the same as that considered in the existing water licence?

☒ Yes ☐ No

If No, a licence assignment must be completed and approved by the NWB.

Name of entity(s) holding authorizations:

7. NUNAVUT PLANNING COMMISSION (NPC) DETERMINATION

Indicate the land use planning area in which the existing project is located.

- | | |
|--|---|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input checked="" type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Does the proposed amendment change the land use planning area?

- ☐ Yes ☒ No - No land use plan at this time

If yes, indicate the land use planning area in which the amended undertaking is located.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> North Baffin | <input type="checkbox"/> Keewatin |
| <input type="checkbox"/> South Baffin | <input type="checkbox"/> Sanikiluaq |
| <input type="checkbox"/> Akunnig | <input type="checkbox"/> West Kitikmeot |

Was a land use plan conformity determination required from NPC prior to the issuance of the existing water licence?

- ☐ Yes ☒ No – No LUP in effect for this area

If Yes, indicate date issued and attach copy. _____

Does the proposed amendment change the original NPC conformity determination or the need to obtain one?

- ☐ Yes ☒ No - No LUP in effect for this area

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NPC confirming that a land use plan conformity review is not required.

See Attached: NPC Conformity Determination October 9, 2014

8. NUNAVUT IMPACT REVIEW BOARD (NIRB) DETERMINATION

Was a screening determination required from NIRB prior to the issuance of the existing water licence?

- ☒ Yes ☐ No

If Yes, indicate date issued and attach copy. NIRB File #11EA050

Does the proposed amendment change the original NIRB screening determination or the need to obtain one?

- Yes ☐ No - Unknown, all activities are authorized, this is a request for new location

If Yes, indicate date issued (or expected) and attach a copy. _____

If No, provide written confirmation from NIRB confirming that a screening determination is not required.

9. DESCRIPTION OF UNDERTAKING

Does the proposed amendment change the description of the undertaking?

☒ Yes ☐ No

List and attach plans and drawings or project proposal. Identify proposed changes.

[See Attached: Map 1](#)

10. OPTIONS

Does the proposed amendment change any of the alternative methods and locations that were considered to carry out the project?

☒ Yes ☐ No

Provide a brief explanation of the alternative methods or locations that were considered to carry out the project. Identify proposed changes.

[This amendment is being submitted for alternate locations to activities that have been already authorized. .](#)

11. CLASSIFICATION OF PRIMARY UNDERTAKING

Indicate the primary classification of undertaking for the existing licence by checking one of the following boxes:

- | | |
|--|--|
| <input type="checkbox"/> Industrial | <input type="checkbox"/> Agricultural |
| <input checked="" type="checkbox"/> Mining and Milling (includes exploration/drilling/exploration camps) | |
| <input type="checkbox"/> Conservation | |
| <input type="checkbox"/> Municipal (includes camps/lodges) | <input type="checkbox"/> Recreational |
| <input type="checkbox"/> Power | <input type="checkbox"/> Miscellaneous (describe below): |

Does the proposed amendment change the classification of primary undertaking?

☐ Yes ☒ No

If Yes, indicate the primary undertaking of the amendment: _____

Information in accordance with applicable Supplemental Information Guidelines (SIG) must be updated and submitted with an Application for Amendment. Indicate which SIG(s) are applicable to your application.

- ☐ Hydrostatic Testing
- ☐ Tannery
- ☐ Tourist / Remote Camp
- ☐ Landfarm & On-Site Storage of Hydrocarbon Contaminated Soil
- ☐ Onshore Oil and Gas Exploration Drilling
- ☒ Mineral Exploration / Remote Camp
- ☐ Advanced Exploration
- ☐ Mine Development
- ☐ Municipal
- ☐ General Water Works
- ☐ Power

12. WATER USE

Indicate, using the boxes below, the types of water use(s) approved in the existing licence.

- | | |
|---|---|
| <input type="checkbox"/> To obtain water for camp/ municipal purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To alter the flow of, or store water | |
- X Other: [Mineral Exploration](#)

Does the proposed amendment change the type(s) of water use(s)?

☐ Yes ☒ No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of water use(s) noting any water use(s) that are to be added, continued, or removed.

- | | |
|---|---|
| <input type="checkbox"/> To obtain water for camp/ municipal purposes | <input type="checkbox"/> To divert a watercourse |
| <input type="checkbox"/> To obtain water for industrial purposes | <input type="checkbox"/> To modify the bed or bank of a watercourse |
| <input type="checkbox"/> To cross a watercourse | <input type="checkbox"/> Flood control |
| <input type="checkbox"/> To alter the flow of, or store water | |
- ☐ Other: _____

13. QUANTITY OF WATER INVOLVED

Does the proposed amendment change the source of water? ☒ Yes ☐ No

Indicate the water source(s). Identify proposed changes:

[Peregrine Diamonds Ltd.](#) is plans to conduct large diameter drilling and trenching at its CH-6 Kimberlite in the Winter of 2017. This work will be based out of the CH-6 Camp. The CH-6 camp is 250 meters northeast of the CH-6 kimberlite where the work will be taking place. These activities and the camp are already authorized.

The CH-6 Camp is 22 kilometers straight-line distance west (30 kilometers by winter trail around hills and obstacles) of Sunrise Camp where an ice airstrip is authorized and 21 kilometers west straight-line distance west (21 kilometers by winter trail) of the largest authorized drill water source. The intermediate terrain between CH-6 and CH-6 and Sunrise lake is quite sever with large block field boulders and for safety reasons Peregrine would rather not utilize this area during this program if it can be avoided. Also, we have observed that this area is subject to more severe weather which is probably due in large part to proximity to the glaciers.

Peregrine does have three other authorized drill water sources permitted closer to the CH-6 Camp. These water sources are small and though there would be sufficient water in them to supply operational needs, due to their small size there would be considerable drawdown (potentially up to 10%). Peregrine feels that these water sources are best reserved as "emergency" drill water sources in the event of severe winter weather which is common on the Hall Peninsula Plateau (700 meters elevation). These smaller sources will continue to be used for domestic water (camp water) for which average withdrawal is 3 cubic meters per day.

[Peregrine](#) would like to request the following three amendments:

a)	<p>Addition of a new large water source close to the CH-6 Camp and Ch-6 Kimberlite. The lake is located 12 kilometers west of the CH-6 Camp and Ch-6 Kimberlite and is better located for operational and safety purposes.</p> <p>The lake has the following volume statistics. See Attached: <i>Bathometric map</i></p> <p>Projection: Lat/Long Datum: WGS84 Latitude (dd.mm.ss): 64° 19' 3.1008" Longitude (dd.mm.ss): -66° 47' 25.0548" 50K NTS: 26B07 Bathometry: Yes (2011) Maximum Depth: 23.2 meters (76.11 feet) Surface Area: 786 hectares (7.86 square kilometers) Total Volume: 62,296,000 m³ Assumed Ice Thickness: 2 meters Under Ice Volume: 47,800,100 m³ 10% Under Ice Volume: 4,780,000 m³</p> <p>Even if Peregrine utilized its entire water allocation (246 m³/day x 365days = 89,790 m³) it would only be 0.144% (one fifteenth of one percent) of the entire volume of the lake. (This is a hypothetical situation and very unlikely scenario.)</p>
b)	<p>Addition of a landing strip for large fixed wing aircraft (Herc Strip) at the same large lake proposed for the water source. This strip would be used for mobilization and demobilization of equipment, supplies and samples. Snow clearing will be necessary and, though not anticipated, flooding may be necessary if ice conditions are not seasonal norms.</p> <p>The topography surrounding this lake is relatively flat and allows for better takeoff and less severe than the Sunrise Lake topography allowing for good visibility and gentle approach. Furthermore the weather in this area is significantly better than the weather at Sunrise lake which is in close proximity to the glacier.</p> <p>Projection: Lat/Long Datum: WGS84 Latitude (dd.mm.ss): 64° 19' 3.1008" Longitude (dd.mm.ss): -66° 47' 25.0548"</p>
c)	<p>Addition of a small landing strip for small aircraft (Twin Otter) at a small lake 5 kilometers from the CH-6 Camp. This airstrip will be snow groomed. It will be used to transport personnel to and from the Iqaluit to the worksite. No water withdrawn from this location, this is not a new water source.</p> <p>Projection: Lat/Long Datum: WGS84 Latitude (dd.mm.ss): 64° 16' 55.623684" Longitude (dd.mm.ss): -66° 34' 3.180504"</p>

(show location(s) on map)

Does the proposed amendment change the quality of the water source and/or its available capacity?

☐ Yes ☒ No

Describe the quality of the water source(s) and the available capacity(s). Identify any changes.: _____

Freshwater lake with the following bathometric measurements:

Projection:	Lat/Long
Datum:	WGS84
Latitude (dd.mm.ss):	64° 19' 3.1008"
Longitude (dd.mm.ss):	-66° 47' 25.0548"
50K NTS:	26B07
Bathometry:	Yes (2011)
Maximum Depth:	23.2 meters (76.11 feet)
Surface Area:	786 hectares (7.86 square kilometers)
Total Volume:	62,296,000 m ³
Assumed Ice Thickness:	2 meters
Under Ice Volume:	47,800,100 m ³
10% Under Ice Volume:	4,780,000 m ³

Does the proposed amendment change the overall quantity of water to be used?

☐ Yes ☒ No based on drill statistics and domestic water usage the existing limit should be sufficient

Provide the overall estimated quantity to be used. Identify proposed changes. : 246 m³/day is authorized, likely less.

Does the proposed amendment change the quantity of water to be used from each source?

☒ Yes ☐ No

Amendment Request is for a new water source**

Provide the estimated quantity(s) of water to be used from each source. Identify proposed changes. :

Approximately 221 m³/day from the new water source, the other three other water sources close to the project area are to be reserved for domestic water supply and for "emergency drill water" during storms or severe weather.

Does the proposed amendment change the quantity of water to be used for each purpose?

☐ Yes ☒ No

Provide the estimated quantities to be used for each purpose (camp, drilling, etc.). Identify proposed changes.:

221 m³.day drilling and 25m³/day camp

Does the proposed amendment change the method(s) of extraction? ☐ Yes ☒ No

Describe the method(s) of extraction. Identify proposed changes. : Water pump, hose, screened intake hose

Does the proposed amendment change the quantity(s) of water returned to source(s)?

☐ Yes ☒ No – Water removed from source is hauled to camp/ and drill

Estimated quantity(s) of water returned to source(s). Identify proposed changes. : 0 m³/day

Does the proposed amendment change the quality(s) of water returned to source(s)?

☐ Yes ☒ No

Describe the quality(s) of water(s) returned to source(s). Identify any changes. : Proposed water source is 12 km from operations at CH-6. Water used at CH-6 is not returned to the water source.

14. WASTE

Check the appropriate box(s) to indicate the types of waste(s) approved in the existing licence.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Sewage | <input checked="" type="checkbox"/> Waste oil |
| <input checked="" type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Greywater |
| <input checked="" type="checkbox"/> Hazardous | <input checked="" type="checkbox"/> Sludges (Rock flour and drill cuttings) |
| <input checked="" type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

Does the proposed amendment change the type(s) of waste(s) to be generated or deposited?

☐ Yes ☒ No

If Yes, indicate using the boxes below, the proposed change(s) to the type(s) of waste(s) to be generated and/or deposited noting the addition, removal or continued generation and/or disposal of waste(s).

- | | |
|--|---|
| <input type="checkbox"/> Sewage | <input type="checkbox"/> Waste oil |
| <input type="checkbox"/> Solid Waste | <input type="checkbox"/> Greywater |
| <input type="checkbox"/> Hazardous | <input type="checkbox"/> Sludges |
| <input type="checkbox"/> Bulky Items/Scrap Metal | <input type="checkbox"/> Contaminated soil and/or water |
| <input type="checkbox"/> Animal Waste | |
| <input type="checkbox"/> Other (describe): _____ | |

15. QUANTITY AND QUALITY OF WASTE INVOLVED

Does the proposed amendment change the quantity(s) of the types of wastes involved?

☐ Yes ☒ No

Does the proposed amendment change the composition(s) of the types of wastes involved?

☐ Yes ☒ No

Does the proposed amendment change the method(s) of treatment for the types of waste involved?

☐ Yes ☒ No

Does the proposed amendment change the method(s) of disposal for the types of waste involved?

