TECHNICAL REPORT
on
THE NANUQ PROPERTY
KIVALLIQ REGION, NUNAVUT

90° 30' W, 65° 15'N

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1.0 SUMMARY

The Nanuq Property consists of 320 mineral claims covering 313,859 hectares (775,563 acres), located in the Western Churchill Province. The centre of the property is 170 km north of the town of Chesterfield Inlet and 225 km east-northeast of the town of Baker Lake at 90° 30' W longitude and 65° 15' N latitude. The property is held 100% by Peregrine, subject to a 2% gross production royalty in favour of BHP Billiton for 47% of the area of the property. BHP Billiton also retains all marketing rights in respect of all rough diamonds for the same 47% area of the property for a period of three years from the commencement of commercial production.

Nanuq is located within the Rae domain of the Western Churchill Province and is underlain primarily by Archean tonalite-granodiorite-granite gneiss and Archean or Paleoproterozoic (Aphebian) biotite gneiss, migmatite, and granite. Rocks in the Nanuq region have been divided into three major supracrustal belts. The Wager Bay Shear Zone cuts through the north central part of the property in an east-west direction and is the dominant structural element observed. It is a near-vertical-dipping shear zone that displays dextral movement. The property is located within, and to the southeast of, the Keewatin Ice Divide. Undifferentiated surficial materials, which consist mainly of tills, cover bedrock. Two esker systems traverse the area; one trends in an east-southeast direction and a second more dominant system is southeast-trending. In the southern part of the area glacial striae indicate that ice flow was in a general southeasterly direction. On the northern part of the property, northerly ice flow directions have been recorded.

Kimberlite indicator mineral (KIM) sampling by BHP Billiton as part of a regional reconnaissance program detected the presence of KIMs in the Nanuq area. Additional work between 2002 and 2005 defined several southeast-trending dispersion plumes dominated by chrome pyrope, eclogitic garnet and chrome diopside with some forsteric olivine and chromite, but no ilmenite. Olivine-dominated dispersion plumes were also identified. The mineral chemistry showed evidence of sampling within the diamond stability field by the presence of pyrope garnets (both G10's and G9's), and diamond inclusion field eclogitic garnets and diamond inclusion field chromites. Clinopyroxene thermobarometry indicated a cool geotherm for the Nanuq mantle, approximately 34 to 35 mW/m^2, which is similar to what is found for the Slave Province and also indicated that mantle within the diamond stability field was tapped.

An airborne magnetometer survey was flown in the fall of 2003 over part of the property and in 2004, a Falcon™ airborne gravity gradiometric survey was flown over parts of the area. In 2007 an airborne magnetic survey was flown over previously unsurveyed claims, resulting in complete airborne magnetic coverage of the property at that time. Ground geophysical surveys (magnetic, electromagnetic and gravity) have been completed over a number of the

anomalies. Airborne and ground geophysical surveys identified and confirmed the presence of numerous geophysical anomalies most of which remain untested.

In May, 2004 seven drill holes totalling 520 metres were drilled to test five geophysical anomalies. All targets tested were on a single geophysical grid. No kimberlites were intersected.

In 2007, 2,502 metres of NQ diamond drilling was completed in 12 holes to test three geophysical targets. Three kimberlites, Kayuu, Tudlik and Naturalik, were discovered. Kayuu is estimated to be approximately five hectares in size and has complex internal geology. It was intersected by five drill holes. The bulk of the Kayuu pipe fill comprises volcaniclastic kimberlite ("VK") arranged in numerous massive to crudely bedded depositional packages that occur as six spatially and lithologically distinct units. Many of the VK units show evidence of being resedimented; one unit is enigmatic and displays both fragmental and coherent textures. Naturalik is located approximately five kilometres east of Kayuu and is estimated to be around six hectares in size. It was intersected by six drill holes. Naturalik is filled by two contrasting textural varieties of kimberlite: two phases of coherent kimberlite ("CK") and subordinate variably fragmental VK. Tudlik is located approximately 200 metres southwest of Kayuu. Tudlik is smaller than Naturalik and Kayuu at approximately one hectare in size, and was intersected with only a single drill hole. It appears to be infilled with a single phase of VK, distinctly different than the phases in either Kayuu or Naturalik. All three pipes have been tested and all are diamond-bearing.

In 2008, 303 line-kilometres of data were collected on 14 ground magnetometer grids and 572 line-kilometres of data were collected on a sled-magnetometer grid. Four horizontal-loop electromagnetic grids were surveyed for a total of 31 line-kilometres.

The author is of the opinion that all exploration at Nanuq has been appropriate and that it has been performed to industry standards.

The kimberlite discoveries made by Peregrine at Nanuq in 2007 have established a new Canadian diamond district. It is very early in the cycle of evaluating this district. Based on the information derived from the first three discoveries and property-wide exploration data, the author of this report believes that the property has good exploration potential. There is the potential for the property to host one or more kimberlites that have a favourable combination of grade and tonnage to warrant economic evaluation. Future exploration should focus primarily on identifying new kimberlites and evaluating their diamond potential. To accomplish this, additional till sampling, mapping, prospecting, ground geophysical surveys, diamond drilling and drill core analysis is recommended.

2.0 INTRODUCTION

This report is being prepared for Peregrine Diamonds Ltd. as a Technical Report updating project status and summarizing the results of exploration on the Nanuq Property in 2007 that led to the first discoveries of diamond bearing kimberlites in this area. The report is being prepared for use by Peregrine in its annual information forms and is to be filed on SEDAR with the applicable securities commissions and the TSX. It follows the standards, form and requirements set out in National Instrument 43-101. The author is a qualified person under National Instrument 43-101, but is not independent of Peregrine.

The information contained in this report has been collected by Peregrine and/or its predecessor, Dunsmuir Ventures Limited ("Dunsmuir") and most of it has been previously reported in various technical reports filed for assessment purposes with the Department of Indian Affairs and Northern Development in Iqaluit, NU (Pell, 2003; Pell and Strickland, 2004; Pell and Harder, 2005; Pell and Tam, 2006a; 2006b; Pell and Neilson, 2008) or in Peregrine press releases which can be found on the Peregrine website (www.pdiam.com).

The author has been responsible for the planning and implementation of all exploration programs at Nanuq between 2002 and 2005, helped in the planning and implementation of the 2006 and 2007 programs, logged four of the seven core holes drilled in 2004 and completed field logs for five of the 12 holes drilled in 2007. The author visited the property from July 20th to 29th, 2003; April 30th to May 16th, 2004; July 22nd to August 1st, 2004; and August 9th to September 10th, 2007.

3.0 RELIANCE ON OTHER EXPERTS

The work covered in this report has been completed by or for Peregrine and its predecessor, Dunsmuir. The Author has been involved in this project since its inception.

Current geological and mineralogical studies were undertaken by Mineral Services Canada Ltd. (Mineral Services), whose primary investigators are highly experienced and qualified in kimberlite studies and are supervised by Qualified Persons. Mineral Services are the only outside experts that have been relied upon.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Nanuq property consisted of 320 mineral claims covering 313,859.10 hectares (775,563.01 acres), located in the Western Churchill Province (Table 1; Figure 2). The centre of the property is 170 km north of the town of Chesterfield Inlet and 225 km east-northeast of the town of Baker Lake at 90° 30' W longitude and 65° 15' N latitude (Figure 1).

The property is held 100% by Peregrine, subject to a 2% gross production royalty in favour of BHP Billiton for 47% of the area of the property. BHP Billiton also retains all marketing rights in respect of all rough diamonds for the same 47% area of the property for a period of three years from the commencement of commercial production.

The ownership and status of all claims has been checked with the Mining Recorders Office, Department of Indian and Northern Affairs, Iqaluit, NU, and is as shown (Table 1). Claim posts, etc. have not been verified, but are assumed to be valid as the claims are all in good standing. The claims have not been professionally surveyed.

There are no permanent improvements on the property. No environmental liabilities exist on the property other than those under current permits. Permits allowing the current exploration are in good standing, and are similar in nature to any required for proposed work under this Technical Report.

Table 1 – Nanuq Claims

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
F85207	NAN 01	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2524.00	1,021.43	Active	$7,353.17
F85208	NAN 02	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2031.00	821.92	Active	$5,946.04
F85209	NAN 03	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	1242.00	502.62	Active	$3,636.13
F85210	NAN 04	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	470.90	190.57	Active	$1,378.63
F85211	NAN 05	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$7,498.90
F85212	NAN 06	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$7,560.64
F85213	NAN 07	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$7,560.64
F97011	NAN 08	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$7,560.64
F97012	NAN 09	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	2397.00	970.03	Active	$7,017.56
F97013	NAN 10	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	1480.00	598.93	Active	$7,558.49
F97014	NAN 11	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-15	737.50	298.46	Active	$4,455.34
F97015	NAN 12	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-10	1665.00	673.80	Active	$35.00
F97016	NAN 13	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-10	953.70	385.95	Active	$42.76
F97017	NAN 14	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$479.71
F97018	NAN 15	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$479.71
F97019	NAN 16	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,775.00
F97020	NAN 17	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$10.00
F97021	NAN 18	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$535.00
F97022	NAN 19	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$1,603.59
F97023	NAN 20	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-13	2582.50	1,045.10	Active	$1,262.29
F97024	NAN 21	Peregrine Diamonds Ltd.	100	056G10				13-Sep-05	13-Sep-13	2582.50	1,045.10	Active	$1,262.29
F97025	NAN 22	Peregrine Diamonds Ltd.	100	056G11				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$970.01
F97026	NAN 23	Peregrine Diamonds Ltd.	100	056G11				13-Sep-05	13-Sep-14	2582.50	1,045.10	Active	$903.16
F97027	NAN 24	Peregrine Diamonds Ltd.	100	056G11				13-Sep-05	13-Sep-14	2582.50	1,045.10	Active	$924.99
F97028	NAN 25	Peregrine Diamonds Ltd.	100	056G11				13-Sep-05	13-Sep-12	2582.50	1,045.10	Active	$2,200.13
F97029	NAN 26	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-12	2582.50	1,045.10	Active	$3,291.30
F97030	NAN 27	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$462,141.28
F97031	NAN 28	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$3,077.33
F97032	NAN 29	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-13	2582.50	1,045.10	Active	$907.56
F97033	NAN 30	Peregrine Diamonds Ltd.	100	056G06	056G07			13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$344,854.15
F97034	NAN 31	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$5,159.38
F97035	NAN 32	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$1,555.00
F97036	NAN 33	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$537.98
F97037	NAN 34	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$1,739.29
F97038	NAN 35	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$8.94
F97039	NAN 36	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,768.20
F97040	NAN 37	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97041	NAN 38	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97042	NAN 39	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97043	NAN 40	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,877.57
F97044	NAN 41	Peregrine Diamonds Ltd.	100	056G07	056G08			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,424.11
F97045	NAN 42	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97046	NAN 43	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97047	NAN 44	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97048	NAN 45	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97049	NAN 46	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.01

