

**PEREGRINE DIAMONDS LTD.  
REQUIREMENT FOR A WATER LICENCE  
NANUQ PROJECT SUMMARY**

Peregrine Diamonds Ltd. (Peregrine) acquired the Nanuq Property in the Kivalliq, NU, when it combined with the previous claimholder, Dunsmuir Ventures Ltd., in January 2006. Peregrine continued exploring for diamonds on the Nanuq Property in 2006.

In order to continue its exploration activities in 2008, Peregrine is requesting permission from the Nunavut Water Board (NWB) for a new Type B Water Licence; the current licence has expired. Peregrine also is applying for a Class A Land-Use Permit from Indian and Northern Affairs Canada (INAC). The company is proposing a programme to be conducted between May and September 2008, consisting of till sampling, airborne geophysics (fixed-wing), ground geophysics, core drilling and possibly additional core drilling of a mini-bulk sample of up to 200t; all drilling will be land-based. Transportation for the 2008 programme will be by air only, with a Twin Otter equipped with tundra tires landing on a natural-sand area (used as an airstrip); a helicopter also will support the programme, as required for drill moves and moving a till-sampling crew. No activity will occur on Inuit-Owned Land (IOL).

The Nanuq claimblock, and an existing seasonal camp immediately west, are located in NTS 56G, at the southern boundary of Ukkusiksalik National Park, and southwest of Wager Bay; the claimblock is not in or beside an IOL. Baker Lake is located approximately 250 km southwest and Chesterfield Inlet is located approximately 120 km south of the southernmost claims of the Nanuq claimblock. During the 2008 programme, it is planned to relocate the camp to the northerly end of the natural-sand airstrip, a distance of only 1 km; the old campsite is at the southerly end. The old campsite will be cleaned up and all materials and tents moved to the new campsite. Water for camp use and drilling will be obtained from the Lorillard River, which flows through the area.

A standard 5-year water licence is requested – from 15 May 2008 to 15 May 2013. If results in 2008 are favourable, Peregrine may propose to add a large-diameter bulk-sampling programme in 2009. An amendment to the licence would be sought, if warranted.

Peregrine would like to continue its exploration activities on the Nanuq Property, and in doing so, looks forward to working co-operatively with regulators and the people of the Kivalliq.