☐ Yes ☒ No

If Yes to any of the above, describe the proposed changes: _____

For each type of waste indicated in Block 14, describe its composition, quantity in cubic meters/day, method of treatment and method of disposal.

Nothing has changed with respect to the quantity and types of waste generated.

Type of Waste	Composition	Quantity Generated	Treatment Method	Disposal Method
Sewage	Pacto waste	50l/day	N/A	Incinerated
Solid Waste	Food, misc. debris, domestic garbage, paper	242 litres Per day	N/A	Incinerated
Hazardous Waste	Primarily Empty Fuel Drums	5 drums/day	N/A	Recycled or Sent to Waste Handler In Iqaluit
Bulky Items Scrap Metal	Drill metal waste	500kg	N/A	Sorted and sent Iqaluit Landfill for disposal or recycling
Waste Oil	Motor oil	410l	N/A	Recycled as heater /incinerator fuel
Grey Water	Wash Water	4m3 per day	Liqui-Bac	Sand/gravel screen and hole
Sludges	Kimberlite Cuttings & Rock flour	LD RC 2m3 per day during drilling	N/A	Collected and deposited in Engineer selected pre-approved rock basin

16. OTHER AUTHORIZATIONS

Does the proposed amendment change the need for other authorizations in addition to the sub-surface and surface land use authorizations provided in Block 6?

☐ Yes ☒ No

If Yes, indicate any additional authorizations required, which authorizations are no longer required, and which authorizations continue to be required.

For each provide the following:

Authorization: _____

Administering Agency: _____

Project Activity: _____

Date (expected date) of issuance: _____ Date of expiry: _____

17. PREDICTED ENVIRONMENTAL IMPACTS OF UNDERTAKING AND PROPOSED MITIGATION MEASURES

Does the proposed amendment change the predicted environmental impacts of the undertaking or the mitigation measures?

☐ Yes ☒ No

Describe direct, indirect, and cumulative impacts related to water and waste. Identify any changes.

All activities are the same only different locations have been selected. Quantities of waste and cumulative impacts have not changed.

Safer and shorter access to water source and airstrip to reduce travel time for haul equipment over gentler terrain. Less consumption fuel and less opportunity for breakdown.

Large lake used as a water source takes pressure off smaller lakes close to camp that are already authorized.

DFO documents of note:

- 1) Freshwater Intake End-of-Pipe Fish Screen guideline (1995)
- 2) DFO Protocol for Winter Water Withdrawal from Ice-covered Waterbodies in the Northwest Territories and Nunavut (2010)

18. WATER RIGHTS OF EXISTING AND OTHER WATER USERS

Was compensation paid and/or an agreement(s) for compensation been entered into with any existing or other users of water during consideration of the existing licence?

☐ Yes ☒ No

If Yes, provide the names, addresses and the nature of water use by those persons or properties.

Does the proposed amendment adversely affect any known persons or property including those that hold licences for water use in precedence to the application, domestic users, in-stream users, authorized waste depositors, owners of property, occupiers of property, and/or holders of outfitting concessions, registered trapline holders, and holders of other rights of a similar nature?

☐ Yes ☒ No

If Yes, provide the names, addresses and the nature of water use of those persons or properties.

Advise the Board if compensation has been paid and/or an agreement(s) for compensation has been reached with any existing or other water users with respect to the proposed amendment.

19. INUIT WATER RIGHTS

Was compensation paid/ or an agreement(s) for compensation been entered into with any Designated Inuit Organization (DIO) during consideration of the existing licence?

☐ Yes ☒ No

If Yes, which DIO(s) _____

Does the proposed amendment substantially affect the quality, quantity or flow of waters flowing through Inuit Owned Land (IOL)?

☐ Yes ☒ No

If Yes, advise the Board if negotiations have commenced or an agreement to pay compensation for any loss or damage has been reached with one or more DIO(s) with respect to the proposed amendment.

20. CONSULTATION - Provide a summary of any consultation meetings including when the meetings were held, where and with whom. Include a list of concerns expressed and measures to address concerns.

[See Attached: Consultation Catalogue](#)

21. SECURITY INFORMATION

Does the proposed amendment change the financial security assessment?

☐ Yes ☒ No

Does the proposed amendment change the estimate of the total financial security for final reclamation?

☐ Yes ☒ No

Provide an estimate of the total financial security for final reclamation equal to the total outstanding reclamation liability for land and water combined sufficient to cover the highest liability over the life of the undertaking. Estimates of reclamation costs must be based on the cost of having the necessary reclamation work done by a third party contractor if the operator defaults. The estimate must also include contingency factors appropriate to the particular work to be undertaken. Identify any changes in the financial security assessment resulting from the proposed amendment.

Where applicable, the financial security assessment should be prepared in a manner consistent with the principals respecting mine site reclamation and implementation found in the *Mine Site Reclamation Policy for Nunavut*, Indian and Northern Affairs Canada, 2002.

[No changes to operations, only change is requesting alternate water source and airstrips closer to operations for safety and logistical reasons.](#)

22. FINANCIAL INFORMATION

Is the statement of financial security the same as that considered in the existing water licence?

☒ Yes ☐ No

Provide an updated statement of financial security. [See Attached: Financial Statement](#)

If the applicant is a business entity please answer the questions below:

Is the list of the officers of the company the same as those considered in the existing water licence?

☐ Yes ☒ No

Provide a list of the officers of the company. [See below....](#)

- 1) [Eric Friedland](#)
- 2) [Robert Boyd](#)
- 3) [Peter Meredith](#)
- 4) [Richard Cohen](#)
- 5) [Alan Carter](#)
- 6) [Myron Goldstein](#)

Is the Certificate of Incorporation or evidence of registration of the company name the same?

☒ Yes ☐ No

Attach a copy of the Certificate of Incorporation or evidence of registration of the company name.

[See Attached.....](#)

23. STUDIES UNDERTAKEN TO DATE

List and attach updated studies, reports, research etc.

Fid	Report
1	2009 EBA Environmental Baseline Study (Y22101098)
2	2010 EBA Environmental Baseline Study (Y22101137)
3	2011 Baseline Hydrology Assessment (Y22101137)
4	2011 EBA Environmental Baseline Study (Y22101197)
5	2011 EBA Wildlife Management Plan (Y22101197)
6	2012 Infrastructure Evaluation Report Chidliak Project (E14101108.001)
7	2012 Environmental Baseline Programme Chidliak Project (Y22101249)
8	2013 Chidliak Exploration Site CH-6 – August 2013 water Quality Sampling Program (Y22103023)
9	2013 Environmental Baseline Program (Y22103023-01)
10	2014 Chidliak Exploration Site CH-6 – August 2014 Water Quality Sampling Event (ENVMIN03024-01)
11	2014 Chidliak Project Ecosystem Land Classification Report (ENVMIN3024)
12	2014 Environmental Baseline Program (ENVMIN03024)
13	2015 Chidliak Exploration Site CH-6 - August 2015 Water Quality Sampling Event (ENVMIN03065-01)
14	2015 Environmental Baseline Program Chidliak Project (ENVMIN03065-01)
15	2016 Chidliak Exploration Site CH-6 - August 2016 Water Quality Sampling Event (ENV.EENV03123-01)
16	2016 Chidliak Exploration Site CH-07 Cuttings, August 2016 Water Quality Sampling Results (ENV.EENV03123-01)
17	2016 Environmental Baseline Program Chidliak Project (Pending)
18	2016 Chidliak Project Ecosystem Land Classification Report (Pending)

Provide a compliance assessment and status report including a response to any inspector's reports. The licensee must contact the NWB for licence specific direction in completing the assessment and report.

July 17, 2015 – Inspection completed by INAC (received October 21, 2016)

November 12, 2015 – Response to 2015 Inspection Report

See Attached: *Documents*

If in non-compliance, a licence may not be issued until compliance is achieved. If in non-compliance, attach plans/reports for consideration. Application will not be processed if significant issues of non-compliance exist.

No non-compliance matters issued in the report.

24. PROPOSED TIME SCHEDULE

When are proposed amendments scheduled to be undertaken: February 1, 2017

Does the proposed amendment change the time schedule considered in the existing licence for any phase of development?

☐ Yes ☒ No All activities the same as in previous permits. Work is still seasonal winter & summer

Indicate the start and completion dates for each applicable phase of development (construction, operation, closure, and post closure). Identify proposed changes.

Construction

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Operation

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

Post - Closure

Proposed Start Date: _____ Proposed Completion Date: _____
(month/year) (month/year)

For each applicable phase of development indicate which season(s) activities occur.

Construction

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Operation

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

Post - Closure

☐ Winter ☐ Spring ☐ Summer ☐ Fall ☐ All season

25. PROPOSED TERM OF LICENCE

On what date does the existing licence expire? **June 1, 2018**

Is the Licensee applying for a combined renewal and amendment of the existing licence?

☐ Yes ☒ No

If Yes, indicate the proposed term of the renewal (maximum of 25 years): _____

Requested date of renewal issuance: _____ Requested Expiry Date: _____
(month/year) (month/year)

(The requested date of renewal issuance must be at least three (3) months from the date of application for a type B water licence and at least one (1) year from the date of application for a type A water licence, to allow for processing of the water licence application. These timeframes are approximate and do not account for the time to complete any pre-licensing land use planning or development impact requirements, time for the applicant to prepare and submit a water licence application in accordance with any project specific guidelines issued by the NWB, or the time for the applicant to respond to requests for additional information. See the NWB's *Guide 5: Processing Water Licence Applications* for more information)

26. ANNUAL REPORTING

Will the proposed amendment change the content of annual reports or the annual report template?

☐ Yes ☒ No

If Yes, provide details regarding the content of annual reports and a proposed outline or template of the annual report.

27. CHECKLIST

The following must be included with the application for Amendment for the water licensing process to begin.

Completed Application for Water Licence Amendment form.

☒ Yes ☐ No If no, date expected _____

Information addressing Supplement Information Guideline (SIG), where applicable (see Block 11)

☐ Yes ☐ No If no, date expected _____

Compliance Assessment / Status Report (see Block 23).

☒ Yes ☐ No If no, date expected _____

Indication of Renewal Requirement (see Block 26)

☒ Yes ☐ No If no, date expected _____

English Summary of Amendment Application.

☒ Yes ☐ No If no, date expected _____

Inuktitut and/or Inuinnaqtun Summary of Amendment Application.

☐ Yes X No If no, date expected _____

Application fee of \$30.00 CDN (Payee Receiver General for Canada).

X Yes ☐ No If no, date expected _____

Water Use Fee Deposit of \$30.00 CDN (Payee Receiver General for Canada). The actual water use fee will be calculated by the NWB based upon the amount of water authorized for use in accordance with the Regulations at the time of issuance of the licence.