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
F97050	NAN 47	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$1,739.29
F97051	NAN 48	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$487.47
F97052	NAN 49	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$487.47
F97053	NAN 50	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$5,159.38
F97054	NAN 51	Peregrine Diamonds Ltd.	100	056G06	056G07			13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$344,854.15
F97055	NAN 52	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,745.00
F97056	NAN 53	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$3,077.33
F97057	NAN 54	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-15	2582.50	1,045.10	Active	$462,141.28
F97058	NAN 55	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$4,808.54
F97059	NAN 56	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$4,808.54
F97060	NAN 57	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,935.00
F97061	NAN 58	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,570.07
F97062	NAN 59	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,570.07
F97063	NAN 60	Peregrine Diamonds Ltd.	100	056G06	056G07			13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,764.22
F97064	NAN 61	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,688.20
F97065	NAN 62	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,611.67
F97066	NAN 63	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,535.14
F97067	NAN 64	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,785.14
F97068	NAN 65	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,417.12
F97069	NAN 66	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,774.64
F97070	NAN 67	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,774.64
F97071	NAN 68	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,538.53
F97072	NAN 69	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,303.53
F97073	NAN 70	Peregrine Diamonds Ltd.	100	056G07	056G08			13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,620.00
F97074	NAN 71	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,434.75
F97075	NAN 72	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,026.19
F97076	NAN 73	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,629.08
F97077	NAN 74	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,629.08
F97078	NAN 75	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,731.05
F97079	NAN 76	Peregrine Diamonds Ltd.	100	056G07	056G08			13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,626.58
F97080	NAN 77	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,327.38
F97081	NAN 78	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,543.79
F97082	NAN 79	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,016.86
F97083	NAN 80	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,402.84
F97084	NAN 81	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,399.15
F97085	NAN 82	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,121.89
F97086	NAN 83	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,121.89
F97087	NAN 84	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,121.89
F97088	NAN 85	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,856.08
F97089	NAN 86	Peregrine Diamonds Ltd.	100	056G06	056G07			13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,856.08
F97090	NAN 87	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,045.81
F97091	NAN 88	Peregrine Diamonds Ltd.	100	056G06				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,871.42
F97092	NAN 89	Peregrine Diamonds Ltd.	100	056G06	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$5,125.79
F97093	NAN 90	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$5,125.79
F97094	NAN 91	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,121.89
F97095	NAN 92	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,121.89
F97096	NAN 93	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,660.85
F97097	NAN 94	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,035.13
F97098	NAN 95	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,332.84

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
F97099	NAN 96	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,016.86
F97100	NAN 97	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-14	2582.50	1,045.10	Active	$2,884.89
F97101	NAN 98	Peregrine Diamonds Ltd.	100	056G07				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,772.84
F97102	NAN 99	Peregrine Diamonds Ltd.	100	056G07	056G08			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,537.08
F97103	NAN 100	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,568.60
F97104	NAN 101	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,629.08
F97105	NAN 102	Peregrine Diamonds Ltd.	100	056G08				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,629.08
F97106	NAN 103	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,779.93
F97107	NAN 104	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-14	2582.50	1,045.10	Active	$2,828.99
F97108	NAN 105	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,587.76
F97109	NAN 106	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,761.10
F97110	NAN 107	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,344.86
F97111	NAN 108	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,803.14
F97112	NAN 109	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,803.14
F97113	NAN 110	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,803.14
F97114	NAN 111	Peregrine Diamonds Ltd.	100	056G02	056G07			13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,829.70
F97115	NAN 112	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,274.29
F97116	NAN 113	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,275.64
F97117	NAN 114	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,107.97
F97118	NAN 115	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,107.96
F97119	NAN 116	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$1,758.18
F97120	NAN 117	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,557.99
F97121	NAN 118	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,552.99
F97122	NAN 119	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$831.31
F97123	NAN 120	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$831.31
F97124	NAN 121	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,558.40
F97125	NAN 122	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,649.02
F97126	NAN 123	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$3,632.88
F97127	NAN 124	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$19.64
F97128	NAN 125	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,107.96
F97129	NAN 126	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-11	2582.50	1,045.10	Active	$12.34
F97130	NAN 127	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,688.21
F97131	NAN 128	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$2,717.90
F97132	NAN 129	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,629.22
F97133	NAN 130	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,448.85
F97134	NAN 131	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,717.43
F97135	NAN 132	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$436.21
F97136	NAN 133	Peregrine Diamonds Ltd.	100	056G01				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$436.21
F97137	NAN 134	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,705.56
F97138	NAN 135	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97139	NAN 136	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$3,490.15
F97140	NAN 137	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97141	NAN 138	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97142	NAN 139	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97143	NAN 140	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97144	NAN 141	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-09	2582.50	1,045.10	Active	$4,647.14
F97145	NAN 142	Peregrine Diamonds Ltd.	100	056G02				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$1,187.34
F97146	NAN 143	Peregrine Diamonds Ltd.	100	056G01				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$1,185.48
F97147	NAN 144	Peregrine Diamonds Ltd.	100	056G01				13-Sep-05	13-Sep-10	2582.50	1,045.10	Active	$2,076.13

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
K00801	NAN 201	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2302.05	931.61	Active	$0.00
K00802	NAN 202	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1937.53	784.09	Active	$0.00
K00803	NAN 203	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1615.40	653.73	Active	$0.00
K00804	NAN 204	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1197.53	484.62	Active	$0.00
K00805	NAN 205	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	364.12	147.35	Active	$0.00
K00806	NAN 206	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00807	NAN 207	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00808	NAN 208	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00809	NAN 209	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00810	NAN 210	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00811	NAN 211	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00812	NAN 212	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00813	NAN 213	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00814	NAN 214	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00815	NAN 215	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00816	NAN 216	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00817	NAN 217	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00818	NAN 218	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00819	NAN 219	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00820	NAN 220	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00821	NAN 221	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00822	NAN 222	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1966.00	795.61	Active	$0.00
K00823	NAN 223	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	217.86	88.16	Active	$0.00
K00824	NAN 224	Peregrine Diamonds Ltd.	100	056G11	056G10			19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00825	NAN 225	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00826	NAN 226	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00827	NAN 227	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00828	NAN 228	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00829	NAN 229	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00830	NAN 230	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00831	NAN 231	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00832	NAN 232	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	2197.48	889.29	Active	$0.00
K00833	NAN 233	Peregrine Diamonds Ltd.	100	056G11	056G06			19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00834	NAN 234	Peregrine Diamonds Ltd.	100	056G11	056G06			19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00835	NAN 235	Peregrine Diamonds Ltd.	100	056G11	056G06			19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00836	NAN 236	Peregrine Diamonds Ltd.	100	056G11	056G06			19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00837	NAN 237	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1549.50	627.06	Active	$0.00
K00838	NAN 238	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1549.50	627.06	Active	$0.00
K00839	NAN 239	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1549.50	627.06	Active	$0.00
K00840	NAN 240	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1549.50	627.06	Active	$0.00
K00841	NAN 241	Peregrine Diamonds Ltd.	100	056G11				19-Sep-07	19-Sep-09	1245.23	503.93	Active	$0.00
K00842	NAN 242	Peregrine Diamonds Ltd.	100	056G11	056G06			19-Sep-07	19-Sep-09	826.40	334.43	Active	$0.00
K00843	NAN 243	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00844	NAN 244	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00845	NAN 245	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00846	NAN 246	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00847	NAN 247	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1960.38	793.34	Active	$0.00
K00848	NAN 248	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00849	NAN 249	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
K00850	NAN 250	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00851	NAN 251	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00852	NAN 252	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1765.17	714.34	Active	$0.00
K00853	NAN 253	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00854	NAN 254	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00855	NAN 255	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00856	NAN 256	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	2582.50	1,045.10	Active	$0.00
K00857	NAN 257	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1583.54	640.84	Active	$0.00
K00858	NAN 258	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1291.25	522.55	Active	$0.00
K00859	NAN 259	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1291.25	522.55	Active	$0.00
K00860	NAN 260	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1291.25	522.55	Active	$0.00
K00861	NAN 261	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	1291.25	522.55	Active	$0.00
K00862	NAN 262	Peregrine Diamonds Ltd.	100	056G06				19-Sep-07	19-Sep-09	737.94	298.63	Active	$0.00
K10934	NQ 1	Peregrine Diamonds Ltd.	100	056G06				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10935	NQ 2	Peregrine Diamonds Ltd.	100	056G06				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10936	NQ 3	Peregrine Diamonds Ltd.	100	056G06	056G03			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10937	NQ 4	Peregrine Diamonds Ltd.	100	056G06	056G03			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10938	NQ 5	Peregrine Diamonds Ltd.	100	056G06	056G03	056G02	056G07	3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10939	NQ 6	Peregrine Diamonds Ltd.	100	056G02	056G03			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10940	NQ 7	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10941	NQ 8	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10942	NQ 9	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10943	NQ 10	Peregrine Diamonds Ltd.	100	056G02	056G03			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10944	NQ 11	Peregrine Diamonds Ltd.	100	056G02	056G03			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10945	NQ 12	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10946	NQ 13	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10947	NQ 14	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10948	NQ 15	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10949	NQ 16	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10950	NQ 17	Peregrine Diamonds Ltd.	100	056G02				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10951	NQ 18	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10952	NQ 19	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10953	NQ 20	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10954	NQ 21	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10955	NQ 22	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10956	NQ 23	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10957	NQ 24	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10958	NQ 25	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10959	NQ 26	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10960	NQ 27	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10961	NQ 28	Peregrine Diamonds Ltd.	100	056G01	056G07			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10962	NQ 29	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10963	NQ 30	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10964	NQ 31	Peregrine Diamonds Ltd.	100	056G01	056G07			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10965	NQ 32	Peregrine Diamonds Ltd.	100	056G01	056G07			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10966	NQ 33	Peregrine Diamonds Ltd.	100	056G07				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10967	NQ 34	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10968	NQ 35	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10969	NQ 36	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
K10970	NQ 37	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10971	NQ 38	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10972	NQ 39	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10973	NQ 40	Peregrine Diamonds Ltd.	100	056G08	056G07			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10974	NQ 41	Peregrine Diamonds Ltd.	100	056G08	056G07	056G09	056G10	3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10975	NQ 42	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10976	NQ 43	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10977	NQ 44	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10978	NQ 45	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10979	NQ 46	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10980	NQ 47	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10981	NQ 48	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10982	NQ 49	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10983	NQ 50	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10984	NQ 51	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10985	NQ 52	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10986	NQ 53	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10987	NQ 54	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10988	NQ 55	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10989	NQ 56	Peregrine Diamonds Ltd.	100	056G01				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10990	NQ 57	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10871	NQ 58	Peregrine Diamonds Ltd.	100	056G01	056G08			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10872	NQ 59	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10873	NQ 60	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10874	NQ 61	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10875	NQ 62	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10876	NQ 63	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10877	NQ 64	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10878	NQ 65	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10879	NQ 66	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10880	NQ 67	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10881	NQ 68	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2324.25	940.59	Active	$0.00
K10882	NQ 69	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10883	NQ 70	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2066.00	836.08	Active	$0.00
K10884	NQ 71	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10885	NQ 72	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10886	NQ 73	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10887	NQ 74	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10888	NQ 75	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10889	NQ 76	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10890	NQ 77	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10891	NQ 78	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10892	NQ 79	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10893	NQ 80	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10894	NQ 81	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10910	NQ 82	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	1807.75	731.57	Active	$0.00
K10991	NQ 83	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10992	NQ 84	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2530.85	1,024.20	Active	$0.00
K10993	NQ 85	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00

Claim #	Name	Owner Name	%	NTS Sheet 1	NTS Sheet 2	NTS Sheet 3	NTS Sheet 4	Recorded Date	Anniversary Date	Acres	Hectares	Status	Excess Credit
K10994	NQ 86	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10995	NQ 87	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10996	NQ 88	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10997	NQ 89	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10998	NQ 90	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10999	NQ 91	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K11000	NQ 92	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10801	NQ 93	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10802	NQ 94	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2543.00	1,029.12	Active	$0.00
K10803	NQ 95	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2194.00	887.88	Active	$0.00
K10804	NQ 96	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	1807.75	731.57	Active	$0.00
K10805	NQ 97	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	1833.58	742.02	Active	$0.00
K10806	NQ 98	Peregrine Diamonds Ltd.	100	056G08				3-Jul-08	3-Jul-10	1549.50	627.06	Active	$0.00
K10807	NQ 99	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10808	NQ 100	Peregrine Diamonds Ltd.	100	056G08	056G09			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10809	NQ 101	Peregrine Diamonds Ltd.	100	056G09	056G10			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10810	NQ 102	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10811	NQ 103	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10812	NQ 104	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	2272.60	919.69	Active	$0.00
K10813	NQ 105	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	1055.00	426.94	Active	$0.00
K10814	NQ 106	Peregrine Diamonds Ltd.	100	056G09	056G10			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10815	NQ 107	Peregrine Diamonds Ltd.	100	056G09	056G10			3-Jul-08	3-Jul-10	2582.50	1,045.10	Active	$0.00
K10816	NQ 108	Peregrine Diamonds Ltd.	100	056G10				3-Jul-08	3-Jul-10	1137.00	460.13	Active	$0.00
K10817	NQ 109	Peregrine Diamonds Ltd.	100	056G09	056G10			3-Jul-08	3-Jul-10	2300.00	930.78	Active	$0.00
K10818	NQ 110	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	2350.00	951.01	Active	$0.00
K10819	NQ 111	Peregrine Diamonds Ltd.	100	056G09				3-Jul-08	3-Jul-10	1165.50	471.66	Active	$0.00
K10820	NQ 112	Peregrine Diamonds Ltd.	100	056G10				3-Jul-08	3-Jul-10	1008.00	407.92	Active	$0.00
K10821	NQ 113	Peregrine Diamonds Ltd.	100	056G10				3-Jul-08	3-Jul-10	600.00	242.81	Active	$0.00
K10822	NQ 114	Peregrine Diamonds Ltd.	100	056G07				3-Jul-08	3-Jul-10	380.00	153.78	Active	$0.00
										775563.01	313859.10		

Note: Anniversary dates and excess credits reflect anticipated approval of an assessment report filed in July, 2008; dates and dollar values may change upon approval of report.

