

Schedule 12 – Chidliak Project Summary

Peregrine Diamonds Ltd. (Peregrine) is a diamond exploration company that commenced exploration activities at its Chidliak Project in 2008. The project is located on the Hall Peninsula of South Baffin Island between Cumberland Sound and Frobisher Bay. The two closest communities are Pangnirtung 200 kilometers to the north and Iqaluit 120 kilometers to the southwest.

Kimberlites are ancient volcanoes in which diamonds are known to occur. Since 2008 Peregrine has discovered 71 kimberlites. These kimberlites were discovered using a variety of exploration techniques including heavy mineral sampling, geophysics and drilling. At present, six of these 71 kimberlites are considered to have economic potential and will undergo further geological evaluation which could include additional core drilling, trenching and large diameter drilling.

The current Chidliak project area consists of 266 mineral claims with an aggregate area of 277,997 hectares. This represents a 63% decrease in the property area since the last renewal application in late 2012. The Chidliak project exploration work is now focused within the confines of ten mineral claims for which mineral lease applications were submitted to the Mining Recorder.

Field work is seasonal with field programs typically conducted in the winter months from late February to early May and summer programs typically conducted from late June to early September. Peregrine does not conduct a field program every season.

Four field camps are established on the project. Discovery Camp is used as the primary base of operations and the other three camps (Aurora Camp, CH-6 Camp and Sunrise Camp) are occasionally used for logistics support.

Most activities are low impact like prospecting, mapping, sampling and geophysics, all of which leave a negligible impact on the environment. Activities such as exploration core drilling and small diameter reverse circulation drilling leave a small footprint in the near term but after one or two years, impacts are difficult to detect.

Other exploration activities, such as trenching and large diameter drilling, can leave permanent marks on the terrain but, relatively speaking, are considered localized, surficial and minor. For instance, trenches completed at CH-6 and CH-7 measure 0.045 hectares and 0.018 hectares respectively. Neither are noticeable as manmade features until in close proximity at ground level.

Peregrine has always sought to hire local northern workers from both Pangnirtung and Iqaluit. Both of these communities utilize the Hall Peninsula. Since 2008 Peregrine has hired approximately 6,219 person days of northern workers and expenditures at northern businesses associated with the project are conservatively estimated at approximately 20 million.

At this point and with the work reported under this permit, the Chidliak Projects is still considered an exploration project. The impacts of the project on the environment of the Hall Peninsula are small especially relative to the growth and infrastructure development in Iqaluit.