☐ Yes X No If no, date expected Annual 2016 fee just paid

28. SIGNATURE

David Willis

Name (Print)

MANAGER, LANDS & COMMUNITY

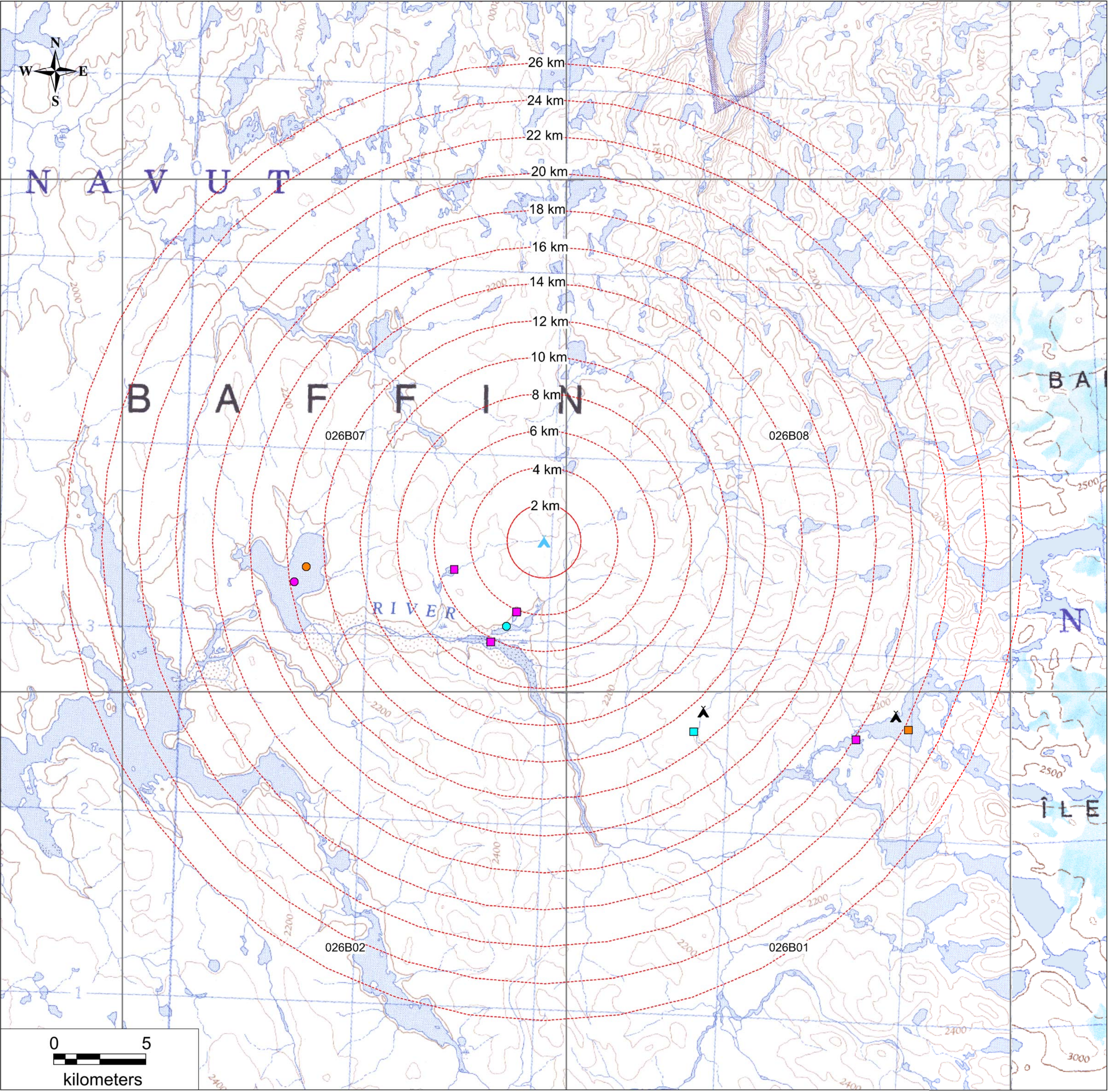
Title (Print)

[Signature]

Signature

Nov. 15, 2016

Date



- Legend
- Authorized Water Source
 - Requested New Water Source
 - Authorized Small Aircraft Airstrip
 - Requested New Small Aircraft Airstrip
 - Authorized Large Aircraft Airstrip
 - Requested New Large Aircraft Airstrip
 - Camp Location
 - CH-6 Camp & 2017 Work Area
 - Distance from CH-6 & 2017 Activities
 - 50K NTS Grid

Map 1: Location Map - Authorized Locations and Propsoed New Locations

David Willis

From: Brian Aglukark <aglukark@nunavut.ca>
Sent: Thursday, October 09, 2014 8:21 AM
To: Megan Porter; David Willis
Cc: Stanley Anablak; Licensing Department; Info at NIRB
Subject: RE: 140930 2BE-CHI1218 Peregrine Diamonds Ltd.-Chidlak Project-Amendment-Type B-Qikiqtani Region

Importance: High

Good morning,

RE: Chidlak Project Peregrine Diamond Ltd.

Thank you for your email.

The Nunavut Planning Commission (NPC) has reviewed the attached document and has determined that the project proposal as described is located outside the boundaries of the two approved land use plans currently administered by the NPC.

No further review is required by the NPC at this time.

Please ensure that any change in scope of the proposed project is forwarded to the NPC so as a determination can be made as to whether a conformity review is required.

Please contact me should you have any questions.

Sincerely,

Brian Aglukark, NPC
Arviat

From: Megan Porter [mailto:megan.porter@nwb-oen.ca]
Sent: September-30-14 11:01 AM
To: dave
Cc: Licensing Department
Subject: 140930 2BE-CHI1218 Peregrine Diamonds Ltd.-Chidlak Project-Amendment-Type B-Qikiqtani Region

NOTICE TO ALL PARTIES: NOTE THAT THE DEADLINE FOR COMMENTS IS OCTOBER 30, 2014.

The Nunavut Water Board ("NWB") acknowledges receipt, on September 3, 2014, of an amendment application for a Type "B" water license for water use and waste disposal associated with activities in the Qikiqtani region of Nunavut. The application consists of the following documents:

- Amendment Application
- Certificate of Compliance
- Certificate of Registration
- Chronology of Community Engagement
- Location Map

- Amendment Summary English

The application can be obtained from our ftp site under PRUC with Username: **public**, Password: **registry**.

The NWB undertook a preliminary review of your application and concluded that it meets the requirements of section 48(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (“Act”). However, the NWB retains the right to request additional information and studies pursuant to sections 48(2) of the Act or to issue guidelines for the provision of information pursuant to section 48(3) of the Act. A NWB Technical Advisor may be in touch with you to clarify any technical details related to your application.

In accordance with S.11.5.10 of the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* (“NLCA”), prior to the application being fully processed by the NWB the project proposal shall be reviewed by the Nunavut Planning Commission (“NPC”), to determine whether the project proposal is in conformity with an approved land use plan. By copy of this letter, the NWB requests the NPC provide its determination and recommendations to the NWB pursuant to Sections 13.4.2 through 13.4.5 of the NLCA, or written confirmation that the project proposal falls outside the boundaries of an approved land use plan. Also, by copy of this letter to the Nunavut Impact Review Board (“NIRB”), the NWB requests that if the project proposal requires screening, the NIRB provide the NWB with a determination pursuant to Section 13.5.1 of the NLCA. If the project is exempt from screening pursuant to Schedule 12-1 of the NLCA, the NWB requests written confirmation from the NIRB that the project proposal is in fact exempt from screening.

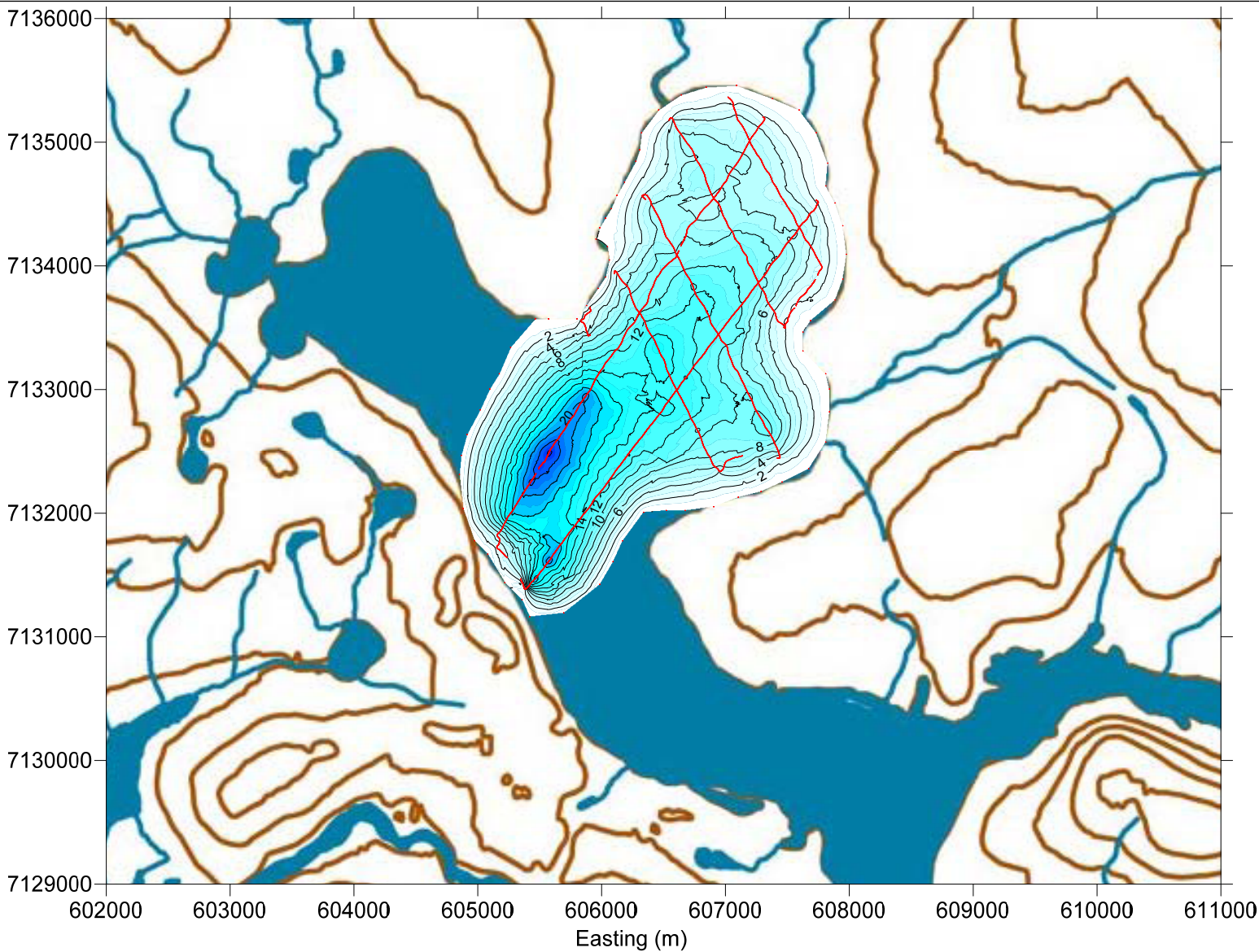
To ensure this application is dealt with in a timely fashion, the NWB forwards notice of all documentation to regulators and council of the municipality(ies) most affected by the project, inviting interested parties to make representation directly to the NWB **within 30 days from the date of this letter**. The NWB may provide additional procedural instructions once the application has been reviewed by interested parties.

Subject to Sections 12.10.2 and 13.5.5 of the NLCA, where a review is required pursuant to Article 12, the NWB shall not approve any water application that forms part of that review until Article 12 has been complied with.

Regards,

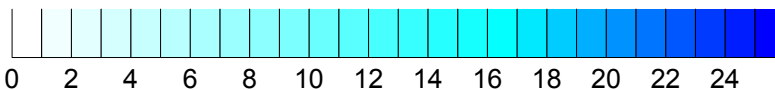


Northing (m)



SCALE 1:50,000
UTM ZONE 19
NAD 83 DATUM

LEGEND



Lake ID: Water Supply A
Surface Area: 7,868,800 m²
Total Volume: 62,296,000 m³
Assumed Ice Thickness: 2.0 m
Under Ice Volume: 47,800,100 m³
10% of Under Ice Volume: 4,780,000 m³

Water Depth (m)