Figure 1 – General Location of the Nanuq Property

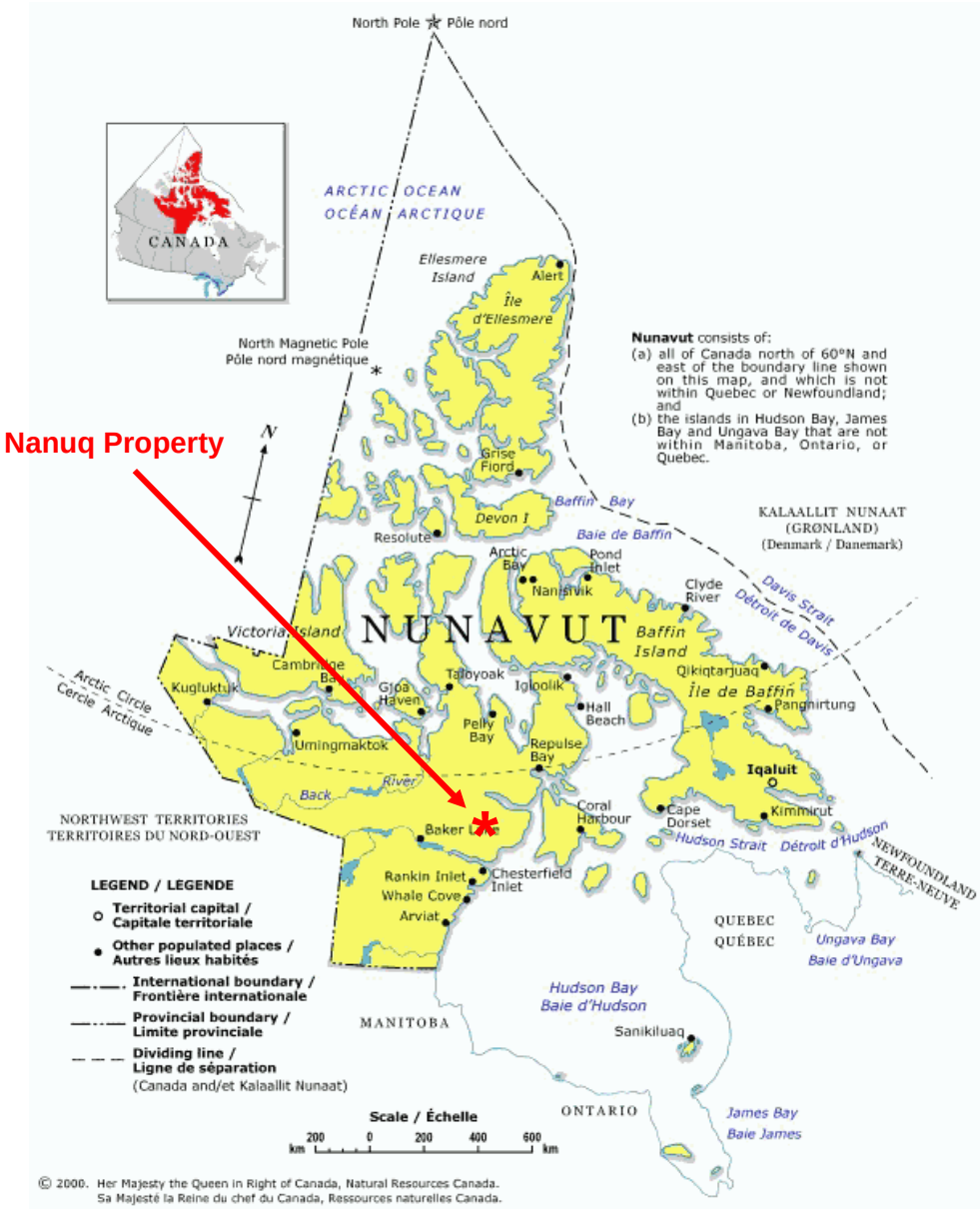


Figure 2 - Detailed Location Map, Nanuq Property

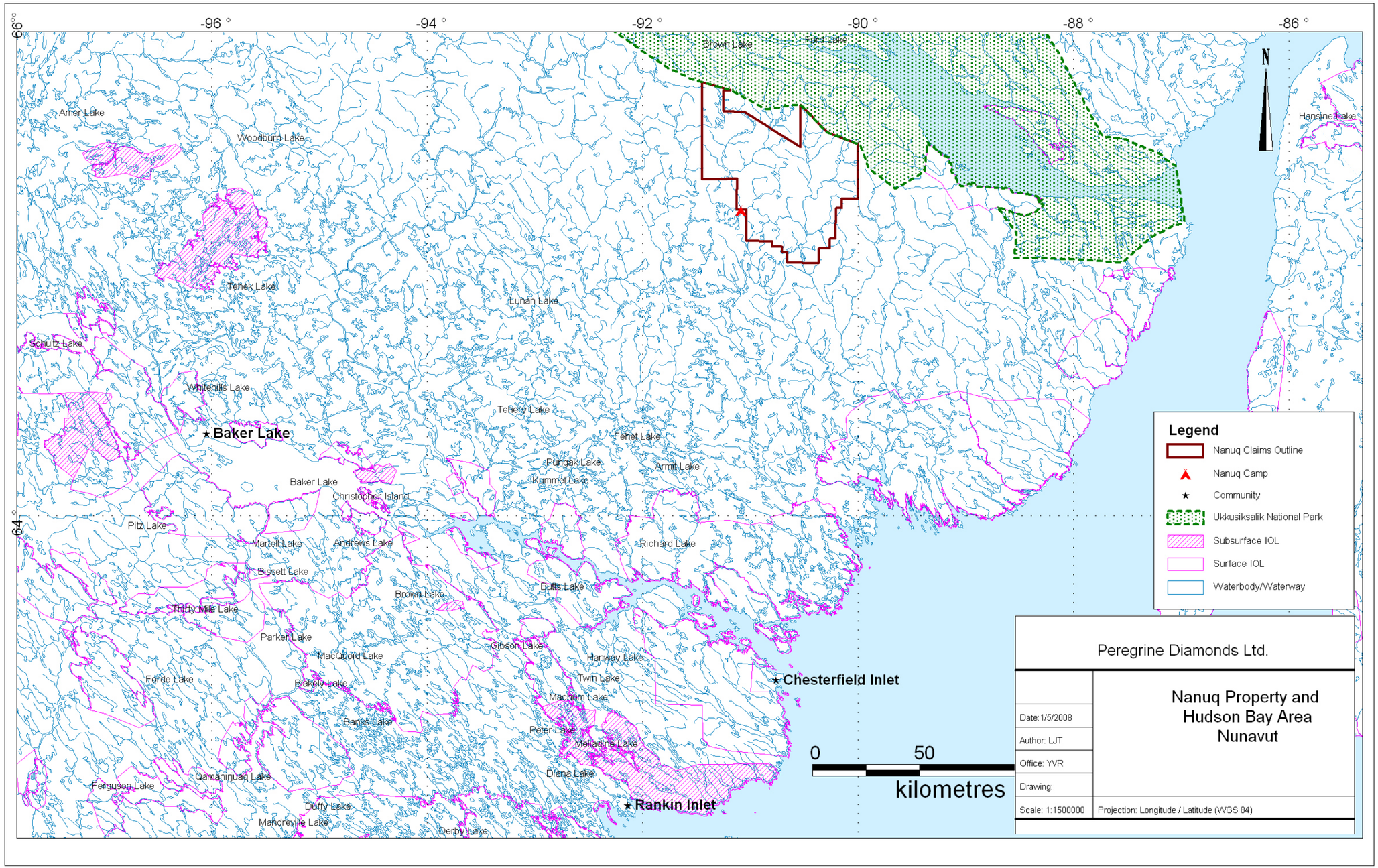
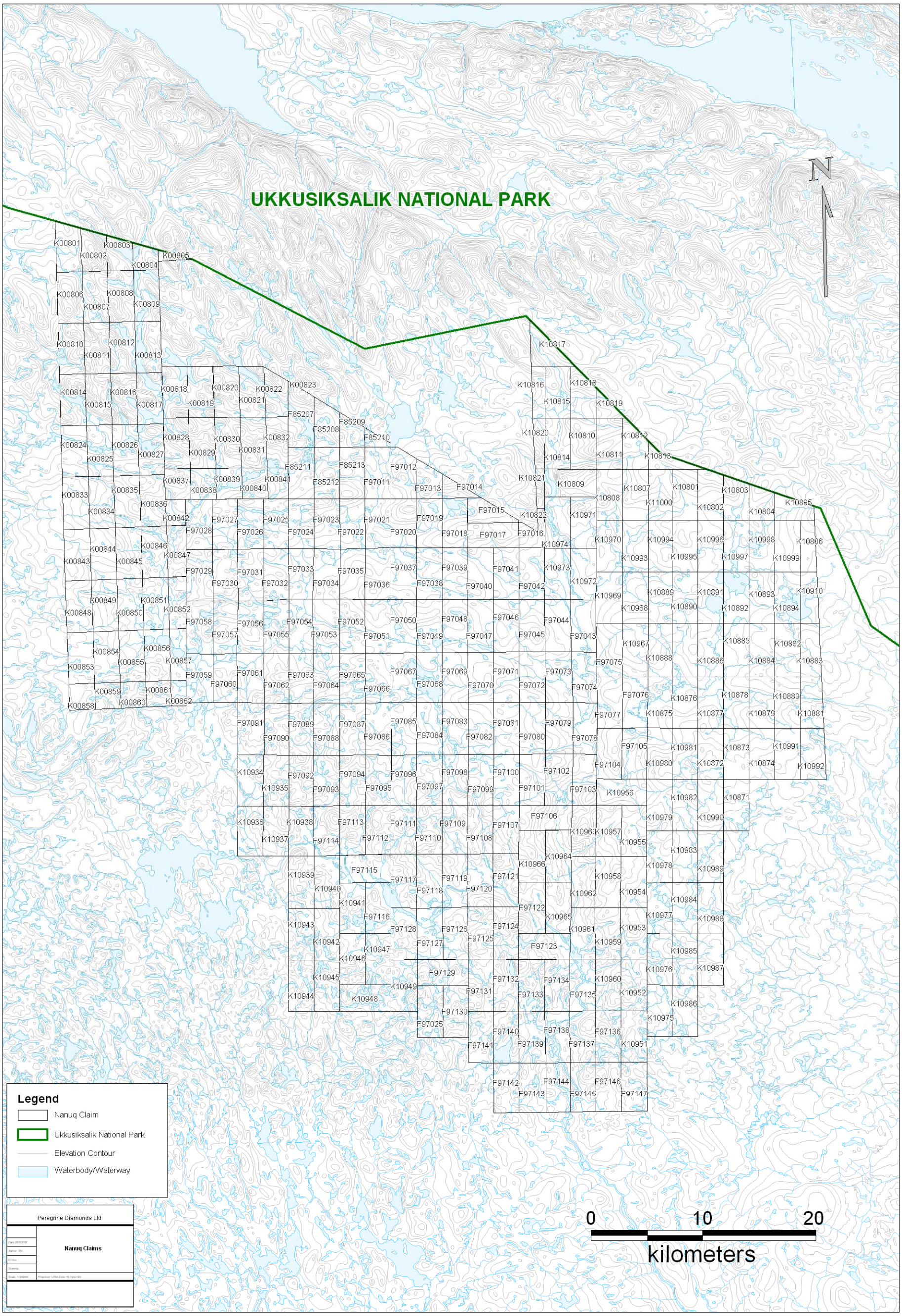


