P.O. BOX 119
GJOA HAVEN, NT X0E 1J0
TEL: (867) 360-6338
FAX: (867) 360-6369

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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI

EXPLORATION/ REMOTE CAMP SUPPLEMENTARY QUESTIONNAIRE

Applicant: *Peregrine Diamonds Ltd.* **Licence No:** _____
(For NWB Use Only)

ADMINISTRATIVE INFORMATION

1. Environment Manager: **WENDY MATHISON** Tel: (604) 408-8880 Fax: (604) 408-8880 E-mail: wendy@pdiam.com

2. Project Manager: **PETER HOLMES** Tel: (604) 408-8880 Fax: (604) 408-8880 E-mail: peter@pdiam.com

3. Does the applicant hold the necessary property rights?
Yes. Peregrine holds all claims on the Nanuq Property 100%: *NAN-01* to *NAN-144* and *NAN-201* to *NAN-262*.

4. Is the applicant an 'operator' for another company (i.e., the holder of the property rights)? If so, please provide letter of authorization.
No.

5. Duration of the Project
[ ] Annual
[**X**] Multi Year:
If Multi-Year indicate proposed schedule of on site activities
Start: 15 May 2008 Completion: 15 May 2013

CAMP CLASSIFICATION

6. Type of Camp
[ ] Mobile (self-propelled)
[ ] Temporary
[X] Seasonally Occupied: May-September 2008
[ ] Permanent
[ ] Other: _____

7. What are the design population of the camp and the maximum population expected on site at one time? What will be the fluctuations in personnel?
The camp will accommodate a maximum of 20 people at any one time, but will not have that number continuously. For example, since activities are staged, personnel who complete their tasks (such as the geophysical contractors) would leave site when their work is completed to make room for new crew arriving (such as the 2 drill crews). After startup (approx. 3 people), population will fluctuate between 15 and 20.

8. Provide history of the site if it has been used in the past.

Peregrine Diamonds Ltd. acquired the Nanuq Property when it combined with the previous claimholder, Dunsmuir Ventures Ltd., in January 2006. Dunsmuir conducted early-stage exploration for approx. 4 years, with the initial prospecting year (2002) exempt from permitting.

CAMP LOCATION

9. Please describe proposed camp location in relation to biogeographical and geomorphological features, and water bodies.
A camp currently is set up on a N-S trending flat, sandy esker about 500m west of the Lorillard River and 100m from a small unnamed lake.

10. How was the location of the camp selected?
There is an existing tent camp at the location. The camp itself is being moved approx. 1km NW on the same sand feature.

Was the site previously used?
Yes.

Was assistance from the Regional Inuit Association Land Manager sought?
No. (Site is on Crown land).

Include maps and/or aerial photographs.
(Refer to PHOTO 1 and MAP 2 accompanying the application).

11. Is the camp or any aspect of the project located on:
[x] Crown Lands Permit Number(s)/Expiry Date*:* Class A Land-Use Permit (*#N2003C0016),* expiring 15 June 2008; Class A Land-Use Permit ((*#N2003C0040)*, expiring 15 February 2008. A single new INAC permit is being sought.
[ ] Commissioners Lands Permit Number (s)/Expiry Date: _____
[ ] Inuit Owned Lands Permit Number (s)/Expiry Date: _____

12. Closest Communities (distance in km):
Baker Lake, ~250km SW; Chesterfield Inlet, ~120km S.

13. Has the proponent notified and consulted the nearby communities and potentially interested parties about the proposed work?
Following upon consultation initiated by former property-holder, Dunsmuir Ventures, Peregrine intends to visit Baker Lake and Chesterfield Inlet to re-commence consultation as soon as is convenient for the communities – in 2007, if possible. (Work is not planned to commence until May 2008).

14. Will the project have impacts on traditional water use areas used by the nearby communities?
No.

Will the project have impacts on local fish and wildlife habitats?
No.

PURPOSE OF THE CAMP

15. ⦸ **Mining (Exploration)**
○ Tourism (hunting, fishing, wildlife observation, adventure/expedition, etc.) (Omit questions # 16 to 21)
○Other _____ (Omit questions # 16 to 22)

16. Activities (check all applicable)
○ Preliminary site visit

- ○ Prospecting
- ○ Geological mapping
- ⦸ **Geophysical survey**
- ⦸ **Diamond drilling ***
- ○ Reverse circulation drilling
- ⦸ **Evaluation Drilling/Bulk Sampling** (also complete separate questionnaire)

* **In 2008, additional core drilling to extract a mini-bulk sample is planned, if results are favourable.**

- ○ Other: _____

17. Type of deposit:

- ○ Lead Zinc
- ⦸ **Diamond**
- ○ Gold
- ○ Uranium
- ○ Other: _____

DRILLING INFORMATION

18. Drilling Activities

- ⦸ Land Based drilling
- ○ Drilling on ice

19. Describe what will be done with drill cuttings?
Cuttings will report to suitable sump locations (natural depressions or outcrops near drillholes), and monitored such that drainage is away from watercourses. Should a drilling mud be required, only environmentally-benign products are used.

