



December 7, 2012

**BY ELECTRONIC MAIL AND CANADA POST**

Ms. Phyllis Beaulieu  
Manager of Licencing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, Nunavut X0B 1J0

Dear Ms. Beaulieu

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**Re: Activity Notification of Trenching Under Type "B" Licence 2BE-CHI0813**

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As per Part F of Land Use Licence 2BE-CHI0813 Amendment 1 please accept this letter as formal notification of the intention of Peregrine Diamonds Ltd. ("Peregrine") to blast and excavate a trench for the purpose of collecting a bulk sample from the CH-6 kimberlite ("CH-6"). The following items ("A" through "F") are required as part of the notification (Part F, Article 7):

**Part A: Location of Trench**

- 1:250,000 NTS = 26B
- 1:50,000 NTS = 26B-07
- Latitude (y) = 64.321845, Longitude(x) = -66.529304
- UTM, NAD83, Zone 19, Easting (x) = 619,432.1mE, Northing (y) = 7,135,200.3mN

**Part B: Approximate Dimensions**

The trench will measure approximately 20 metres long by 15 metres wide. Most of the trench will be three to four meters deep. The sample will be collected from a smaller area to a maximum depth of 10 metres.

**Part C: Approximate Mass**

The estimated sample mass is 200 tonnes.

**Part D: Proposed Mitigation Measures for the prevention of the transport of sediments, blasting residues, fly rock and other materials from the trench area to nearby water bodies.**

- 1) The nearest water-body and/or watercourse is a small stream 500 metres southwest of the trenching activity.
- 2) The potential for direct flow into the watercourse noted above is limited.
- 3) The terrain is flat, thus the natural topography is favourable for preventing the transport of sediments, blasting residues, fly-rock and other materials.
- 4) All activities will take place in the winter under sub-zero conditions where water is frozen.
- 5) No water discharge from the trench is anticipated.
- 6) This is a small operation and bulk explosives are not required.
- 7) Blast shots will be small and thoroughly burnt at ignition.
- 8) A limited number of blast events will occur (two or three).
- 9) The blast radius will be small due to the small shot size.
- 10) Best work practices will be applied. Cover rock/sediments will be piled neatly and stockpiled for reclamation.
- 11) The trench will be reclaimed immediately after the sample is excavated. The trench area, once re-filled with reserved native material, will be contoured to match the surrounding landscape and prevent erosion.

**Part E: Projected Volume and Quality of Water Discharge**

- 1) Water is not being utilized for this activity.
- 2) No waste water will be generated from this activity.
- 3) No water discharge is anticipated.
- 4) Trenching activities will take place under frozen winter conditions.

**Part F: Proposed Monitoring Program**

The trench will be reclaimed after the sample is excavated. As a volume of rock has been removed, some subsidence is anticipated. This may result in a small depression in the centre of the trench where water can pool. The site will be monitored during subsequent field programs. If water is present during the summer of 2013 a water sample will be collected and sent for analysis.

Please contact me directly at (604) 608-4524 should you have any questions.

Yours truly,

**PEREGRINE DIAMONDS LTD.**



David Willis  
Land Administrator