Figure 3 – Nanuq Claims



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The centre of the Nanuq property is 170 km north of the town of Chesterfield Inlet and 225 km east-northeast of the town of Baker Lake at 90° 30' W longitude and 65° 15' N latitude. Access to the property is via scheduled air service to Baker Lake or Chesterfield Inlet from Winnipeg, Manitoba or via scheduled air service to Rankin Inlet from Yellowknife, NWT or from Winnipeg. From these communities, access is best gained to the property via helicopter. Eskers exist throughout the area and some can be used as natural airstrips for tundra-tire equipped fixed-wing aircraft to position camp equipment, mobilize crews, and/or pick up samples.

A Turbo Otter operated by Ookpik Aviation is based in Baker Lake. Kenn Borek Air operates Twin Otters out of Rankin Inlet. There are no helicopters based in either Baker Lake or Chesterfield Inlet; they must be chartered either on a casual or full time basis from elsewhere and positioned from point of origin to the property. Services available in Baker Lake, Chesterfield Inlet and Rankin Inlet include hotels, grocery and hardware supplies. Expediting services are available from Baker Lake and Rankin Inlet.

The climate of the area is typical of the eastern arctic, being cold in the winter (minus 20 to minus 45 degrees Celsius) and cool to mild in the summer (5 to 15 degrees Celsius). Precipitation is moderate. Lakes typically have ice until mid-June and freeze up in late September.

The property is located in the barren lands. There is little topographic variance and shallow lakes, creeks, rivers, and swamps are common throughout. Extensive, thin glacial deposits (till) occur throughout the property and rock outcrops are locally present. Lichens, moss, grasses and small shrubs are typical of the vegetation present.

6.0 HISTORY

There is no record of claims or prospecting permits having previously existed on what is now the Nanuq Property or record of any exploration work previous to 2001. In 2001, BHP Billiton (BHP) collected 40 heavy mineral samples on what would become the Nanuq property as part of a regional reconnaissance exploration program. Twenty-three of these samples returned positive indicator mineral results. In 2002, Dunsmuir entered into a strategic alliance with BHP and took on the project. Additional sampling was done during the summer of 2002 and the original indicator mineral anomaly confirmed and augmented which led Dunsmuir to acquire prospecting permits in February, 2003. Dunsmuir continued to explore the property and in 2005 staked 144 mineral claims covering 146,552.29 hectares (362,138.6 acres) prior to the expiry of the permits at the end of January 2006. In 2006, Peregrine and Dunsmuir merged and Peregrine became operator of the project. In September 2007, an additional 62 claims covering 54,462.44 hectares (134,576.63 acres) were staked and in July, 2008 a further 114 claims covering 112,844.48 hectares (278,844.78 acres) were acquired.

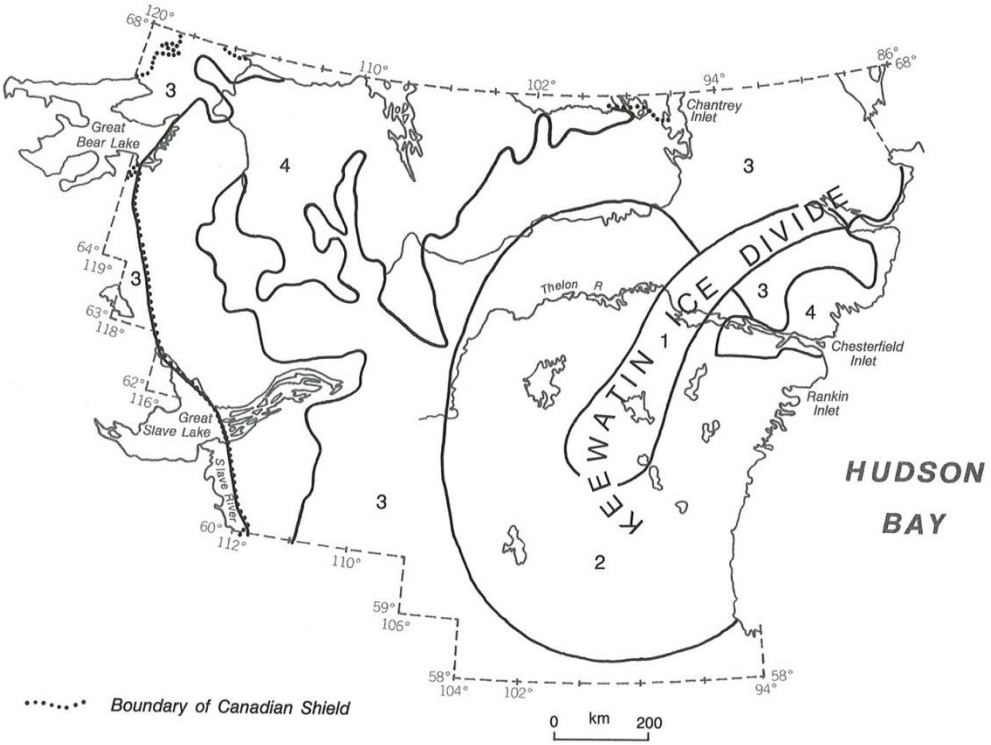
Additional details of the exploration programmes at Nanuq are presented in Section 10.0 EXPLORATION and 11.0 DRILLING.

7.0 GEOLOGIC SETTING

7.1 Surficial Geology

The majority of the Canadian Arctic was ice covered during much of the Quaternary period by the Laurentide Ice Sheet, which existed from around 120,000 to 8,000 years ago. The Keewatin Ice Divide, which represents the highest area on the western part of the Laurentide Ice Sheet, stretches from near the Manitoba-Nunavut border to the vicinity of Wager Bay – a distance of about 700 km (Figure 4). Ice flowed away from the divide in all directions and glacial landforms are arranged in roughly concentric zones around it.

Figure 4 - Location of the Keewatin Ice Divide



From Aylsworth and Shilts, 1989. 1 = the zone of the Keewatin Ice Divide and hummocky moraine; 2 = the zone of ribbed moraine; 3 = the outer drift zone; 4 = the drift-poor zone. The Nanuq Property is located near the position of "1".

The Nanuq property is located within this recognized Ice Divide. The property has been mapped at a reconnaissance scale (1:1,000,000, Aylsworth and Shilts, 1989) as comprising undifferentiated surficial materials, which consist mainly of tills but can include minor areas of organic, fluvial, lacustrine, and glaciofluvial deposits and minor areas of bedrock outcrop. More recent studies (Dredge and McMartin, 2007; 2005; Dredge et. al., 2006; 2005; McMartin and Dredge, 2005; McMartin et. al., 2005) have better defined the quaternary history of the area (NTS 56G). These works show that major elements of the landscape in the Nanuq area are largely controlled by bedrock type and structure and overlying till

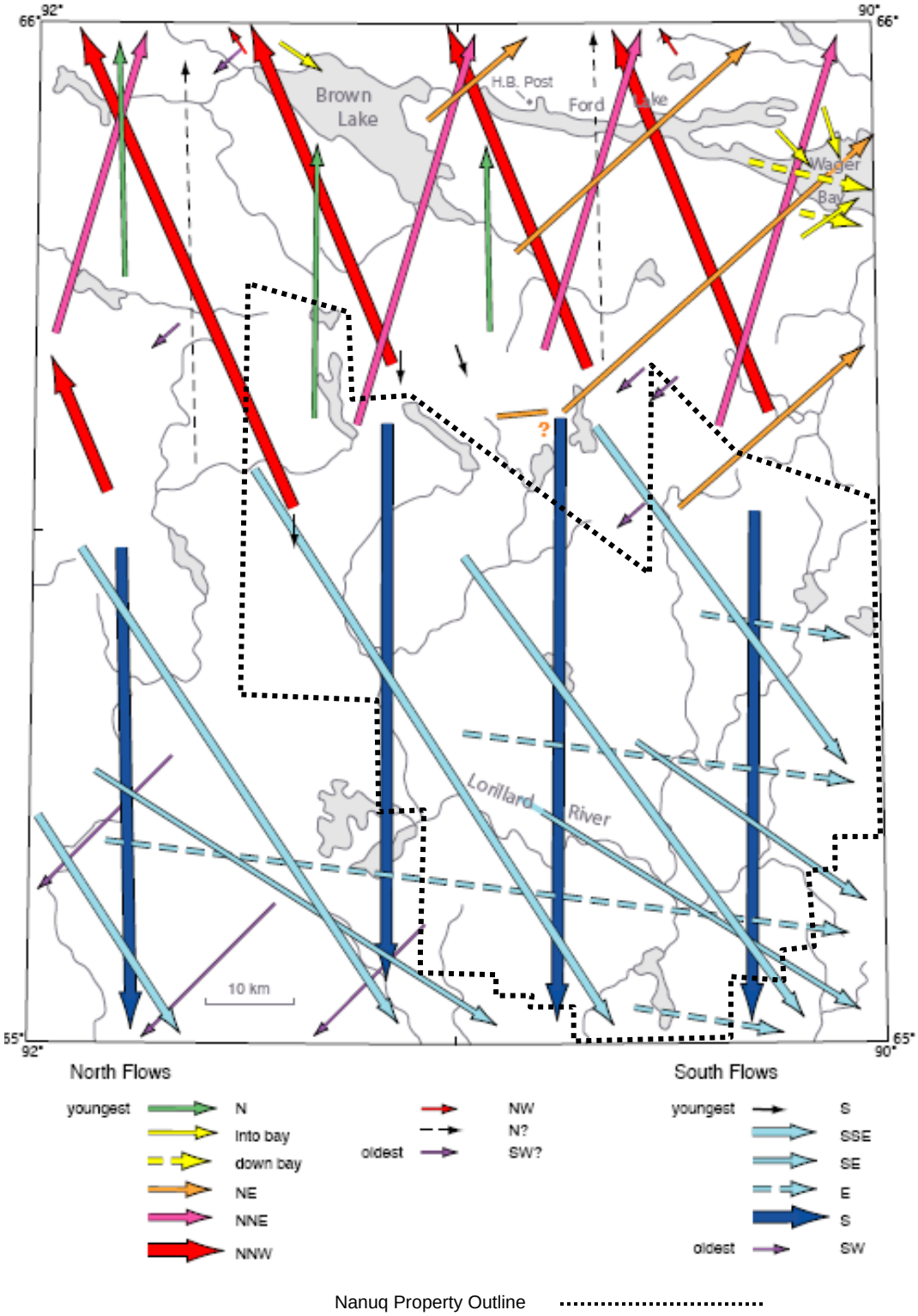
deposits are generally less than ten metres thick. Some surfaces are covered with frostboils and have only scattered boulders while others are boulder-covered and contain few frost boils. The till is moderately stoney and has a sandy matrix, generally with <10% silt + clay content. Highlands immediately south of Wager Bay tend to have little till and include extensive areas of weathered, exfoliated bedrock and areas of grus. South of the uplands the landscapes are meltwater-dominated and tills have been washed and/or dissected by meltwater during deglaciation. Small, discontinuous esker systems are oriented southeast and larger, more continuous, sub-parallel sandy eskers and sub-glacial channels in till and bedrock indicate meltwater flow to the south. Meltwater channels contain either sand deposits or are bouldery. Sand outwash deposits form broad terraces above south-flowing rivers and are particularly well developed along the Lorillard River. Proglacial lakes have been documented in the southern part of the area.