GPS Survey Tracks

CLIENT



Chidliak Site Infrastructure Study
Nunavut, Canada

DFO Winter Water Withdrawal
Water Supply A

PROJECT NO. E14101108.E111	DWN PIF	CKD NSP	APVD KJ?	REV 000
OFFICE EBA-EDM	DATE August 30, 2011			

Figure A.2

Chidliak - Chronology of Community Engagement

#	Date	Organization	Location	Description	Document
1	19-Feb-08	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
2	19-Feb-08	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
3	22-Feb-08	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
4	11-Apr-08	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
5	11-Apr-08	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
6	24-Nov-08	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
7	26-Nov-08	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
8	27-Nov-08	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
9	15-Jan-09	Peregrine Community Newsletter #1	Pangnirtung	Community News Letter	Yes
10	16-Feb-09	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
11	17-Feb-09	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
12	18-Feb-09	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
13	18-Feb-09	Pangnirtung Hamlet Council	Pangnirtung	Meeting	Yes
14	19-Feb-09	Nunavut Arctic College	Pangnirtung	Information Session	Yes
15	20-Feb-09	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
16	1-Apr-09	Pangnirtung Hamlet Representatives	Iqaluit	Meeting	Yes
17	29-Aug-09	Pangnirtung Elders & others	Pangnirtung	Chidliak Site Tour	Yes
18	31-Aug-09	Community Strategy Committee	Pangnirtung	Meeting	Yes
19	15-Oct-09	Peregrine Community Newsletter #2	Pangnirtung	Community Newsletter	Yes
20	10-Nov-09	SEMC (<i>Socio-economic Monitoring Committee</i>)	Iqaluit	Meeting	Yes
21	23-Nov-09	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
22	24-Nov-09	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
23	25-Nov-09	Pangnirtung High School	Pangnirtung	Information Session	Yes
24	25-Nov-09	Community Strategy Committee	Pangnirtung	Meeting	Yes
25	25-Nov-09	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
26	25-Nov-09	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
27	26-Nov-09	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
29	23-Feb-10	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
30	23-Feb-10	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
31	24-Feb-10	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
32	24-Feb-10	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
33	24-Feb-10	Community Strategy Committee	Pangnirtung	Meeting	Yes
34	25-Feb-10	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
35	25-Feb-10	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
36	3-Mar-10	Hamlet of Pangnirtung	Pangnirtung	Donation - \$10,000.00 Artificial Ice	Yes
37	1-Apr-10	Pangnirtung Workers	Pangnirtung	Training Course - Boart Drill Helper	Yes
38	14-Apr-10	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
39	16-Apr-10	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
40	3-May-10	Stranded Travellers	Iqaluit	Rescue	Yes
41	5-Jul-10	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
42	26-Jul-10	Pangnirtung Making Connections for Youth	Pangnirtung	Donation of \$350.00	
43	4-Aug-10	Pangnirtung Youth	Pangnirtung	Open House - Auyuittuq Lodge	Yes
44	4-Aug-10	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
45	5-Aug-10	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
46	5-Aug-10	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
47	18-Aug-10	Pangnirtung Elders & others	Pangnirtung	Chidliak Site Tour	Yes
48	13-Sep-10	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
49	14-Sep-10	Pangnirtung Community	Pangnirtung	Public Meeting - Radio Call In Show	Yes
50	15-Sep-10	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
51	15-Sep-10	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
52	22-Nov-10	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
53	23-Nov-10	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
54	23-Nov-10	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
55	24-Nov-10	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
56	24-Nov-10	Pangnirtung Community	Pangnitung	Public Meeting - Community Hall	Yes
58	25-Jan-11	Pangnirtung Community	Pangnirtung	Job Fair	Yes
59	27-Jan-11	Iqaluit Community	Iqaluit	Job Fair	Yes
60	14-Feb-11	Amarok HTA (<i>Iqaluit Hunters & Trappers Association</i>)	Iqaluit	Meeting	Yes
61	15-Feb-11	QIA (<i>Qikiqtani Inuit Association</i>)	Iqaluit	Meeting	Yes
62	15-Feb-11	Iqaluit City Council	Iqaluit	Meeting	Yes
63	15-Feb-11	Baffin Region Chamber of Commerce	Iqaluit	Meeting	Yes
64	16-Feb-11	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
65	16-Feb-11	Community Strategy Committee	Pangnirtung	Meeting	Yes
66	16-Feb-11	Pangnirtung HTA (<i>Pang. Hunters & Trappers Association</i>)	Pangnirtung	Meeting	Yes
67	16-Feb-11	Pangnirtung MLA	Pangnirtung	Meeting	Yes
68	17-Feb-11	Pangnirtung High School	Pangnirtung	Information Session	Yes
69	17-Feb-11	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
70	14-Mar-11	Iqaluit Hunter on Ice Flow	Iqaluit	Rescue	Yes
71	16-Jun-11	Pangnirtung Community	Pangnirtung	Job Fair	Yes
72	17-Jun-11	Iqaluit Community	Iqaluit	Job Fair	Yes

Chidliak - Chronology of Community Engagement					
#	Date	Organization	Location	Description	Document
73	4-Jul-11	Pangnirtung Minor Hockey	Pangnirtung	Donation - \$5,000.00 Minor Hockey	Yes
74	4-Jul-11	Iqaluit Minor Hockey	Iqaluit	Donation - \$5,000.00 Minor Hockey	Yes
75	26-Jul-11	Auyuittuq National Park	Pangnirtung	Rescue	Yes
76	29-Jul-11	Auyuittuq National Park	Pangnirtung	Rescue	Yes
77	31-Jul-11	Auyuittuq National Park	Pangnitung	Rescue	Yes
78	15-Aug-11	Pangnirtung Elders & others	Pangnirtung	Chidliak Site Tour	Yes
79	16-Aug-11	Pangnirtung Elders & others	Pangnirtung	Chidliak Site Tour	Yes
80	29-Aug-11	Iqaluit Elders & others	Iqaluit	Chidliak Site Tour	Yes
81	22-Oct-11	Iqaluit Workers	Iqaluit	Training Course - Canadian Firearms	Yes
82	8-Nov-11	Pangnirtung Workers	Pangnirtung	Training Course - Canadian Firearms	Yes
83	21-Nov-11	Nakashuk Family	Pangnritung	Meeting - Concerned Family Members	Yes
84	21-Nov-11	Pangnirtung Community	Pangnirtung	Public Meeting	Yes
85	21-Nov-11	Pangnirtung Hamlet Representatives	Pangnirtung	Information Meeting	Yes
86	22-Nov-11	Open House	Pangnritung	Meeting	Yes
87	22-Nov-11	SEMC (Socio-economic Monitoring Committee)		Meeting	Yes
88	22-Nov-11	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
89	23-Nov-11	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Meeting	Yes
90	23-Nov-11	Baffin Region Chamber of Commerce	Iqaluit	Meeting	Yes
91	23-Nov-11	Iqaluit City Council	Iqaluit	Meeting	Yes
92	23-Nov-11	QIA (Qikiqtani Inuit Association)	Iqaluit	Meeting	Yes
93	16-Dec-11	Kivalliq Mine Training Society	Rankin Inlet	Donation - \$5000 to Mine Training Strategy	Yes
94	12-Mar-12	Pangnirtung Workers	Pangnirtung	Training Course - Standard First Aid	Yes
95	13-Mar-12	Pangnirtung Workers	Pangnirtung	Meeting	Yes
96	17-Mar-12	Pangnirtung Workers	Pangnirtung	Training Course - Standard First Aid	Yes
97	21-Mar-12	Hamlet of Pangnirtung	Pangnirtung	Donation - \$600.00 to Hamlet 40th Anniv.	Yes
98	29-Mar-12	Nunavut Youth Conference	Iqaluit	Presentation to Inuit Youth	Yes
99	1-Apr-12	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	No
100	2-Apr-12	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Trail Scouting	Yes
101	16-Apr-12	QIA (Qikiqtani Inuit Association)	Iqaluit	Meeting	Yes
102	23-Apr-12	Pangnirtung Hamlet Representatives	Pangnirtung	Meeting	Yes
103	23-Apr-12	GN-Economic Development	Pangnirtung	Meeting	Yes
104	24-Apr-12	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
105	24-Apr-12	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
106	25-Apr-12	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
107	25-Apr-12	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
108	7-Jun-12	SEMC (Socio-economic Monitoring Committee)	Pangnirtung	Meeting	Yes
109	8-Jun-12	Pangnirtung Workers	Pangnirtung	Job Interviews	Yes
110	25-Jun-12	Auyuittuq National Park	Pangnirtung	Drum Fuel Donation	Yes
111	26-Nov-12	QIA (Qikiqtani Inuit Association)	Iqaluit	Meeting	Yes
112	27-Nov-12	Pangnirtung Food Bank	Pangnirtung	Meeting	Yes
113	28-Nov-12	GN-Economic Development	Pangnirtung	Meeting	Yes
114	28-Nov-12	Hamlet of Pangnirtung	Pangnirtung	Meeting	Yes
115	28-Nov-12	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
116	28-Nov-12	Pangnirtung Community	Pangnirtung	Public Meeting - Community Hall	Yes
117	29-Nov-12	Pangnirtung Community	Pangnirtung	Open House - Auyuittuq Lodge	Yes
118	29-Nov-12	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
119	30-Nov-12	QIA (Qikiqtani Inuit Association)	Iqaluit	Meeting	Yes
120	12-Dec-12	Hamlet of Pangnirtung	Pangnirtung	Donation - \$250.00 to Christmas Hamper Project	Yes
121	12-Dec-12	Hamlet of Pangnirtung	Pangnirtung	Donation - \$250.00 to Hamlet Vonunteer Dinner	Yes
122	8-Feb-13	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Trail Scouting	Yes
123	9-Apr-13	City of Iqaluit (City Council)	Iqaluit	City Council Meeting	Yes
124	12-Jun-13	Nunavut Economic Development Association	Iqaluit	Meeting	Yes
125	12-Jun-13	RCMP HQ - "V" Division	Iqaluit	Meeting	Yes
126	13-Jun-13	AANDC - Land Administration	Iqaluit	Meeting	Yes
127	13-Jun-13	AANDC - Geology	Iqaluit	Meeting	Yes
128	13-Jun-13	AANDC - Mining Recorder's Office	Iqaluit	Meeting	Yes
129	13-Jun-13	NWT & NU Chamber of Mines	Iqaluit	Meeting	Yes
130	13-Jun-13	Canada-Nunavut Geoscience Office	Iqaluit	Meeting	Yes
131	14-Jun-13	GN-Economic Development & Transportation	Iqaluit	Meeting	Yes
132	14-Jun-13	QIA - (Qikiqtani Inuit Association) Land Adminstration and Iqaluit CLARC	Iqaluit	Meeting	Yes
133	14-Jun-13	Baffin Region Chamber of Commerce	Iqaluit	Meeting	Yes
134	16-Jun-13	Pangnirtung Employees	Pangnirtung	Meeting with Pangnirtung Seasonal workers & thank you brunch	Yes
135	17-Jun-13	GN-Economic Development & Transportation	Pangnirtung	Meeting	Yes
136	17-Jun-13	Hamlet of Pangnirtung	Pangnirtung	Meeting	Yes
137	17-Jun-13	QIA - (Qikiqtani Inuit Association) Pangnirtung CLARC	Pangnirtung	Meeting	Yes
138	17-Jun-13	Pangnirtung MLA	Pangnirtung	Meeting	Yes
139	17-Jun-13	Pangnirtung Community	Pangnirtung	Public Meeting - Community Centre	Yes
140	18-Jun-13	Pangnirtung Community	Pangnirtung	Open House - Community Centre	Yes
141	18-Jun-13	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
142	20-Jun-13	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Meeting	Yes
143	17-Mar-14	GN-Economic Development & Transportation	Pangnirtung	Meeting	Yes
144	17-Mar-14	Hamlet of Pangnirtung	Pangnirtung	Meeting	Yes
145	17-Mar-14	QIA - (Qikiqtani Inuit Association) Pangnirtung CLARC	Pangnirtung	Meeting	Yes