20. Describe what will be done with drill water?
Drillwater is recirculated up to 80%, with relict drillwater and cuttings reporting to suitable sump locations as noted in Question #19 above.

21. List the brand names and constituents of the drill additives to be used? Include MSDS sheets and provide confirmation that the additives are non-toxic and biodegradable.
Please see digital MSDS files accompanying this application for potential drill additives.

22. Will any core testing be done on site? Describe.
No.

SPILL CONTINGENCY PLANNING

23. Does the proponent have a spill contingency plan in place? Please include for review.
A Spill Contingency Plan (Appendix 7a) and Emergency Response Plan (Appendix 7b) accompany the application.

24. How many spill kits will be on site and where will they be located?
Four spill kits: 1 at the camp, 1 at the heli/fuel cache area, and 1 at each of the two core drills when they are in operation. (Extra absorbents, as well as drip pans/catch pails and refuge drums, also will be present).

25. Please describe the types, quantities, and method of storage of fuel and chemicals on site, and provide MSDS sheets.
Diesel – 500 (205L) drums stored in a cache area at camp; a temporary fuel cache within the proposed
Jet-B – 300 (205L) drums, stored as per diesel.
Unleaded petrol (gasoline) – 8 (205L) drums, stored as per diesel and Jet-B.
Propane cylinders – 25 (45kg), stored upright, secured with chain or in a cage, near the kitchen and dry (where propane use will occur). Empties will be bled and flown out on backhauls.

Bungs and valves will be checked daily during rounds by the camp personnel. A commercial hand-held gas detector can be used for checking propane bottles. Chemicals will be stored in their original, labelled containers in their use areas (kitchen, dry, generator shed, drillshack) on absorbent padding or inside non-reactive drip trays. Up to about 140L of chemicals/hazardous substances could be required in a programme season. Drilling-related chemicals, muds and oils/greases are stored in their original large tubs at drill-side, in the approx. volume of 200L. Lead-acid batteries in use would be in corrosive-resistant sleeves and storage of spares would be in similar boxes.

Please see digital MSDS files accompanying this application.

WATER SUPPLY AND TREATMENT

26. Describe the location of water sources.

See answer to Question #9 above. As the camp in its entirety is being moved 1km NW along the natural-sand airstrip, it will be more convenient to draw water from the Lorillard River, from whence it will be pumped with flexible hose to a holding tank in the dry, where it will be chlorinated with household sodium hypochlorite (Javex) for disinfection, with addition controlled by readings from a Hach potable-water test kit. At the drilling area, the water sources in closest proximity to diamond drillhole (DDH) locations, *i.e.*, clean freshwater of sufficient volume to support drilling without drawdown, will be selected; specific drillhole locations will be selected during ground geophysics.

27. Estimated demand (in L/day * person):

- ⊘ Domestic Use: *10 m^3/day for camp* * Water Source: *see above*
- ⊘ Drilling Units: *50m^3/day total* ** Water Source: *see above*
- ○ Other: _____ Water Source: _____

* 0.25m^3/person/day is anticipated, but 0.5m^3/person/day has been allowed for in this licence request to allow for any potential increase of camp personnel in 2009.

** *NOTE:* Should a larger bulk sample (*e.g.*, by reverse-circulation (RC) production rig) be planned for 2009, the 50m^3/day total drilling allotment might not prove sufficient and might require amending of licence volume prior to that event, *e.g.*, to an additional 50m^3/day or as a yearly allotment.

28. Describe water intake for camp operations? Is the water intake equipped with a mesh screen to prevent entrapment of fish? Describe:

Suction hose inserted into water will be screened to prevent entrainment on fish. Water-pump intake also will be screened with fine mesh.

29. Will drinking water quality be monitored? What parameters will be analysed and at what frequency?

Chlorination is accepted by northern environmental-health officers as suitable treatment for camp potable-water supply. Should sampling be instituted in future, samples would be analysed at an accredited environmental lab for total coliforms and *Escherichia coli* (*E. coli*) within 24 hours; other parameters would include chlorine, oil and grease (the latter for raw water only) and turbidity. A formerly-common parameter, faecal coliforms, would not be included, as current public-health understanding has established that the parameter of *E. coli* alone is sufficient to indicate faecal contamination (pers. comm., D. Fleming, Stanton Territorial Health Authority, NT, September 2006).

30. Will drinking water be treated? How?

Yes. See Question #26 above.

31. Will water be stored on site?

Yes, water for camp will be pumped to a poly holding tank in the dry, from whence water (after chlorination) will be distributed via hose-lines to sinks (kitchen and dry) and showers (dry).

WASTE TREATMENT AND DISPOSAL

32. Describe the characteristics, quantities, treatment and disposal methods for:

- ⦸ Camp Sewage (blackwater)

A latrine will be set up at the new campsite, housing 2 Pacto waterless toilets; setback will be at least 30m, as per other Nunavut permits and licences. Bagged sewage up to a volume of approx. 40L/day will be generated, depending on camp population; bags will be incinerated on site. Toilets are checked daily by camp attendants.