In the northern part of the area (Figure 5) striations, crag-and-tail forms and short drumlinoid shapes are well developed and provide information on the ice flow history of the area. There is limited evidence of a relatively early ice flow to the north. A north-northwest flow (340°) appears to be the dominant flow direction and the earliest main regional flow recorded by erosional indicators. This ice flow is succeeded by a north-northeasterly flow (~010°) across the whole northern part of the area, followed by a northeasterly flow (030° – 040°), which was limited to the area east of Brown Lake and northeast of the Nanuq Property (Dredge and McMartin, 2007; Dredge et. al., 2006; 2005; McMartin and Dredge, 2005; McMartin et. al., 2005).

The southern part of the area (Figure 6) is a landscape of meltwater erosion and deposition and striations are uncommon and poorly preserved. The evidence suggest that the first main ice flow direction across the southern part of the area was southward (170° – 190°). In the eastern part of the area this was succeeded by an easterly flow (~110°) that rotated to the southeast (~135°) and then south-southeasterly into a strong flow at roughly 150° across the entire southern part of the area. This last, strong south-southeasterly flow appears to be the dominant flow direction in this region (Dredge and McMartin, 2007; Dredge et. al., 2006; 2005; McMartin and Dredge, 2005; McMartin et. al., 2005).

A central east-west belt, ten to 20 kilometres wide, transects the area between the zones of northerly-dominated and southerly-dominated ice flow, in the vicinity of the northern part of the Nanuq Property (Figure 6). This zone contains outcrops which preserve both northerly and southerly ice flow indicators as well as zones were ice flow indicators are ambiguous or absent and where the rock is spalled and contains weathering pits or has been weather to grus. This zone is interpreted to be the position of the ice divide and preserved features suggest that limited glacial erosion occurred (Dredge and McMartin, 2007; Dredge et. al., 2006; 2005; McMartin and Dredge, 2005; McMartin et. al., 2005).

Figure 5 - Ice Flow History in the Wager Bay Area



From Dredge et. al., 2005.

7.2 Regional Bedrock Geology

The Nanuq Property is located within the Western Churchill craton (Figure 6) which is dominated by Neoarchean, amphibolite- to granulite-grade granitoid gneisses and greenstone belts that are overlain by 2.45-1.75 Ga volcano-sedimentary sequences (e.g. the Thelon and Baker Lake basins) and intruded by 1.83 and 1.75 Ga granitic suites. The Western Churchill craton was originally subdivided into two distinct crustal blocks, the continental Rae and juvenile, oceanic Hearne subprovinces (Hoffman, 1989). Recent workers have recognized a third distinct crustal block, the Chesterfield block which had formerly been considered the northwestern sub-domain of the Hearne (Berman et. al., 2007).

Definition of these three crustal blocks is based on Archean lithological associations, geochemical characteristics, distribution of plutonic rocks, and the superposition of Paleoproterozoic tectonothermal events. The earliest recorded events in the three blocks are the eruption of Archean greenstone belts and emplacement of associated synvolcanic plutons between ca. 2.74 and 2.67 Ga. Volcanic assemblages in the Rae domain are unique in that they are characterized by the presence of fuchsitic quartzite and komatiite and by the presence of Mesoarchean detritus, suggesting a rifted continental margin setting for the Rae. Volcanic rocks and cogenetic plutons from the Chesterfield block have chemical signatures similar to modern back-arc settings, whereas those from the Hearne preserve arc-like characteristics. The Chesterfield and Hearne blocks may represent an ocean arc/back arc pair formed outboard of the rifted Rae continental margin at ca. 2.69-2.68 Ga (Berman et. al, 2007; MacLachlan et. al., 2005; Relf, 2000).

Late Archean (2.61 – 2.58 Ga) granites intrude the Rae and Chesterfield blocks, but are absent in the Hearne, indicating that, prior to this plutonic event, the Chesterfield block was accreted to the Rae continent, while the Hearne block was apparently not. The Chesterfield block underwent late Archean (circa 2.56-2.50 Ga) tectonometamorphism thought to reflect collisional reworking of the composite Rae-Chesterfield margin. Contrasting Proterozoic dyke swarms also distinguish the Hearne from the Rae-Chesterfield Block. The Hearne hosts the north-trending ca. 2.45 Ga Kaminak dykes as well as 2.11 Ga gabbro sills. The Chesterfield block hosts east-trending 2.19 Ga dykes (Berman et. al, 2007; MacLachlan et. al., 2005; Relf, 2000).

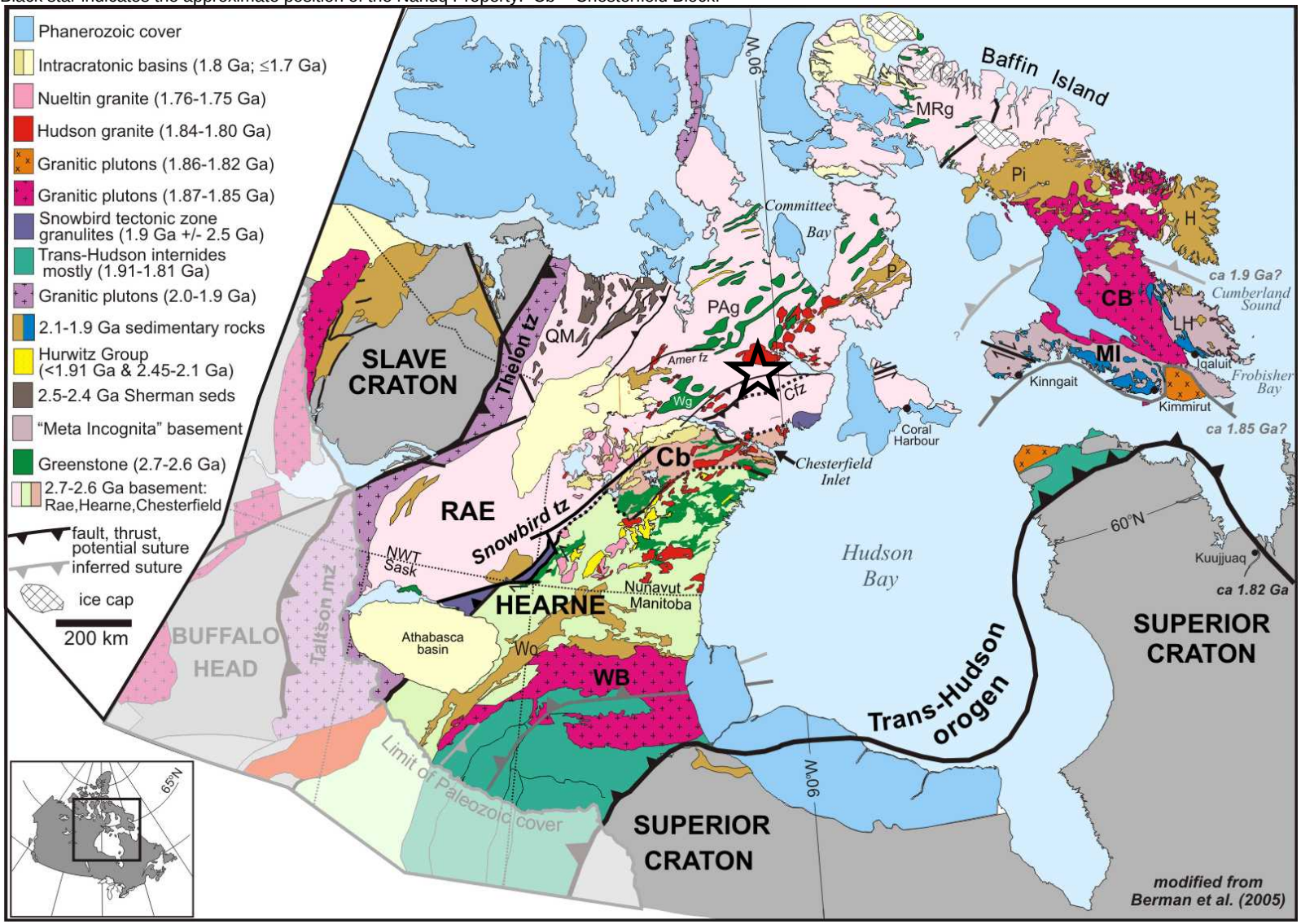
The Rae, Chesterfield and Hearne blocks appear to have acted as a single, coherent tectonic entity in the Paleoproterozoic, suggesting they were assembled in their present configuration by this time. Evidence suggests that the Hearne was accreted circa 1.9 Ga. All three blocks are stitched by circa 1.83 Ga granitoid plutons, and were intruded by mantle-derived circa 1.83 Ga ultrapotassic magma (Christopher Island Formation) during the initiation of the Dubawnt Basin (Berman et. al, 2007; Relf, 2000).

Circa 1.83 Ga appears to mark a major change in the behaviour of the Churchill craton. Tectonothermal events preceding this time affected only one or two sub-domains of the Western Churchill Province, and were therefore likely controlled at intra-crustal scales. In contrast, post-I.83 Ga events transected sub-domain boundaries, and included eruption of mantle-derived magmas, suggesting controls at a lithospheric scale (Relf, 2000).

Between ca. 1.82 and 1.81 Ga, a number of shear zones were formed and/or reactivated across the Churchill Province, including the Snowbird Tectonic Zone, and the Amer and Wager Bay shear zones (Relf, 2000).

Figure 6 - Regional Geology of the Western Churchill

Black star indicates the approximate position of the Nanuq Property. Cb = Chesterfield Block.



7.3 Local Geology of Permit Areas

Nanuq is in the Rae domain of the Western Churchill craton. The geology of the area has been mapped at a regional reconnaissance scale (1:250,000, Panagapko et. al. 2003; 1:1,000,000, Paul et. al., 2002; Patterson and LeCheminant, 1985; Heywood, 1967; Henderson and Broome, 1990). The interpretation of the geology at Nanuq (Figure 7, and the following description) is based on these works. Rocks in the area underwent amphibolite to granulite facies metamorphism, and in some areas rocks are strongly deformed. The Nanuq area is underlain primarily by Archean tonalite-granodiorite-granite gneiss and by Archean or Paleoproterozoic (Aphebian) biotite gneiss, migmatite, and granite. Rocks in the region have been divided into three major supracrustal belts which correlate roughly with the northern, central, and southern portions of the property.