Chidliak - Chronology of Community Engagement

#	Date	Organization	Location	Description	Document
146	17-Mar-14	Pangnirtung Community	Pangnritung	Public Meeting - Community Centre	Yes
147	18-Mar-14	Pangnitung Community	Pangnirtung	Open House - Community Centre	Yes
148	18-Mar-14	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
149	19-Mar-14	QIA - (Qikiqtani Inuit Association) Land Adminstration and Iqaluit CLARC	Iqaluit	Meeting	Yes
150	19-Mar-14	Baffin Region Chamber of Commerce	Iqaluit	Meeting	Yes
151	19-Mar-14	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Meeting	Yes
152	20-Mar-14	AANDC - Land Administration	Iqaluit	Meeting	Yes
153	20-Mar-14	RCMP HQ - "V" Division	Iqaluit	Meeting	Yes
154	20-Mar-14	GN-Economic Development & Transportation	Iqaluit	Meeting	Yes
155	20-Mar-14	Canada-Nunavut Geoscience Office	Iqaluit	Meeting	Yes
156	20-Mar-14	Iqaluit Community	Iqaluit	Public Meeting - Anglican Hall	Yes
157	21-Mar-14	City of Iqaluit	Iqaluit	Meeting with Mayor	Yes
158	7-Apr-14	Nunavut Mining Symposium	Iqaluit	Mining Symposium	Yes
159	5-May-14	Qikiqtaalik SEMC	Iqaluit	Meeting	Yes
160	21-Aug-14	Iqaluit	Iqaluit	Project Tour - Aborted	
161	22-Aug-14	Pangnirtung	Pangnirtung	Project Tour	
162	23-Aug-14	Pangnirtung MLA Johnny Mike	Iqaluit	Project Tour - Delayed	
163	24-Aug-14	Pangnirtung MLA Johnny Mike	Iqaluit	Project Tour	
164	17-Nov-14	Nunavut Arctic College	Iqaluit	Presentation to Enviro Tech Class	Yes
165	17-Nov-14	CanNor	Iqaluit	Meeting	Yes
166	17-Nov-14	Nunavut Economic Development Association	Iqaluit	Meeting	Yes
167	17-Nov-14	Canada-Nunavut Geoscience Office	Iqaluit	Meeting	Yes
168	17-Nov-14	City of Iqaluit	Iqaluit	Presentation to Planning & Development Committee	Yes
169	18-Nov-14	Baffin Region Chamber of Commerce	Iqaluit	Meeting	Yes
170	18-Nov-14	QIA - (Qikiqtani Inuit Association) Land Adminstration and Iqaluit CLARC	Iqaluit	Meeting	Yes
171	18-Nov-14	RCMP HQ - "V" Division	Iqaluit	Meeting	Yes
172	18-Nov-14	GN - Economic Development and Transportation	Iqaluit	Meeting	Yes
173	19-Nov-14	QIA - (Qikiqtani Inuit Association) Joel Fortier	Iqaluit	Meeting	Yes
174	19-Nov-14	NWT & NU Chamber of Mines	Iqaluit	Meeting	Yes
175	26-Jan-15	GN-Economic Development and Transportation	Pangnirtung	Meeting	Yes
176	26-Jan-15	Hamlet of Pangnirtung (Mayor and EDO)	Pangnirtung	Meeting	Yes
177	26-Jan-15	QIA - (Qikiqtani Inuit Association) Pangnirtung CLARC	Pangnirtung	Meeting	Yes
178	26-Jan-15	Pangnirtung Community	Pangnirtung	Public Update Meeting	Yes
179	27-Jan-15	Pangnirtung Community	Pangnirtung	Open House	Yes
180	27-Jan-15	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting	Yes
181	28-Jan-15	Pangnirtung Community	Pangnirtung	Open House	Yes
182	24-Aug-15	Iqaluit Women's Shelter	Iqaluit	Donation - Nonperishable food	Yes
183	23-Sep-15	BRCC Trade Show	Iqaluit	Presentation and Tradeshow	Yes
184	29-Mar-16	GN-Economic Development & Transportation	Pangnirtung	Meeting	Yes
185	29-Mar-16	QIA - (Qikiqtani Inuit Association) Pangnirtung CLARC	Pangnirtung	Meeting	Yes
186	29-Mar-16	Hamlet of Pangnirtung (Mayor and EDO)	Pangnirtung	Meeting	Yes
187	29-Mar-16	Pangnirtung Community	Pangnirtung	Public Update Meeting	Yes
188	30-Mar-16	Pangnirtung Community	Pangnirtung	Open House	Yes
189	30-Mar-16	Pangnirtung HTA (Pang. Hunters & Trappers Association)	Pangnirtung	Meeting - HTA cancelled last minute due to community emergency	Yes
190	31-Mar-16	Amarok HTA (Iqaluit Hunters & Trappers Association)	Iqaluit	Meeting - did not occur due to community emergency	Yes
191	31-Mar-16	NWT & NU Chamber of Mines	Iqaluit	Meeting	Yes
192	31-Mar-16	City of Iqaluit - Acting SAO	Iqaluit	Meeting	Yes
193	1-Apr-16	Canada-Nunavut Geoscience Office	Iqaluit	Meeting	Yes
194	1-Apr-16	INAC - Mineral Resources	Iqaluit	Meeting	Yes
195	1-Apr-16	GN-Economic Development & Transportation	Iqaluit	Meeting	Yes
196	1-Apr-16	City of Iqaluit - Mayor Redfern	Iqaluit	Meeting	Yes
197	1-Apr-16	QIA - (Qikiqtani Inuit Association) Land Adminstration and Iqaluit CLARC	Iqaluit	Meeting	Yes
198	13-Jul-16	SEMC (Socio-economic Monitoring Committee)	Iqaluit	Written submission	Yes
199	24-Aug-16	Iqaluit Women's Shelter	Iqaluit	Donation - Nonperishable food	Yes

PEREGRINE DIAMONDS LTD.**Condensed Consolidated Interim Statements of Financial Position****As at June 30, 2016 and September 30, 2015****(Expressed in Canadian Dollars)**

	June 30, 2016 (Unaudited)	September 30, 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 4,497,484	\$ 5,755,417
Accounts receivable	88,105	102,301
Prepaid expenses	418,471	180,169
	5,004,060	6,037,887
PROPERTY AND EQUIPMENT (Note 5)	5,060,155	5,049,778
DEPOSITS ON PROPERTY AND EQUIPMENT	88,975	88,975
	\$ 10,153,190	\$ 11,176,640
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 905,215	\$ 1,877,136
	905,215	1,877,136
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	171,192,682	165,668,162
Share option reserve	13,709,978	13,128,762
Share warrant reserve	2,722,264	2,722,264
Other reserve	19,205	19,205
Deficit	(178,396,154)	(172,238,889)
	9,247,975	9,299,504
	\$ 10,153,190	\$ 11,176,640

NATURE OF OPERATIONS (Note 1)**COMMITMENTS AND CONTINGENCIES (Note 14)**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

APPROVED BY THE BOARD:

Peter Meredith

Director

Myron Goldstein

Director

PEREGRINE DIAMONDS LTD.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss****For the Three and Nine Months Ended June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)**

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
EXPENSES				
Accounting and audit fees	\$ 18,320	\$ 8,800	\$ 59,620	\$ 26,400
Consulting	297	12,117	15,529	32,767
Depreciation	11,604	9,425	33,937	24,740
Filing fees	21,175	10,501	75,145	68,988
Legal	9,103	164,400	118,515	245,373
Insurance	13,346	16,258	43,443	48,534
Investor relations	10,302	12,790	50,578	63,326
Office and administration	106,026	117,423	311,415	353,144
Salaries and benefits	312,838	376,138	1,008,680	1,163,791
Travel	405	145,290	20,835	170,736
Share-based payments	87,191	2,191,167	519,567	2,049,145
Exploration (Schedule)	1,027,318	5,209,380	3,409,032	13,719,748
	1,617,925	8,273,689	5,666,296	17,966,692
OTHER (INCOME)/EXPENSES				
Interest income	(16,829)	(48,266)	(44,778)	(117,474)
Interest expense	-	-	-	42,437
Reorganization expenses (Note 10)	192,194	-	529,194	-
Foreign exchange	(1,210)	301	6,553	1,185
	174,155	(47,965)	490,969	(73,852)
Loss before income taxes	1,792,080	8,225,724	6,157,265	17,892,840
Deferred tax recovery	-	-	-	(417,648)
NET LOSS AND COMPREHENSIVE LOSS	\$ 1,792,080	\$ 8,225,724	\$ 6,157,265	\$17,475,192
BASIC AND DILUTED				
LOSS PER SHARE	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.07
WEIGHTED AVERAGE NUMBER OF				
SHARES OUTSTANDING	339,075,905	277,490,323	314,369,785	237,981,166

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PEREGRINE DIAMONDS LTD.

Condensed Consolidated Interim Statements of Changes in Equity

For the Nine Months Ended June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

	Share Capital		Share Reserves			Deficit	Total
	Number of Shares	Amount	Share Option Reserve	Share Warrant Reserve	Other Reserve		
Balances, September 30, 2014	143,843,194	\$ 137,816,481	\$ 10,358,123	\$ 2,567,624	\$ 19,205	\$ (150,583,931)	\$ 177,502
Shares issued for cash:							
Rights offering, net of share issue costs of \$574,745	71,921,597	13,809,575	-	719,216	-	-	14,528,791
Private offering, net of share issue costs of \$153,572	10,441,189	2,039,078	-	-	-	-	2,039,078
Warrants exercised	56,457,618	12,420,676	-	(564,576)	-	-	11,856,100
Share-based payments	-	-	2,239,054	-	-	-	2,239,054
Sale of flow through tax	-	(417,648)	-	-	-	-	(417,648)
Net loss	-	-	-	-	-	(17,475,192)	(17,475,192)
Balances, June 30, 2015	282,663,598	\$ 165,668,162	\$ 12,597,177	\$ 2,722,264	\$ 19,205	\$ (168,059,123)	\$ 12,947,685
Balances, September 30, 2015	282,663,598	\$ 165,668,162	\$ 13,128,762	\$ 2,722,264	\$ 19,205	\$ (172,238,889)	\$ 9,299,504
Shares issued for cash:							
Rights offering, net of share issue costs of \$116,711	56,412,307	5,524,520	-	-	-	-	5,524,520
Share-based payments	-	-	581,216	-	-	-	581,216
Net loss	-	-	-	-	-	(6,157,265)	(6,157,265)
Balances, June 30, 2016	339,075,905	\$ 171,192,682	\$ 13,709,978	\$ 2,722,264	\$ 19,205	\$ (178,396,154)	\$ 9,247,975

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PEREGRINE DIAMONDS LTD.
Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended June 30, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited)

	2016	2015
OPERATING ACTIVITIES		
Net loss	\$ (6,157,265)	\$ (17,475,192)
Items not affecting use of cash		
Depreciation	145,654	131,030
Share-based payments	581,216	2,239,054
Interest expense	-	42,437
Loss on disposal of equipment	509	-
Deferred tax recovery	-	(417,648)
	(5,429,886)	(15,480,319)
Changes in non-cash working capital items (Note 12)	(1,196,027)	(1,224,546)
	(6,625,913)	(16,704,865)
INVESTING ACTIVITIES		
Mineral properties	(125,000)	-
Purchase of property and equipment	(31,540)	(111,085)
	(156,540)	(111,085)
FINANCING ACTIVITIES		
Repayment of long-term debt	-	(2,500,000)
Shares issued for cash, net of share issue costs	5,524,520	28,423,969
	5,524,520	25,923,969
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,257,933)	9,108,019
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	5,755,417	1,203,896
CASH AND CASH EQUIVALENTS END OF PERIOD	\$ 4,497,484	\$ 10,311,915
CASH AND CASH EQUIVALENTS ARE COMPRISED OF:		
Cash in bank	\$ 414,603	\$ 2,713,191
Short-term deposits	4,082,881	7,598,724
	\$ 4,497,484	\$ 10,311,915

SUPPLEMENTAL CASH FLOW INFORMATION (Note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Peregrine Diamonds Ltd. ("Peregrine"), together with its subsidiaries (collectively referred to as the "Company"), is a Canadian exploration stage mining company which is focused on the exploration, development and recovery of minerals and precious gems.

Peregrine was incorporated on November 19, 2002 under the Canada Business Corporations Act. The shares of Peregrine are listed on the Toronto Stock Exchange under the symbol PGD. Its registered office is located at 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1. The Company's financial year-end is September 30th.

To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's operations during the nine months ended June 30, 2016 were directed towards the exploration of the Company's property interests located in Canada and Botswana.

The Company has incurred significant losses since inception and as at June 30, 2016 has working capital of approximately \$4.1 million and an accumulated deficit of approximately \$178.4 million. These condensed consolidated interim financial statements have been prepared on the basis of a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company's ability to continue as a going concern is dependent on being able to raise the necessary funding to continue operations, through public equity, debt financings, joint arrangements and other contractual arrangements, or being able to operate profitably in the future.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Accounting Standard ("IAS") 34 ("IAS 34"), using accounting policies which are consistent with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

These condensed consolidated interim financial statements have been prepared using accounting policies and methods of computation consistent with those applied in the Company's September 30, 2015 consolidated annual financial statements, except for those accounting policies which have changed as a result of the adoption of new and revised standards and interpretations as described in Note 4. These condensed consolidated interim financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended September 30, 2015.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

2. BASIS OF PREPARATION (Continued)

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3.

- (c) The condensed consolidated interim financial statements for the nine months ended June 30, 2016 (including comparatives) were approved and authorized for issue by the board of directors on August 11, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of consolidation*

These condensed consolidated interim financial statements include the accounts of Peregrine and its wholly owned subsidiaries Peregrine Exploration Ltd. and Diamexstrat Botswana (Proprietary) Limited.

