



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