The northern part of the property comprises predominantly Archean or Paleoproterozoic paragneissic rocks; these rocks were metamorphosed to granulite/ retrogranulite facies and comprise quartzofeldspathic gneisses, metapelites, marble, and minor mafic-intermediate gneisses or metagabbros. These rocks are described by Henderson et. al. (1986) as comprising semipelitic (quartz-feldspar-biotite) paragneisses with remarkably continuous feldspathic sillimanite quartzite layers and boudinaged layers of amphibolites, ultramafic rocks, iron formation, and calc-silicate rocks. Also present in the northern part of the property are Archean granodiorite-granite gneisses (homogeneous granodiorite to monzonite orthogneiss). As well, Paleoproterozoic, circa 1.8 Ga, calc-alkaline plutonic rocks of the Ford Lake batholith occur in the northernmost corner of the property (Pgr, Figure 7). They comprise coarse grained porphyritic to megacrystic monzogranites with an internal foliation defined by pink, tabular microcline crystals that is nearly concordant with the mineral foliation in the adjacent country rocks.

Through the southern part of the property runs an Archean to Paleoproterozoic, amphibolite-grade supracrustal belt. These rocks are heterogeneous and comprises quartzites, quartz arenites, quartzofeldspathic to metapelitic gneisses, interbedded marbles, minor iron-formation rocks, and metamorphosed ultramafic rocks (peridotites and/or komatiites; Plate 1). This belt is associated with the Quoich River gneisses and may be correlative with Archean Prince Albert and Woodburn Lake Group rocks. These supracrustal rocks (APbg, Figure 7) are immediately south of the Wager Bay Shear Zone and form a contiguous belt that can be traced on government aeromagnetic maps for at least 70 km. Large gossans are locally present associated with iron formation and garnetiferous amphibolites (Plate 2).

The southernmost part of the property is underlain mainly by Archean tonalite-granodiorite-granite gneisses (Atg, Figure 7). Also present locally are bands of Archean or Paleoproterozoic metasedimentary (APs, Figure 7) and metavolcanic (APi, Figure 7) rocks. The tonalite to granodiorite gneisses have been dated at approximately 2.62 Ga (Tella et. al.

2001) and have been intruded numerous times by Archean and Proterozoic granitic sills. Also present in the southwestern part of the area is a southeasterly trending, late Proterozoic (circa 1.27 Ga) Mackenzie diabase dyke.

The Wager Bay Shear Zone cuts through the north-central part of the property in an east-west direction and is the dominant structural element observed. It is a near vertical- dipping shear zone that displays dextral movement. Numerous splays and horse-tail faults are associated with the major shear zone. In the Nanuq property area, the Wager Bay Shear Zone separates Archean granodiorite-granite gneisses (Agd, Figure 7) from gneisses of the biotite gneiss-migmatite-granite unit (APbg, Figure 7). Fault systems in this area are inferred to be Paleoproterozoic in age as they usually truncate known or inferred Paleoproterozoic units. The northern splay of the Wager Bay fault system continues to the west where it becomes the Quoich River Thrust Fault, which is a major Paleoproterozoic northwest-verging thrust fault. Some workers (Berman et. al., 2005) consider the Wager Bay fault to be an extension of the Snowbird Tectonic Zone.

Figure 7 – Local Geology of the Nanuq Property (from Panagapko et. al. 2003)

Kimberlite discovery locations shown as ⊕

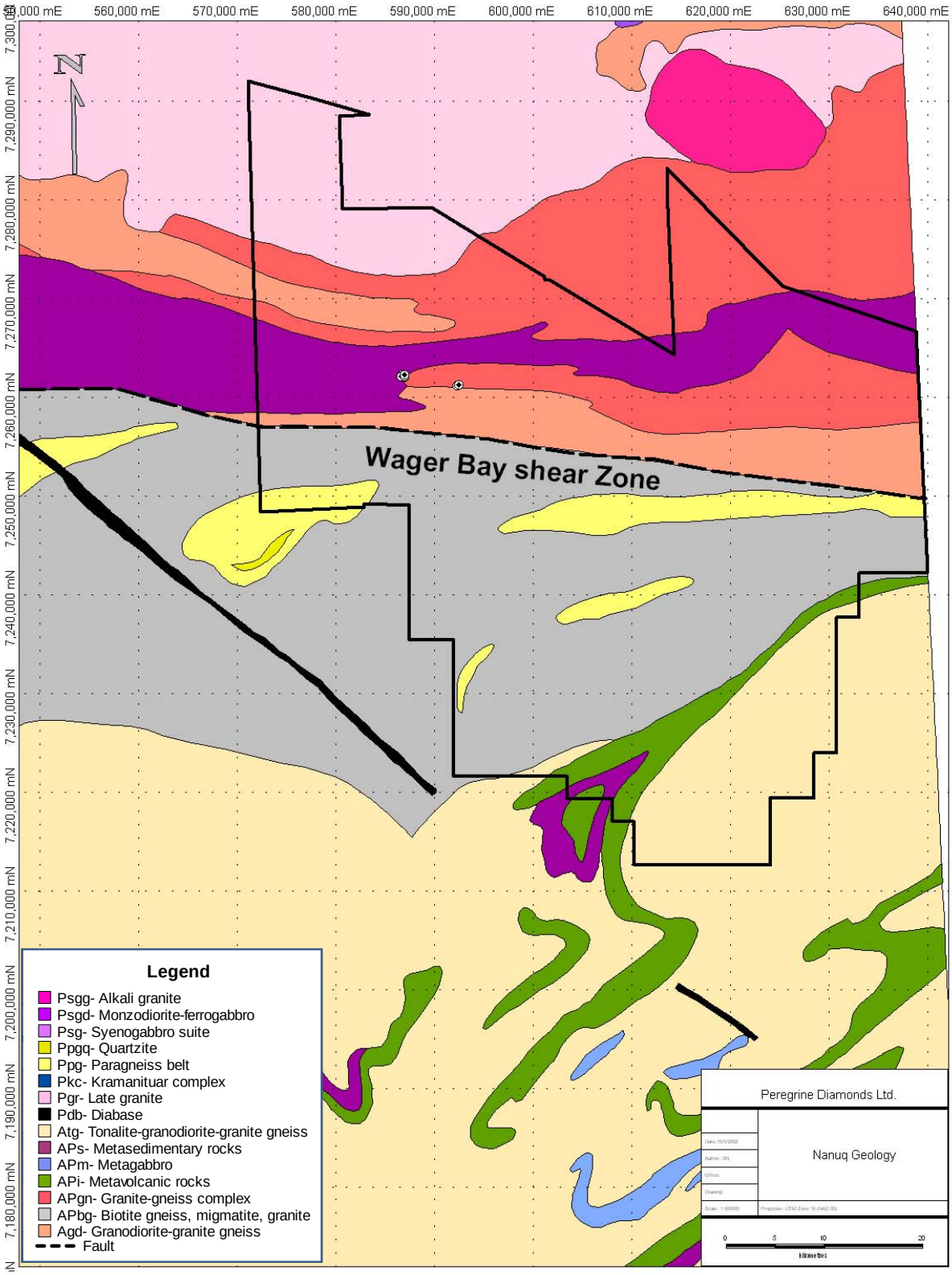


Plate 1 – Thick ultramafic (peridotite) layer within the Archean supracrustal rock sequence

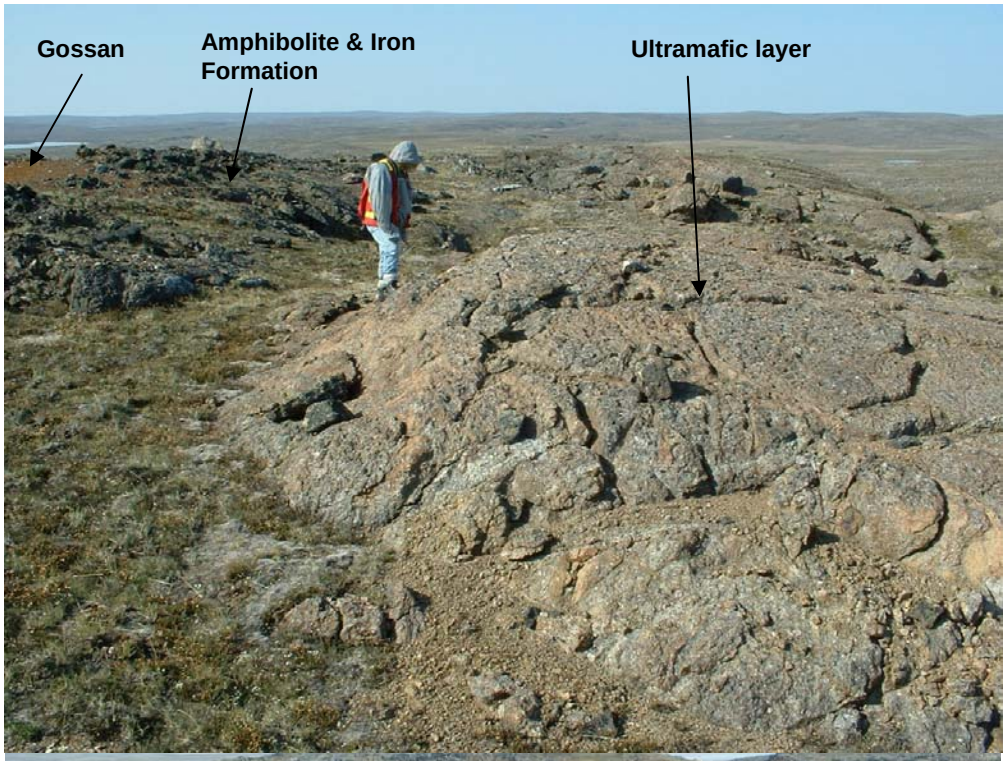


Plate 2 – Gossans within the supracrustal sequence

8.0 DEPOSIT TYPES

Diamonds are the high-pressure form of carbon and are produced deep within the earth's mantle, more than 150 kilometres beneath our feet. They have been sought by man for the past two millennia. Diamonds occur in primary (hardrock) and secondary (alluvial and marine placer) deposits. Although diamonds can be found in rocks as varied as high-pressure metamorphic garnet-biotite gneisses and meteorites, the only economically significant primary source rocks known to date are kimberlites and olivine lamproites. Both of these rock types form as magmas deep in the mantle and rapidly rise through it, sampling diamonds along the way. It must be stressed that diamonds do not form in the kimberlite or lamproite; they are simply transported to a level within the earth's crust where we can access them by these magmas.

Kimberlites are volatile-rich, potassic ultrabasic rocks that commonly exhibit a distinctive inequigranular texture resulting from the presence of macrocrysts (and sometimes megacrysts and xenoliths) set in a fine-grained matrix. The megacryst and macrocryst assemblage in kimberlites includes anhedral crystals of olivine, magnesian ilmenite, pyrope garnet, phlogopite, Ti-poor chromite, diopside, and enstatite. Some of these phases may be xenocrystic in origin. Matrix minerals include microphenocrysts of olivine and one or more of: monticellite, perovskite, spinel, phlogopite, apatite, and primary carbonate and serpentine (Pell, 1998a).

Lamproites are peralkaline and typically ultrapotassic (6 to 8% K2O). They are characterized by the presence of one or more of the following primary phenocryst and/or groundmass constituents: forsteritic olivine; Ti-rich, Al-poor phlogopite and tetraferriphlogopite; Fe-rich leucite; Ti, K-richterite; diopside; and Fe-rich sanidine. Minor and accessory phases include priderite, apatite, wadeite, perovskite, spinel, ilmenite, armalcolite, shcherbakovite and jeppeite. Glass and mantle derived xenocrysts of olivine, pyrope garnet and chromite may also be present (Pell, 1998b).