The results of subsidiaries acquired or disposed of during the period are included in the condensed consolidated interim statements of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

(b) *Accounting estimates and judgments*

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments and to form assumptions that affect the reported amounts and other disclosures in these condensed consolidated interim financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of these assumptions form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities within the next financial year. Critical estimates used in the Company's preparation of these condensed consolidated interim financial statements include, among others, the recoverability of accounts receivable, valuation of deferred tax assets, impairment of assets, measurement of share-based payments, measurement of the fair value of tax benefits sold and valuation of reclamation obligations.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments. Critical accounting judgments used by the Company include the expected economic lives of assets, the estimated future operating results, and the net cash flows from property and equipment.

(c) Foreign currencies

(i) Functional currency

The reporting and functional currency of the parent entity, Peregrine Diamonds Ltd., is the Canadian dollar, the functional currency of its subsidiary, Peregrine Explorations Ltd., is the Canadian dollar, and the functional currency of its subsidiary, Diamexstrat Botswana (Proprietary) Limited is the Botswana Pula.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency exchange rate at the date of the transaction. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate of the functional currency as at the period ending date. Non-monetary items measured in terms of historical cost in a foreign currency are translated using exchange rates as at the initial transaction dates. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at date when the fair value was measured. All foreign currency translation gains and losses are included in the condensed consolidated interim statement of loss.

(iii) Foreign operations

The results of foreign operations are translated to Canadian dollars at an appropriate monthly average rate of exchange during the period. The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recorded in other comprehensive income as a foreign currency translation adjustment. When a foreign operation is sold, the net cumulative exchange differences are recorded in the statement of loss as part of the gain or loss on sale of the foreign operation.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments

Financial instruments are classified into various categories. Held to maturity investments and loans and receivables are measured at amortized cost, with amortization of premiums or discounts, losses and impairment included in current period interest income or expense. Financial assets and liabilities at fair value through profit or loss ("FVTPL") are classified as FVTPL when the financial instrument is held for trading or designated as FVTPL. Financial instruments at FVTPL are measured at fair market value with all gains and losses included in operations in the period in which they arise. Available-for-sale financial assets are measured at fair market value with revaluation gains and losses included in other comprehensive income (see (m) below) until the asset is removed from the statement of financial position, and losses due to impairment are included in operations. All other financial assets and liabilities are carried at amortized cost.

The Company's financial instruments are cash and cash equivalents, accounts receivable, deposits on property and equipment, and accounts payable and accrued liabilities. The Company has classified its cash and cash equivalents as held for trading, accounts receivable as loans and receivables, deposits on property and equipment and accounts payable and accrued liabilities as other financial liabilities. The carrying values of cash and cash equivalents, accounts receivable, deposits on property and equipment and accounts payable and accrued liabilities approximate their fair values due to their short-term maturity.

Financial instruments are initially recorded at fair value and transaction costs are added to the carrying value of financial instruments that are not subsequently measured at FVTPL.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

- Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – inputs for the asset or liability that are not based on observable market data.

(e) Cash and cash equivalents

Cash and cash equivalents in the condensed consolidated interim statement of financial position are comprised of cash at banks and on hand and short-term deposits which have an original maturity of three months or less or are readily convertible into a known amount of cash.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property and equipment

(i) Mineral exploration assets

Assets owned are recorded at cost less accumulated depreciation and accumulated impairment losses. All direct costs related to the acquisition of mineral properties are capitalized until the properties to which they relate are ready for their intended use, sold, abandoned, or management has determined that there is impairment. On the commencement of commercial production, net capitalized costs are charged to operations on a unit-of-production basis, by property, using estimated proven and probable recoverable reserves as the depletion base.

Although the Company has taken steps to verify titles to the properties in which it has an interest, in accordance with industry standards for properties in the exploration stage, these procedures do not guarantee the Company's title. Property titles may be subject to unregistered prior agreements and noncompliance with regulatory requirements.

(ii) Other property and equipment

Other property and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. These assets are depreciated using the straight-line method over the following periods:

Office equipment, furniture and fixtures	1-3 years
Plant, equipment and buildings	3-5 years

(g) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment to determine whether there is an indication that those assets have suffered impairment. If any such indication exists, the extent of the impairment charge would be determined based on the estimated recoverable amount of the asset (if any).

The recoverable amount of the asset used for this purpose is the higher of the fair value less costs to sell and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset.

If the recoverable amount of the asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss, unless the asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

(h) Exploration and evaluation expenditures

Exploration and evaluation expenditures, inclusive of exploration programs required under option agreements, net of incidental revenues, are charged to operations in the period incurred, until such time as it has been determined that a property has economically recoverable reserves and a decision to commence commercial production has occurred, in which case subsequent exploration expenditures and the costs incurred to develop a property are capitalized.

Where the Company's exploration and development activities are conducted jointly with others, its financial statements include only the Company's proportionate interests in these arrangements.

(i) Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when significant operating and financial decisions relating to the activity require the unanimous consent of the parties sharing control. The Company's joint arrangements consist of joint operations.

A joint operation is a joint arrangement in which the parties to the arrangement have joint control over the assets contributed to or acquired for the purposes of the joint arrangement. Joint operations do not involve the establishment of a corporation, partnership or other entity. The Company records its proportionate interest in the assets, liabilities, revenues and expenses of its joint operations.

(j) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset when it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably. At June 30, 2016, there were no provisions recorded.

(k) Reclamation obligations

Liabilities related to environmental protection and reclamation costs are recognized when the obligation is incurred and the fair value of the related costs can be reasonably estimated. This includes future site restoration and other costs as required due to environmental law or contracts. At June 30, 2016, there were no reclamation liabilities.

(l) Income recognition

Interest from cash and short term investments is recorded on an accrual basis when collection is reasonably assured.

(m) Comprehensive income or loss

Other comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources. Comprehensive income comprises net income or loss and other comprehensive income or loss. Financial assets that are classified as available-for-sale will have revaluation gains and losses included in other comprehensive income or loss until the asset is removed from the statement of financial position.

(n) Share-based payments

From time to time, the Company grants common share purchase options to directors, officers, employees and non-employees. The Company accounts for its share-based compensation plan using the fair-value method. Compensation costs, equal to the fair value of the options on the date of grant for options issued to employees and fair value of goods or services received for options issued to non-employees, are recognized in operations, with an offsetting credit to the share option reserve, over the vesting period of the related options. The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. Consideration received upon exercise of share purchase options, along with the related amount previously recorded in the share option reserve, is credited to share capital.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

No expense is recognized for awards that do not ultimately vest. Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the fair value of the award as measured on the date of modification.

(o) Income taxes

The provision for income taxes consists of current and deferred tax expense and is recorded in operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the period, adjusted for amendments to tax payable for previous years.

Deferred tax assets and liabilities are computed using the asset and liability method on temporary differences between the carrying amounts of assets and liabilities on the statement of financial position and their corresponding tax values, using the enacted or substantially enacted, income tax rates at each statement of financial position date. Deferred tax assets also result from unused losses and other deductions carried forward. The valuation of deferred tax assets is reviewed on a regular basis and adjusted to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized by use of a valuation allowance to reflect the estimated realizable amount.

(p) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Common share equivalents have been excluded from the computation of diluted loss per share for the periods presented as including them would have been anti-dilutive.

(q) Flow through shares

The sale of tax deductions is recognized as a flow-through share liability at the time of share issue as an amount equal to the difference between the fair value of the shares issued and the selling price. This liability is subsequently recognized as a credit to other income or deferred tax recovery when the Company has fulfilled the obligation to pass on tax deductions by incurring all eligible expenditures.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The following is a summary of new standards, amendments and interpretations that are effective for annual periods beginning on or after January 1, 2015:

(a) IFRS 7, Financial Instruments: Disclosures ("IFRS 7") - amendments

The amendments to IFRS 7 outline the disclosures required when initially applying IFRS 9. The application of the amendment to IFRS 7 did not have any material impact on the condensed consolidated financial statements presented.

The following is a summary of new standards, amendments and interpretations that have been issued but not yet adopted in these condensed consolidated interim financial statements:

(a) IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple classification options in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial impairment methods in IAS 39. The effective date for application of IFRS 9 was revised from annual periods beginning on or after January 1, 2015, to annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently evaluating the impact of the adoption of the amendments on its financial statements; however, the impact, if any, is not expected to be significant.

(b) IFRS 11, Joint Arrangements ("IFRS 11") – amendments

The amendments to IFRS 11 provide guidance on the accounting for acquisition of interests in joint operations constituting a business. The amendments require all such transactions to be accounted for using the principles on business combination accounting in *IFRS 3, Business Combinations* and other IFRS standards except where those principles conflict with IFRS 11. These amendments are effective for annual periods beginning on or after January 1, 2016.

(c) IFRS 16 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor *IAS 17 Leases*. IFRS 16 replaces *IAS 17 Leases*, *IFRIC 4 Determining Whether an Arrangement Contains a Lease*, *SIC -15 Operating Leases – Incentives*, and *SIC – 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted if *IFRS 15 Revenue from Contracts with Customers* is also applied.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

4. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

(d) IAS 1, Presentation of Financial Statements ("IAS 1") – amendments

The amendments in IAS 1 enhance financial statement disclosures and presentation. These amendments are effective for annual periods beginning on or after January 1, 2016.

(e) IAS 16, Property, Plant and Equipment ("IAS 16")

The amendment to IAS 16 provides clarification of acceptable methods of depreciation and amortization. These amendments are effective for annual periods beginning on or after January 1, 2016.

(f) IAS 38, Intangible Assets ("IAS 38") - amendments

The amendment to IAS 38 provides clarification of acceptable methods of depreciation and amortization. These amendments are effective for annual periods beginning on or after January 1, 2016.

The Company is currently assessing the impact that these new and amended standards will have on the financial statements.

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)****5. PROPERTY AND EQUIPMENT**

	Total	Mineral Exploration Assets	Office equipment, furniture and fixtures	Buildings, plant and equipment
Cost				
Balance, September 30, 2014	\$ 6,309,674	\$ 4,697,038	\$ 696,226	\$ 916,410
Restatement	36,134	-	-	36,134
Additions	111,085	-	54,953	56,132
Dispositions/write downs	(357,785)	-	(357,785)	-
Balance, June 30, 2015	\$ 6,099,108	\$ 4,697,038	\$ 393,394	\$ 1,008,676
Balance, September 30, 2015	\$ 6,075,156	\$ 4,697,038	\$ 369,444	\$ 1,008,674
Additions	156,540	125,000	31,540	-
Dispositions/write downs	(125,483)	-	(106,541)	(18,942)
Balance, June 30, 2016	\$ 6,106,213	\$ 4,822,038	\$ 294,443	\$ 989,732
Accumulated depreciation				
Balance, September 30, 2014	\$ (1,174,923)	\$ -	\$ (637,212)	\$ (537,711)
Restatement	(36,134)	-	-	(36,134)
Additions	(131,030)	-	(20,697)	(110,333)
Dispositions/write downs	339,785	-	339,785	-
Balance, June 30, 2015	\$ (1,002,302)	\$ -	\$ (318,124)	\$ (684,178)
Balance, September 30, 2015	\$ (1,025,378)	\$ -	\$ (300,763)	\$ (724,615)
Additions	(145,654)	-	(33,937)	(111,717)
Dispositions/write downs	124,974	-	106,032	18,942
Balance, June 30, 2016	\$ (1,046,058)	\$ -	\$ (228,668)	\$ (817,390)
Carrying amounts				
Balance, June 30, 2015	\$ 5,096,806	\$ 4,697,038	\$ 75,270	\$ 324,498
Balance, September 30, 2015	\$ 5,049,778	\$ 4,697,038	\$ 68,680	\$ 284,059
Balance, June 30, 2016	\$ 5,060,155	\$ 4,822,038	\$ 65,775	\$ 172,342
Mineral Exploration Assets				
	Total	Chidliak	Qilq	WO
June 30, 2015 and September 30, 2015	\$ 4,697,038	\$ 3,995,384	\$ 125,760	\$ 575,894
June 30, 2016	\$ 4,822,038	\$ 4,120,384	\$ 125,760	\$ 575,894

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)****6. EXPLORATION AND EVALUATION COSTS**

Cumulative exploration and evaluation costs included in operations are:

	Total	Chidliak	Botswana	Other Nunavut Properties	Others (a)
Balance, September 30, 2014	\$ 129,205,326	\$ 33,670,028	\$ 289,981	\$ 22,448,043	\$ 72,797,274
Expenditures for the nine months ended June 30, 2015	13,719,748	12,925,567	206,158	21,096	566,927
Balance, June 30, 2015	\$ 142,925,074	\$ 46,595,595	\$ 496,139	\$ 22,469,139	\$ 73,364,201
Balance, September 30, 2015	\$ 145,974,647	\$ 49,164,631	\$ 747,233	\$ 22,478,002	\$ 73,584,781
Expenditures for the nine months ended June 30, 2016	3,409,032	2,495,569	624,256	21,168	268,039
Balance, June 30, 2016	\$ 149,383,679	\$ 51,660,200	\$ 1,371,489	\$ 22,499,170	\$ 73,852,820

(a) Includes cumulative expenditures on the WO project to June 30, 2016 and 2015 of \$50.7 million.

