

Schedule 6 – Potential Environmental and Resource Impacts

Peregrine Diamonds Ltd. (Peregrine) commenced exploration activities at its Chidliak Project in 2008. Since this time it has discovered 71 kimberlites through a variety of exploration techniques including heavy mineral sampling, geophysics and drilling. Four field camps were established since 2008 of which Discovery Camp is used as the primary base of operations.

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.

Environmental baseline studies commenced on the project in 2009. These studies commenced earlier in the exploration process than most projects and continued annually to 2017. 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.

Advanced 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. Trenches are reclaimed by replacing the overburden, however a depression in which water can accumulate may result. These trench footprints measure 0.045 hectares at kimberlite CH-6 and 0.018 hectares at kimberlite CH-7. Neither are noticeable as manmade features until in close proximity at ground level. The large diameter drill casings are left in the ground, cut off and capped. Again these casings are difficult to observe unless within close proximity.

The CH-7 rock basin cuttings containment area was utilized during the 2015 winter large diameter drill program. Approximately 125 cubic meters of drill cuttings (kimberlite sand) was placed in this area which has a calculated capacity of 7,000 cubic meters. The material has settled and the kimberlite material is a benign, naturally occurring product.

All four exploration camps operated by Peregrine within the Chidliak project area are temporary and can be dismantled when required, as outlined in Peregrine's Abandonment and Restoration Plan included in this permit application renewal.

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. Ecological land classification studies have characterized this area as consisting mostly of barren land cover with very little vegetation and mainly consisting of bedrock exposures and thin till veneer over bedrock.

Occasional fuel spills have occurred over the 10 year period as a result of accidents or equipment malfunction. Peregrine records all of these spills no matter how small. To date there have been

only three reportable spills at the project with the largest being 200 litres. All were cleaned up and affected soil taken to Nunatta Environmental Services, a certified waste handler in Iqaluit for disposal.

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 are conservatively estimated at approximately 20 million.

At this point in time and with the work reported under this permit the Chidliak Project is still 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.

Should the Chidliak project become a diamond mine in the future there will be greater potential impacts to consider during the environmental impact statement process.