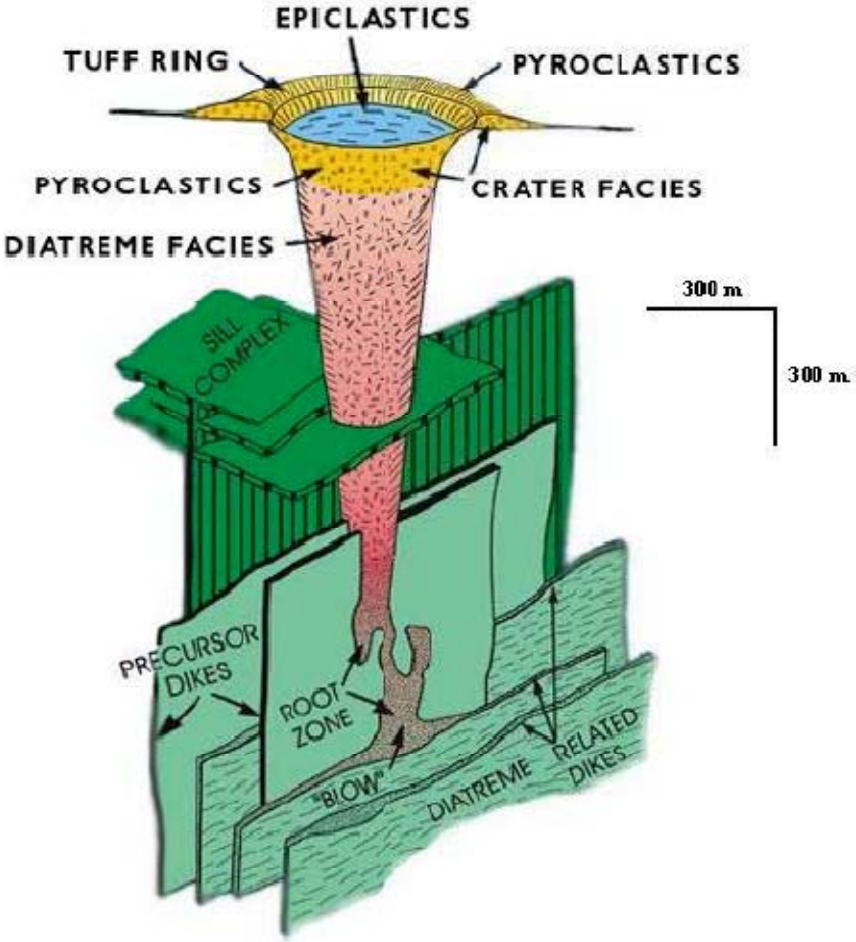
Primary economic diamond deposits are more commonly associated with kimberlites than lamproites. From measurements of kimberlite distribution, Janse (1984) observed that kimberlites occur in clusters of up to 50 intrusions, each cluster no more than 40 km across. The distance between clusters is in the order of a hundred to several hundred kilometres. Kennedy (1964) first pointed out that diamondiferous kimberlites are restricted to cratons. Lamproites more commonly occur off craton, generally in Proterozoic mobile belts.

The model for a single diamond-bearing volcanic system includes a feeder magmatic dyke intrusion, diatreme breccia, an overlying crater with epiclastic reworked sediments and a surrounding ring of pyroclastic ejecta. The size of the crater and the depth, shape and

complexity of the diatreme vary considerably. Diamond-bearing magmas are believed to rise along zones of structural weakness.

The model commonly used to depict a typical kimberlite pipe is shown in Figure 8.

Figure 8 – Idealized model of a kimberlite pipe (from www.debeerscanada.com)



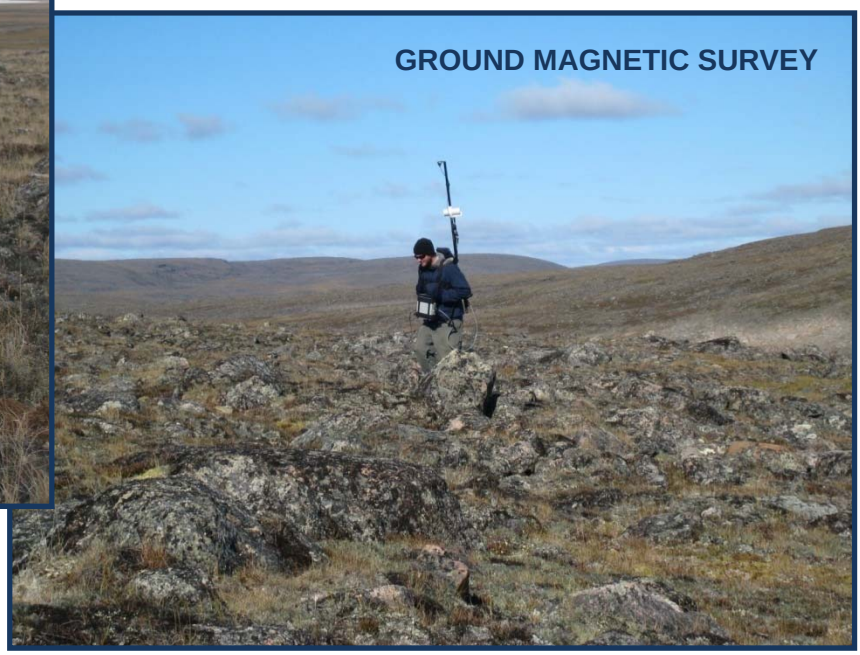
9.0 MINERALIZATION

Three kimberlites have been discovered at Nanuq (see Section 11.0 DRILLING). All contain diamonds.

10.0 EXPLORATION

TILL SAMPLES WAITING TRANSPORT FROM CAMP

TILL SAMPLING



GROUND MAGNETIC SURVEY

There is no record of claims or prospecting permits having previously existed on what is now the Nanuq Property or record of any exploration work previous to 2001. In 2001, BHPB collected 40 heavy mineral samples on what would become the Nanuq property as part of a regional reconnaissance exploration program. Twenty-three of these samples returned positive indicator mineral results. In 2002, Dunsmuir entered into a strategic alliance with BHPB and took on the project. Additional sampling was done during the summer of 2002 and the original indicator mineral anomaly confirmed and augmented which led Dunsmuir to acquire prospecting permits, which were granted in February, 2003. Dunsmuir continued to explore the property and in 2004 entered into a joint venture with Peregrine , whereby Peregrine could earn an interest in the property by funding exploration including a Falcon™ airborne gravity gradiometer survey. In 2005, 144 mineral claims covering 146,552 hectares (362,138 acres) were staked prior to the expiry of the permits at the end of January 2006. In 2006, Peregrine and Dunsmuir merged and Peregrine became operator of the project. In September 2007, an additional 62 claims covering 54,462 hectares (134,577 acres) were staked and in July, 2008 a further 114 claims covering 112,844 hectares (278,845 acres) were acquired.

Additional details of the exploration programmes are as follows:

2002

- Dunsmuir collected an additional 188 till samples on open ground in the vicinity of the original positive BHPB samples (Pell and Hicks, 2003).

2003

- Positive results from the 2002 programme lead Dunsmuir to acquire prospecting permits, which were granted in February, 2003.

- 524 additional indicator mineral samples were collected by Dunsmuir during the summer of 2003 and an airborne magnetometer survey was flown in the fall of 2003 over part of the property (Pell, 2003; Pell and Strickland, 2004).

2004

- In the spring of 2004, ten ground geophysical grids (magnetic and horizontal loop electromagnetic [HLEM]) were completed on the property and 519 m were drilled in seven holes to test five targets near the head of the main indicator mineral train (Pell and Harder, 2005). No kimberlite was intersected.

- Also in 2004, a Falcon™ airborne geophysical survey was flown over parts of the area and 364 additional indicator mineral samples were collected (Pell and Tam, 2005a).

2005

- 199 additional indicator mineral samples were collected (Pell and Tam, 2005b).

- 144 mineral claims covering 362,138.6 acres were staked within the original permit area in September as the permits were expiring at the end of January 2006.

2006

- In 2006, Peregrine Diamonds Ltd. (Peregrine) and Dunsmuir merged and Peregrine became operator of the project.

- 135 indicator mineral samples were collected (Pell and Neilson, 2008).

- 116 line kilometres of ground magnetic surveys were completed on two grids (Pell and Neilson, 2008).

2007

- 139 indicator mineral samples were collected (Pell and Neilson, 2008).

- Ground geophysical surveys competed. 324 line-kilometres of magnetic surveys were completed on 14 grids; 11 line kilometres of HLEM surveys were completed on two grids and 324 gravity stations were collected on two grids (Pell and Neilson, 2008).

- 62 additional mineral claims covering 134,579.63 acres were staked.

- An airborne magnetic survey was flown over the newly staked and previously unsurveyed claims (Pell and Neilson, 2008).

- Three targets were tested by diamond drilling and three kimberlites discovered. This work will be further described in Section 11.0 DRILLING.

2008

- 15 ground magnetometer grids were surveyed by Peregrine crews at 25 metre line spacing, including one sled-magnetometer grid. 303 line-kilometres of data were collected on the walking magnetometer grids and 572 line-kilometers of data were collected on the sled-magnetometer grid.

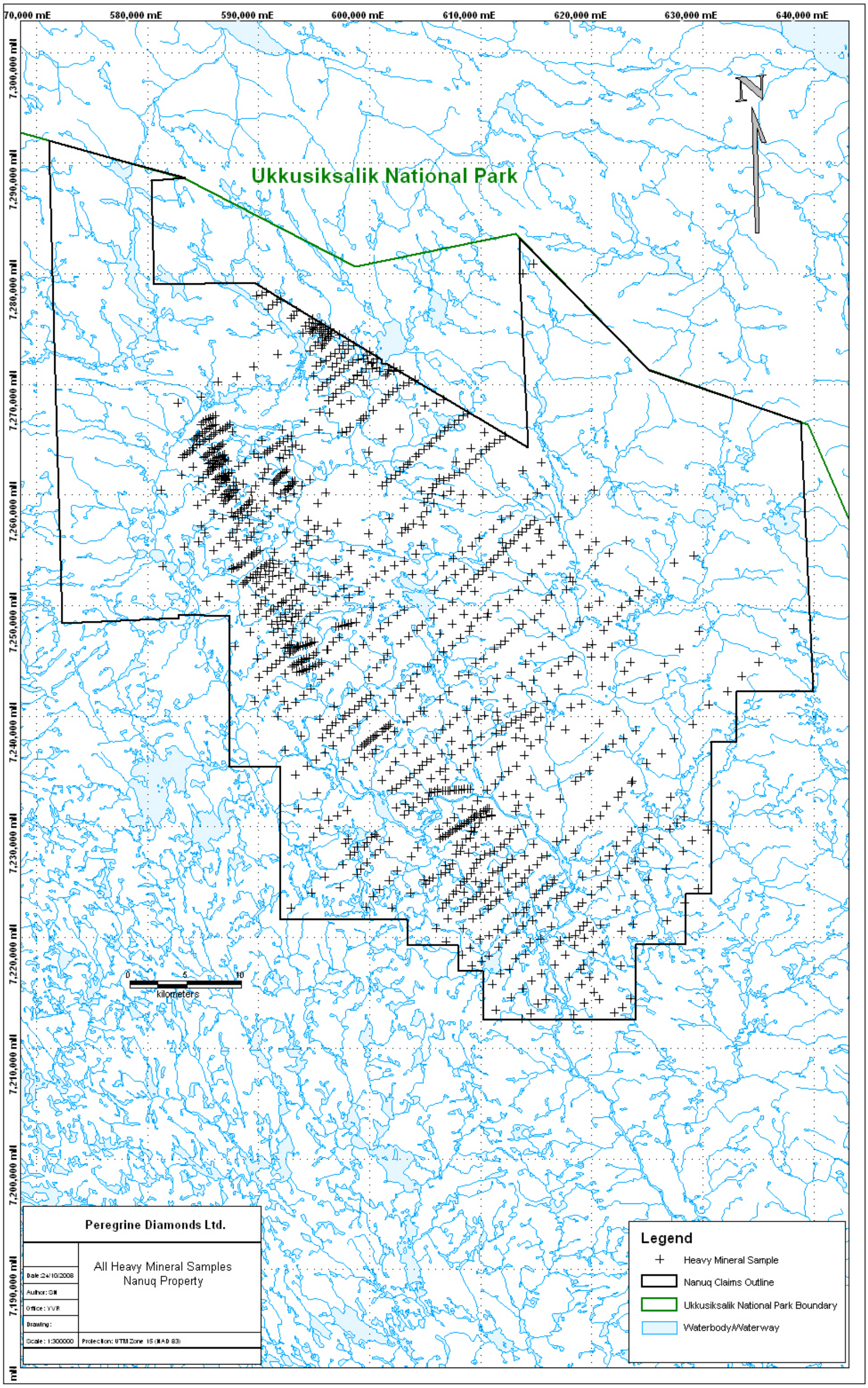
- Four horizontal-loop electromagnetic grids were surveyed By Aurora Geosciences Ltd. for a total of 31 line-kilometers. The line spacing was set at 100 metres with 25 metre station readings. In-phase and quadrature data were recorded for four frequencies: 880Hz, 3520Hz, 7040Hz, and 14080Hz.