7. INVESTMENT IN JOINT ARRANGEMENTS***WO Joint Operation***

The Company has a 72.1% interest in a joint operation formed to explore for diamonds at the WO property in the Northwest Territories. As the Company has a majority interest in the joint operation, it is the operator of the joint operation. Under the terms of the joint operation, participants can elect to withhold funding of the joint operation resulting in the dilution of their respective interests.

For the nine months ended June 30, 2016, the WO joint operation incurred expenditures of \$58,000 (2015 - \$37,000), in addition, cash contributions of \$Nil (2015 - \$Nil) were received from other joint venture participants in respect of their proportionate share of joint venture expenditures incurred in 2016 and 2015. The WO joint operation owned no significant net assets as at June 30, 2016. There are no contingent or other liabilities relating to the Company's interest in the WO joint operation which have not been recorded in the Company's accounts.

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)****8. SHARE CAPITAL**

- (a) The Company's authorized capital consists of an unlimited number of common shares without par value. At June 30, 2016, 339,075,905 common shares were issued and outstanding.
- (b) Share purchase options are granted at an exercise price equal to the estimated fair value of the Company's common shares on the date of the grant.

The Company may grant share purchase options to purchase up to 33,907,590 (33,932,590 as of July 22, 2016) common shares from time to time. Options generally vest over 12 to 36 months from the grant date and generally expire five to ten years after the grant date.

A summary of the status of the Company's share purchase options outstanding as at June 30, 2016 and September 30, 2015 and changes during the periods ended on those dates are presented below:

	Nine Months Ended June 30, 2016		Year Ended September 30, 2015	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	25,238,500	\$ 0.32	20,668,500	\$ 0.67
Granted	-	-	20,185,000	0.31
Exercised	-	-	-	-
Forfeited /Expired	(1,600,000)	0.46	(15,615,000)	0.75
Outstanding at end of period	23,638,500	0.31	25,238,500	0.32
Options exercisable at end of period	20,361,000	\$ 0.31	15,482,250	\$ 0.32
Weighted average remaining contractual life	3.4 years		4.2 years	

Subsequent to June 30, 2016, 250,000 share purchase options at a price of \$0.20 were exercised, 450,000 and 180,000 share purchase options at prices of \$0.30 and \$0.35, respectively, expired, and an additional 7,490,000 share purchase options with an exercise price of \$0.23 and an expiry date of July 20, 2021 were granted. At August 11, 2016, there were 30,248,500 share purchase options outstanding.

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)**

8. SHARE CAPITAL (Continued)

As at June 30, 2016, the following share purchase options were outstanding:

Weighted Average Exercise Price	Outstanding Options	Weighted Average Remaining Contractual Life (Years)	Exercisable Options
\$0.20	1,538,500	1.6	1,538,500
\$0.21	350,000	3.6	262,500
\$0.30	16,365,000	3.4	14,233,750
\$0.35	4,235,000	3.5	3,176,250
\$0.38	1,000,000	6.2	1,000,000
\$0.65	150,000	2.6	150,000
\$0.31	23,638,500	3.4	20,361,000

The weighted average grant-date fair value of the share purchase options granted during the year ended September 30, 2015 was estimated at \$0.18 using the Black-Scholes option pricing model and the following assumptions:

Risk free interest rate	0.49%
Expected volatility	90%
Expected years of option life	3.0
Expected dividends	\$Nil
Share price	\$0.31
Exercise price	\$0.31

The effects of early exercise were incorporated in the estimate of the expected life of the share purchase options. Expected volatility was determined based on historic volatility of the Company's share price over a period ending on the grant date of the instrument and commensurate with the instrument's expected life. Other features of options granted did not affect the calculation of grant date fair value.

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)****9. RELATED PARTY TRANSACTIONS**

Remuneration of directors and key management personnel was as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2016	2015	2016	2015
Salaries	\$ 310,875	\$ 321,894	\$ 927,626	\$ 911,120
Short-term employee benefits	13,363	11,325	38,079	32,443
Reorganization expenses (Note 10)	192,194	-	529,194	-
Share-based payments	91,196	2,176,806	542,436	2,053,777
	<u>\$ 607,628</u>	<u>\$ 2,510,025</u>	<u>\$ 2,037,335</u>	<u>\$ 2,997,340</u>

Short-term employee benefits include the cost of health and life insurance plans.

10. REORGANIZATION EXPENSES

Reorganization expenses consist of payment obligations in respect of the termination of employment contracts (\$504,818) and costs associated with the relocation of the Company's corporate office (\$24,376).

11. MULTI-EMPLOYER PENSION PLAN (CPP)

The Company contributes to the Canada Pension Plan, a national multi-employer, contribution based pension plan in Canada on behalf of its employees. During the nine months ended June 30, 2016, the Company made contributions totaling \$38,126 (2015 - \$63,836).

12. CASH FLOW INFORMATION

(a) Net change in non-cash working capital items:

	Nine Months Ended June 30,	
	2016	2015
Accounts receivable	\$ 14,196	\$ (166,734)
Prepaid expenses	(238,303)	156,364
Accounts payable and accrued liabilities	(971,920)	(1,214,176)
	<u>\$ (1,196,027)</u>	<u>\$ (1,224,546)</u>

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)**

12. CASH FLOW INFORMATION (Continued)

(b) Supplementary information regarding other non-cash transactions:

	Nine Months Ended June 30,	
	2016	2015
Transfer from share warrant reserve to share capital on exercise of warrants	\$ -	\$ (564,576)
Transfer from share capital for fair value of warrants issued on rights offering	-	719,216

(c) Other information:

	Nine Months Ended June 30,	
	2016	2015
Interest received	\$ 44,778	\$ 117,474
Interest paid	\$ -	\$ 8,597

13. SEGMENT DISCLOSURES

- (a) The Company operates in one industry segment (Note 1).
- (b) At June 30, 2016, the Company's mineral exploration assets, recorded at \$4,822,038 (2015 - \$4,697,038), were located solely in Canada and prospecting licenses, recorded at nominal value (2014 - \$nil), were located in Botswana.
- (c) At June 30, 2016, the Company's other capital assets, recorded at \$238,117 (2015 - \$399,768), were located solely in Canada.
- (d) For the three and nine month periods ended June 30, 2016, the Company incurred \$772,876 (2015 - \$5,150,213) and \$2,784,776 (2015 - \$13,513,590), respectively, in exploration expenditures on its mineral property assets in Canada and \$254,442 (2015 - \$59,167) and \$624,256 (2015 - \$206,158), respectively, on its mineral property assets in Botswana.

PEREGRINE DIAMONDS LTD.**Notes to the Condensed Consolidated Interim Financial Statements****June 30, 2016 and 2015****(Expressed in Canadian Dollars)****(Unaudited)**

14. COMMITMENTS AND CONTINGENCIES

The Company acquired 12 mining leases in the Northwest Territories, Canada. The minimum future annual payments under the leases are as follows:

Years Ending September 30,		
2016	\$	52,476
2017	\$	52,476
2018	\$	52,476
2019	\$	52,476
2020	\$	52,476

In accordance with the terms of a contract for drilling services, the Company is required to demobilize drilling equipment from the Chidliak property in Nunavut to Montreal, PQ. Estimated costs for this demobilization range between \$2.0 million and \$3.0 million and these costs could be incurred as early as 2017.

15. MANAGEMENT OF CAPITAL

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties. The Company considers its capital as its shareholders' equity.

The Company manages and adjusts its capital structure whenever changes to the risk characteristics of the underlying assets or changes in economic conditions occur. To maintain or adjust the capital structure, the Company may attempt to issue new shares or acquire, dispose of or jointly operate certain of its assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration programs, availability of financing and industry conditions. Annual and any materially updated budgets are approved by the Board of Directors. As of the condensed consolidated interim financial statement date there are no external restrictions on the Company's capital.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest any excess cash in liquid short-term interest-bearing instruments with maturities in 90 days or less. When utilized, these instruments are selected with regard to the expected timing of expenditures from continuing operations. The Company does not have sufficient financial resources to undertake all of its currently planned exploration programmes, further exploration and development of the Company's mineral properties in the near and long term will depend on the Company's ability to obtain additional funding through equity or debt financing or through the joint operation of projects. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. The Company believes it will be able to raise capital as required in the long term, but recognizes there will be risks involved that may be beyond its control.

PEREGRINE DIAMONDS LTD.

Notes to the Condensed Consolidated Interim Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian Dollars)

(Unaudited)

16. FINANCIAL INSTRUMENTS

(a) Fair value information

The Company classifies and discloses its fair value measurements based on a three-level hierarchy as described in Note 3(d).

(b) Financial instrument risk exposure

The Company's financial instruments are exposed to certain risks, which include credit risk, liquidity risk and market risks, comprising interest rate risk and other market price risk.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash and cash equivalents are held at large Canadian financial institutions. Accounts receivable consist mostly of refundable taxes due from the Government of Canada. Deposits are primarily mineral property permits which will be refunded by the Government of Canada. As such, the Company considers this risk to be minimal. The carrying amount of financial assets represents the maximum credit exposure.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Accounts payable and accrued liabilities are due within the current operating period. The Company manages liquidity risk through the management of its capital structure (Note 15).

Market risk

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes to market interest rates. The Company is exposed from time to time to interest rate risk when it renews its fixed rate cash equivalent investments. The sensitivity of the Company's loss before tax to a reasonably possible change in interest rates upon renewal, based on review of historical and economic forecaster's expectations, is expected to be minimal. The risk that the Company will realize a loss as a result of a decline in the fair value of these investments is limited as these investments are highly liquid securities with short-term maturities.

(b) Other market price risk

The Company is exposed to market risk related to the fluctuation in the market price of its investments. Although considered available for sale, the Company's investments have been acquired as a result of property transactions and, to a large extent, represent strategic investments in related mining companies and their underlying properties. These investments do not normally represent core assets of the Company nor are they considered to be material. However, the Company closely monitors the market values of these investments in order to determine the most appropriate course of action.