- ⦸ Camp Greywater

Cooking grease is removed from the waste stream for incineration; it does not enter the greywater sump. Greywater from the kitchen and dry will be pumped to a natural depression or hand-dug sump the requisite distance from water (at least 30m). The liquid component of greywater reporting to the sump will both evaporate and percolate through the sandy soil; the sump contents will be treated with Javex, if required to control odours which might attract wildlife.

- ○ Solid Waste

Combustible kitchen waste on the order of at least one 121L garbage bin by volume will be incinerated daily at camp. Non-combustible solid waste which can't be reused or recycled will be collected and removed on backhauls for proper disposal (authorisation will be secured with a community landfill in advance).

- ○ Bulky Items/Scrap Metal

It is conceivable that up to 2/3 of a Twin-load of such scrap (500kg) could be accumulated during a long programme and flown out for proper disposal, most likely at a contractor's storage yard (e.g., broken parts, spent drill rod, etc.) Timbers would be stored on site for future needs.

- ○ Waste Oil/Hazardous Waste

A volume of 5 drums' worth of waste oil/fuel, filters, oily rags, etc., could be generated in a season; these drums would be labelled as to contents, sealed and removed on backhauls for proper disposal (authorisation will be secured with community landfill or collection authority in advance).

- ○ Empty Barrels/Fuel Drums

Empty drums will be segregated from full drums, bungs tight, and flown out on backhauls, with a certain number reserved for use as refuge drums (containers for waste fuel, scrap, any spilt hydrocarbons, should such occur).

- ○ Other: *N/A*

33. Please describe incineration system if used on site. What types of wastes will be incinerated?

A CSA-rated fuel-fired incinerator (such as a camp-rated model sold by Ketek Industries of Edmonton, and flyable in a Twin Otter) will be installed on site. Combustible waste – typically, food waste, paper and Pacto bags – will be incinerated. Ash remains will be bagged and flown out on backhauls for disposable at a community landfill.

34. Where and how will non-combustible waste be disposed of ? If in a municipality in Nunavut, has authorization been granted?

As indicated in the "Solid Waste" section above, non-combustible solid waste which can't be reused or recycled will be collected and removed on backhauls for proper disposal (authorisation will be secured with a community landfill in advance). Local contractors, such as the expeditor, will be consulted regarding obtaining authorisation,

35. Describe location (relative to water bodies and camp facilities) dimensions and volume, and freeboard for sumps (if applicable).

Sumps (for camp and for DDH at proposed drilling area) will be sited as far as possible from waterbodies and at least 30m, unless permission is obtained from the INAC inspector. The sump for the new camp will be a natural depression or hand-dug pit on the order of 1m x 1m x 1.5m, with a freeboard of approx. 0.4m, depending on actual conditions.

36. Will leachate monitoring be done? What parameters will be sampled and analysed, and at what frequency?
N/A

OPERATION AND MAINTENANCE

37. Have the water supply and waste treatment and disposal methods been used and proven in cold climate? Yes.

What known O&M problems may occur? What contingency plans are in place?
Please refer to the Spill Contingency Plan accompanying this application and the Project Description.

ABANDONMENT AND RESTORATION

38. Provide a detailed description of progressive and final abandonment and restoration activities at the site.
Please refer to the Abandonment and Restoration Plan accompanying this application. (Both the existing and new camps are sited on a flat, sandy esker, vegetation free, which aids in final cleanup. At the end of final operations at that location, the new camp will be dismantled; materials which can be burned will be burned on site and remaining materials, drums, etc., flown off site, such that the use area is returned to its prior condition. The camp sump will be examined, cleaned of debris (if required), infilled and re-covered with reserved overburden. Documenting photographs will be taken before/during/after the cleanup.)

BASELINE DATA

39. Has or will any baseline information be collected as part of this project? Provide bibliography.
- ○ Physical Environment (Landscape and Terrain, Air, Water, etc.)
- ○ Biological Environment (Vegetation, Wildlife, Birds, Fish and Other Aquatic
- ○ Organisms, etc.)
- ○ Socio-Economic Environment (Archaeology, Land and Resources Use,
- ○ Demographics, Social and Culture Patterns, etc.)
- ○ Other:

Depending on the 2008 results, baseline-data collection will commence in 2009 so as to occur as the project advances.

REGULATORY INFORMATION

40. Do you have a copy of
- √ Article 13 - Nunavut Land Claims Agreement
- √ NWB - Water Licensing in Nunavut - Interim Procedures and Information Guide for Applicants
- √ NWB - Interim Rules of Practice and Procedure for Public Hearings
- √ NWTWB - Guidelines for the Discharge of Treated Municipal Wastewater in the NWT
- √ NWTWB - Guidelines for Contingency Planning
- √ DFO - Freshwater Intake End of Pipe Fish Screen Guideline
- √ Fisheries Act - s.35
- √ RWED - Environment Protection- Spill Contingency Regulations
- √ Canadian Drinking Water Quality Guidelines
- √ Public Health Act Camp Sanitation Regulations
- √ Public Health Act Water Supply Regulations

√ Territorial Land Use Act and Regulations

You should consult the above document, guidelines, and legislation for compliance with existing regulatory requirements.