PEREGRINE DIAMONDS LTD.
Schedule of Exploration Expenditures
For the Three Months Ended June 30, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited)

	2016	2015
Salaries	\$ 145,366	\$ 602,784
Share-based payments	10,536	163,953
Fuels	135	202,112
Drilling	179,975	1,278,505
Sample processing	17,157	40,677
Camp costs	16,518	1,387,494
Rental, lease and charter	195,113	1,228,789
Environmental	-	23,129
Consulting	-	(289,115)
Geological consultants	101,051	98,392
Geophysical consultants	8,451	93,888
Engineering consultants	292,735	58,265
Administration	17,415	88,834
Travel	17,564	190,395
Repairs & maintenance	-	1,109
Depreciation	32,183	40,169
Expense recoveries	(6,881)	-
	\$ 1,027,318	\$ 5,209,380

PEREGRINE DIAMONDS LTD.
Schedule of Exploration Expenditures
For the Nine Months Ended June 30, 2016 and 2015
(Expressed in Canadian Dollars)
(Unaudited)

	2016	2015
Salaries	\$ 543,447	\$ 1,458,361
Share-based payments	61,649	189,910
Fuels	606	514,267
Sampling	61,164	-
Drilling	361,098	2,513,103
Sample processing	803,907	358,578
Camp costs	81,705	2,986,021
Rental, lease and charter	382,839	4,219,695
Environmental	49,355	115,257
Fees and licenses	15,370	19,380
Consulting	4,207	167,462
Geological consultants	378,674	206,451
Geophysical consultants	8,451	106,138
Engineering consultants	461,202	69,480
Logistics consulting	-	65,918
Administration	36,991	180,629
Travel	53,531	442,809
Depreciation	111,717	106,290
Expense recoveries	(6,881)	-
	\$ 3,409,032	\$ 13,719,748



WATER LICENCE INSPECTION FORM

☒ Original
☐ Follow-Up Report

Licensee	Licensee Representative
Peregrine Diamonds Ltd	Dave Willis
Licence No. / Expiry	Representative's Title
2BE-CHI1218	Land Administrator
Land / Other Authorizations	Land / Other Authorizations
N2012C0024	--
Date of Inspection	Inspector
17/07/15	Justin HACK
Activities Inspected	
<input type="checkbox"/> Camp	<input type="checkbox"/> Drilling
<input type="checkbox"/> Roads/Hauling	<input type="checkbox"/> Mining
<input type="checkbox"/> Other: Culvert	<input type="checkbox"/> Construction
	<input checked="" type="checkbox"/> Reclamation
	<input type="checkbox"/> Fuel Storage
	<input type="checkbox"/> Other: Bridge

Conditions:		A - Acceptable	C - Concern	U - Unacceptable	NA – Not Applicable	NI – Not Inspected		
Water Use	Condition	Comment	Site Conditions	Condition	Comment	Haz/Mat Management	Condition	Comment
Intake/Screen	NI		Water Management Structures	C	4	Storage	NI	
Flow Measure. Device	NI		Culverts / Bridges	NA		Spills	NI	
Source:	A		Drainage	NA		Spill Plan	NI	
Water Use:	NI		Erosion / Sediment	A				
Recirculation (y /n)	NI		Mitigation Measures	NA		Administrative		
			Reclamation Activities	NA		Records	NA	
			Materials Storage	A		Reports	A	
Waste Disposal			Signage	NI		Plans	A	
Waste Water	C	5				Notifications	NA	
Solid Waste	C	6	Monitoring			Other		
Hazardous Waste	A		Sample Collection / Analysis	NA				
*The number in the comments field will correspond with specific comments provided below.								
Samples taken by Inspector:			Location(s):					
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No								

SECTION 1	<input checked="" type="checkbox"/> Comments (s.1)	<input type="checkbox"/> Non-Compliance with Act or Licence (s.__)	<input type="checkbox"/> Action Required (s.__)
Background			
<p>Nunavut Water Licence #2BE-CHI1218 was issued to Peregrine Diamonds Ltd on February 8, 2012 for the use of 95 cubic metres of water per day and the disposal of waste for camp operations and activities related to exploration including diamond drilling, large diameter reverse-circulation drilling, and other associated activities.</p> <p>Water Use and Waste Disposal is authorized through this licence at the Chidliak Project, supported from the Discovery, Sunrise, Aurora, CH-6 Camps located on the Hall Peninsula.</p> <p>Inspector’s Statement</p> <p>On July 17, 2015 a water licence inspection was conducted for water licence 2BE-CHI1218. Sites visited included the Discovery, Sunrise, Aurora and CH-6 campsites, Drill Waste Disposal Area and nearby drill sites. At the time of inspection, the camp was inactive; however, Peregrine Diamonds Ltd had the camp operational shortly after the inspection for use in summer 2015.</p> <p>Observations:</p> <p><u>Direct Water Use</u></p> <div><div>1. Domestic and Drilling Purposes</div><div>a. No water was being used at the time of inspection.</div></div> <div><div>2. Water Sources</div><div>a. No concerns</div></div> <p><u>Water Management Structures</u></p> <div><div>3. Secondary Containment Structures</div><div>a. Secondary containment was present for the storage of hazardous materials at the camps. Larger secondary containment structures that were storing fuel had an SEI Industry, RainDrain attached to the lower end of the structure to filter out hydrocarbons. No fuel leaks were apparent within these structures. The proponent is reminded that ongoing maintenance of these temporary structures is required to ensure their integrity.</div><div>b. Smaller secondary containment surrounding fuel tanks attached to camp tents were working as intended. Many of these structures are not covered and require annual maintenance to prevent over-topping of water.</div></div> <div><div>4. Drill Waste Disposal Area</div><div>a. The drill waste disposal area is an area of concern. As detailed in the Licence, all drill waste must be deposited into a properly constructed sump or natural depression that prevents discharges into the environment. It is recommended that Peregrine re-evaluate this location and determine that all water from this facility can be controlled and discharged as required while meeting the discharge criteria limits in the licence. A follow-up</div></div>			



inspection of this site will be conducted in 2016.

Waste Disposal

5. Drill Waste Disposal Area

a. Potential concern related to the uncontrolled discharge from the Drill Waste Disposal Area. All discharges from this facility must be controlled and must meet discharge criteria as determined within the licence.
6. General Waste Management at Camp

a. Small concerns related to the management of ash produced from incineration. Please ensure all ash is properly contained and managed to prevent it from entering water. In a follow-up phone call after the inspection, Peregrine identified that this concern was addressed. This will be confirmed at the next water licence inspection during the summer of 2016.

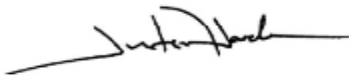
[Click here to enter text.](#)

SECTION 2

☐ Comments (s. 2_)

☐ Non-Compliance with Act or Licence, (s. __)

☐ Action Required (s. __)

Licensee or Representative	Inspector's Name
	Justin Hack
Signature	Signature
	
Date	Date
	21/10/2015

Office Use Only:

Follow-up report to be issued by Inspector

☒ Yes ☐ No



November 12, 2015

BY ELECTRONIC MAIL

Mr. Justin Hack, Water Resources Officer
AANDC – Nunavut Field Operations
969 Qimugjuk Building
Iqaluit, Nunavut
X0A 0H

Dear Mr. Hack:

Re: Chidliak Field Program Summer 2015

This letter is being written as follow-up to the field inspection conducted on July 17, 2015 and the inspection report received on October 21, 2015. Peregrine appreciates AANDC conducting an inspection in 2015 and looks forward to an inspection again in 2016.

The concerns noted in your report will be addressed below.

Comment #4 & #5 - Drill Waste Disposal Area

Location	Longitude (x)	Latitude (y)	50K NTS
Cuttings Disposal Area	-66° 13' 44.17"	64° 16' 2.08"	26B08

Peregrine Diamonds Ltd. commissioned an engineering study in 2011 to select the best locations for drill cuttings containment. The study was undertaken by EBA TetraTech and utilized air photo analysis to determine the best natural features for drill cuttings containment. A field visit followed the photo analysis and measurements were taken using a laser range finder.

A natural rock basin measuring 25 meters wide by 300 meters long and 2-3 meters deep (Figure 1) was selected as the best cuttings containment area close to kimberlite CH-7. The base of the rock basin is composed of shattered rock and additional volumetric capacity was noted within the rock fractures but not calculated.

The area was visited at both the beginning and end of the Summer 2015 field program. Any debris (bulk bags, wood) left behind from the Winter 2015 field program was consolidated and removed. No discharge was noted from this area during the Summer 2015 field program. The area will continue to be monitored and, to allay any concerns, in 2016 a water sampling station will be added if any water discharge is noted.



Figure 1: Drill Waste Disposal Area

Comment #6 General Waste Management – Incinerator

Location	Longitude (x)	Latitude (y)	50K NTS
Discovery Camp	-66° 20' 45.44"	64° 14' 25.45"	26B01

The incinerator area was in need of maintenance being at the most westerly edge of the camp facility and receiving the full brunt of winter winds. When field staff returned to the camp in July they immediately addressed this matter, cleaned up woody debris and made improvements to the incinerator station. The station now includes a large incinerator platform upon which to store debris destined for incineration (Figure 2)



Figure 2: Incinerator Station.

If you have any questions please do not hesitate to contact me at (604)608-4524 or by email at dave@pdiam.com .

Yours truly,

PEREGRINE DIAMONDS LTD.



David Willis
Land Administrator

2BE-CHI1218 Amendment Application

Executive Summary in English

Peregrine Diamonds Ltd. is planning to conduct large diameter drilling and trenching at its CH-6 Kimberlite in the winter of 2017. This work will be based out of the CH-6 Camp. The CH-6 camp is 250 meters northeast of the CH-6 kimberlite where the work will be taking place. Large diameter drilling and trenching activities are activities already authorized under land use permit 2BE-CHI1218 and INAC permit N2012C0024.

The CH-6 Camp is 22 kilometers (straight-line distance) west of Sunrise Camp where an ice airstrip (herc-strip) is authorized and 21 kilometers west of the largest authorized drill water source. The intermediate terrain between CH-6 and Sunrise Lake is quite severe with large block field boulders and for safety reasons Peregrine would rather not utilize this area during this program if it can be avoided. Also, we have observed that this area is subject to more harsh weather which probably due in large part to proximity to the glaciers.

Peregrine does have three other authorized drill water sources permitted closer to the CH-6 Camp. These water sources are small and though there would be sufficient water in them to supply operational needs there would be considerable drawdown (potentially up to 10%). Peregrine feels that these water sources are best reserved as “emergency drill water sources” in the event of severe winter weather which is common on the Hall Peninsula Plateau (700 meters elevation). These three smaller sources will continue to be used for domestic water (camp water) for which average withdrawal is 3 cubic meters per day.

For these reasons Peregrine is requesting the following three amendments to facilitate winter exploration activities in 2017.

- 1) Addition of a new large water source close to the CH-6 Camp and Ch-6 Kimberlite. The lake is located 12 kilometers west of the CH-6 Camp and CH-6 Kimberlite and is better suited for operational and safety purposes. Furthermore the lake is large and it is anticipate that total water withdrawal from the lake will be insignificant to the total lake volume (less than 1/15 of 1 percent of the total lake volume).
- 2) Addition of a landing strip for large fixed wing aircraft (herc-strip) at the same large lake proposed for the water source. This strip would be used for mobilization and demobilization of equipment, supplies and samples. Snow clearing will be necessary and though not anticipated flooding may be necessary if ice conditions are not at seasonal norms.
- 3) Addition of a small landing ice strip for small aircraft (Twin Otter) at a small lake 5 kilometers from the CH-6 Camp. This airstrip will be snow groomed. It will be used to transport personnel to and from the Iqaluit to the worksite.



BUSINESS CORPORATIONS ACT
**CERTIFICATE OF REGISTRATION OF AN
EXTRA-TERRITORIAL CORPORATION**

LOI SUR LES SOCIÉTÉS ACTIONS
**CERTIFICAT D'ENREGISTREMENT D'UNE SOCIÉTÉ
PAR ACTIONS EXTRATERRITORIALE**

I HEREBY CERTIFY THAT

JE CERTIFIE PAR LA PRÉSENTE QUE

PEREGRINE DIAMONDS LTD.

a body corporate incorporated
under the laws of

une personne morale constituée
En vertu des lois

Canada

was registered under Part XXI of the
Business Corporations Act of Nunavut, the
Statement of Registration of which is
attached.

était enregistrée en vertu de la partie XXI de
la *Loi sur les sociétés par actions au Nunavut*,
la déclaration d'enregistrement en faisant foi
étant jointe.

Date of Registration
Enregistrement fait le

31-Aug-2004



DEPUTY / REGISTRAR OF CORPORATIONS
REGISTRAIRE OU REGISTRAIRE ADJOINT DES SOCIÉTÉS PAR ACTIONS



BUSINESS CORPORATIONS ACT
**CERTIFICATE OF COMPLIANCE OF AN
EXTRA-TERRITORIAL CORPORATION**

LOI SUR LES SOCIÉTÉS ACTIONS
**CERTIFICAT DE CONFORMITÉ D'UNE SOCIÉTÉ
PAR ACTIONS EXTRATERRITORIALE**

I HEREBY CERTIFY THAT

JE CERTIFIE PAR LA PRÉSENTE QUE

PEREGRINE DIAMONDS LTD.

a body corporate incorporated
under the laws of

une personne morale constituée
En vertu des lois

Canada

registered under Part XXI of the
Business Corporations Act of Nunavut, has
filed with the Registrar of Corporations, the
required annual returns and is, with respect
to the filing of annual returns, in good
standing on the records of the Registrar.

enregistrée en vertu de la partie XXI de la
Loi sur les sociétés par actions au Nunavut,
a déposé auprès du registraire des sociétés
par actions le rapport annuel exigé et
rencontre les exigences du registraire relatives
au dépôt des rapports annuels.

Dated 26-Oct-2016
Fait le



DEPUTY / REGISTRAR OF CORPORATIONS
REGISTRAIRE OU REGISTRAIRE ADJOINT DES SOCIÉTÉS PAR ACTIONS