Till sampling programs defined several southeast trending dispersion plumes dominated by chrome pyrope, eclogitic garnet and chrome diopside with some forsteric olivine and chromite, but no ilmenite. Olivine dominated dispersion plumes were also identified. The mineral chemistry showed evidence of sampling within the diamond stability field by the presence of pyrope garnets (both G10's and G9's), and diamond inclusion field eclogitic garnets and diamond inclusion field chromites. Clinopyroxene thermobarometry indicated a cool geotherm for Nanuq mantle, approximately 34 to 35 mW/m^2, which is similar to what is found for the Slave Province and also indicated that mantle within the diamond stability field was tapped (Pell, 2003; Pell and Strickland, 2004; Pell and Neilson, 2008). Airborne and ground geophysical surveys identified and confirmed the presence of numerous geophysical anomalies on the Nanuq property (Pell, 2003; Pell and Harder, 2005; Pell and Tam, 2006a; Pell and Neilson, 2008). Most remain untested.

All indicator mineral sampling (Figure 9) was conducted by the project operator (Dunsmuir from 2002 to 2005 and Peregrine in 2006 and 2007). Sample density is quite low on some parts of the property. Ground geophysical surveys in 2004 were conducted for Dunsmuir by Aurora Geosciences Ltd. of Yellowknife, NT. Ground geophysical surveys in 2006 were conducted by Peregrine. Ground geophysical surveys in 2007 were conducted for Peregrine by Aurora Geosciences of Yellowknife, NT (HLEM) and by Associated Geosciences Ltd. of Calgary, AB (magnetics and gravity). The airborne magnetic survey flown in 2003 was completed by Terraquest Ltd. of Markham, ON for Dunsmuir. The gravity gradiometer survey flown in 2004 was done for Peregrine and Dunsmuir by BHP Billiton FALCON™ Operations of Australia. The airborne magnetometer survey flown in 2007 was completed for Peregrine by Tundra Airborne Surveys Ltd. of Toronto, ON. Most of the current property, with the exception of some of the claims staked in 2008 is covered by some form of airborne geophysical survey (Figure 10).

The author is of the opinion that all exploration at Nanuq has been appropriate and that it has been performed to industry standards.

Figure 9 - Distribution of till samples collected on the Nanuq Property



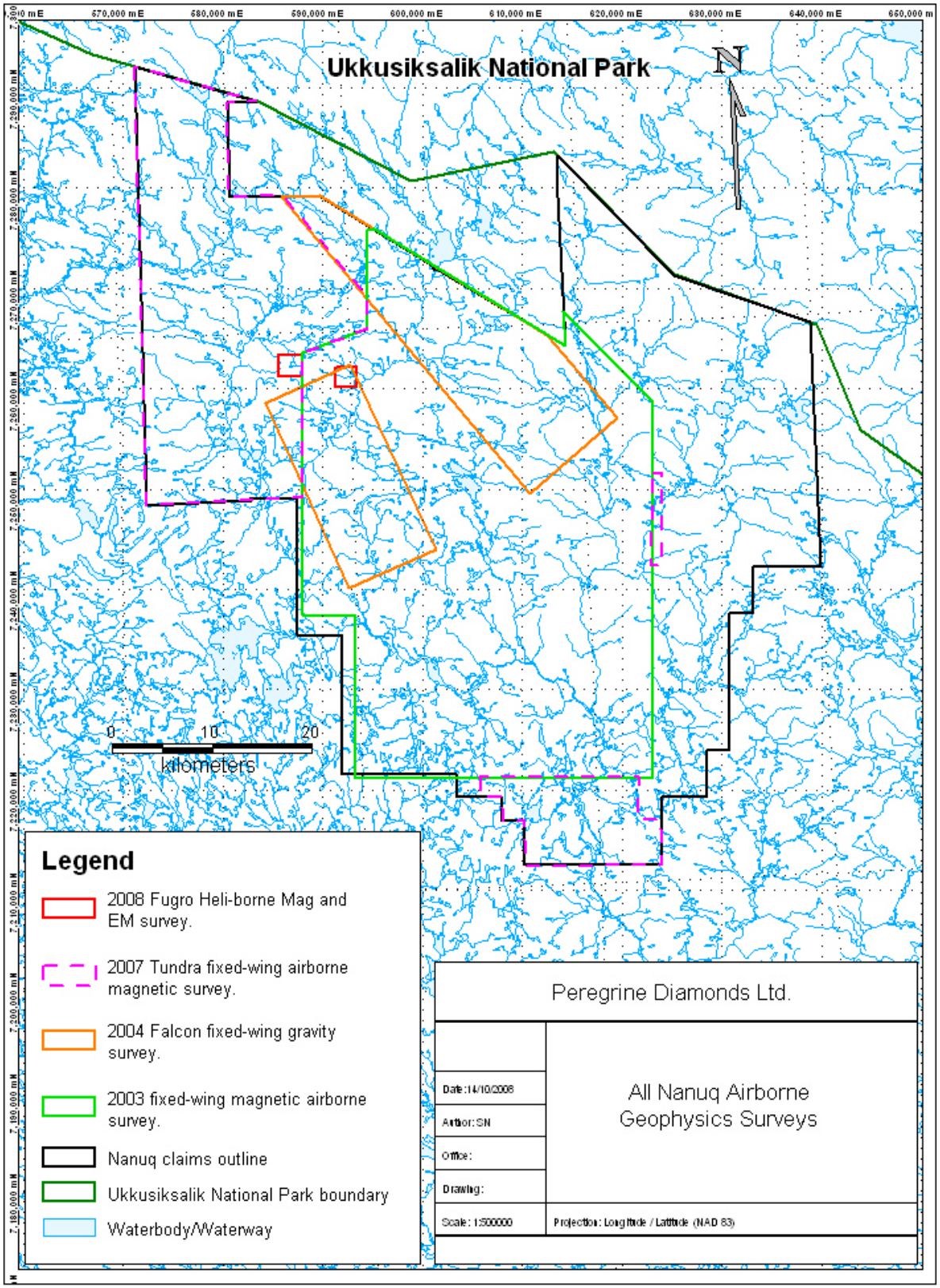


Figure 10 - Locations of Airborne Geophysical Surveys on the Nanuq Property

11.0 DRILLING

DRILL AT NNQ_07_01_DH3

DRILL CORE LAID OUT AT CAMP FOR QUICK LOGGING

In May, 2004 seven drill holes totalling 520 metres were drilled to test five targets (Table 2; Figure 11). Titan Drilling of Yellowknife, NT was the drill contractor. All targets tested were on a single geophysical grid. Additional drilling had been planned, but delays due to bad weather resulted in the termination of the drill program before completion (Pell and Harder, 2005).

Table 2 – 2004 Drill Hole Summary – Location and Purpose

Hole #	Easting NAD 83	Nothing NAD 83	Azimuth	Dip	Length (m)	Purpose
DVV04-01	598850	7273238	0	-90	23.56	Test magnetic high 1, weak conductor on Grid 1
DVV04-02	598850	7273238	0	-90	80	Test magnetic high 1, weak conductor on Grid 1
DVV04-03	598300	7272775	135	-75	54	Test magnetic high 2, conductor on Grid 1
DVV04-04	598350	7272600	155	-53	96	Test circular magnetic low on Grid 1
DVV04-05	598350	7272600	120	-53	96	Test circular magnetic low on Grid 1. Angel off DVV04-04
DVV04-06	598537	7272300	0	-90	57	Lake target to test magnetic low, weak conductor, Grid 1
DVV04-07	599080	7273060	015	-53	113	Testing Dyke Target on Grid 1 and magnetic low to north of dyke
TOTAL METRES DRILLED					519.56	

Hole DVV04-01 was lost in overburden. Holes DVV04-02 and DVV04-03 tested conductive magnetic highs and both intersected sulphide-bearing iron formation which explained the geophysical anomalies. The sulphide-bearing sections were assayed, but contained no gold or platinum group elements (Pell and Harder, 2005). DVV04-04 and DVV04-05 were drilled to test a circular magnetic low; DVV04-04 intersected extremely fractured and altered granites and gneisses and DVV04-05 intersected similar material at the beginning of the hole and continued into granitic and metasedimentary gneisses (paragneiss). It is likely that the alteration and fracturing encountered was related to faulting and the magnetic low simply a contrast to the extremely magnetic iron formation adjacent to it. DVV04-06 and DVV04-07 tested a dyke like anomaly and intersected fine-grained to aphanitic mafic dykes. These dykes were not kimberlitic in nature.

In 2007, 2501.8 metres of NQ diamond drilling were completed in 12 holes (Table 3; Figure 11) to test three geophysical targets. Titan Drilling of Yellowknife, NT was the drill contractor. Three kimberlites were discovered.

Kayuu (Hawk in Inuktitut), is estimated to be approximately five hectares in size with complex internal geology. It was intersected by five drill holes (NNQ_07_001, 002, 003, 005, and 006, Figure 11, 12). Tudlik (Sandpiper in Inuktitut), is located approximately 200 metres southwest

of Kayuu. Tudlik is smaller than Naturalik and Kayuu, at approximately one hectare in size, and was intersected with only a single drill hole (NNQ_07_004; Figure 9, 10). Naturalik (Eagle in Inuktitut), is located approximately five kilometres east of Kayuu and is estimated to be around six hectares in size. It was intersected by six drill holes (NNQ_07_001 – 006, Figure 11, 13). Drill logs are presented in Appendix 1.

Table 3 - 2007 Diamond Drilling Summary

Hole_ID	Easting	Northing	Elevation	Azimuth	Dip	Depth	Kimberlite from (m)	Kimberlite to (m)
NNQ_07_001_DH1	586656	7262261	350	90	-45	275.3	38.9	260.1
NNQ_07_001_DH2	586939	7262011	357	0	-45	242.38	47.7	220.0
NNQ_07_001_DH3	586817	7262069	242	30	-45	224.1	32.2	191.6
NNQ_07_001_DH4	586588	7262085	353	213	-45	163.07	83.3	414.8
NNQ_07_001_DH5	586937	7262072	350	0	-90	269.44	15.5	256.0
NNQ_07_001_DH6	586907	7262307	350	209	-45	283.76	62.5	267.5
NNQ_07_002_DH1	592299	7261198	256	130	-45	164.1	33.2	164.1
NNQ_07_002_DH2	592411	7261215	232	180	-90	221.34	15.5	208.4
NNQ_07_002_DH3	592411	7261215	232	180	-45	153.9	31.5	136.8
NNQ_07_002_DH4	592405	7261247	230	300	-45	205.74	31.7	174.3
NNQ_07_002_DH5	592405	7261247	230	30	-45	156.97	31.7	135.0
NNQ_07_002_DH6	592405	7261247	230	94	-45	141.7	29.3	111.7
						2501.8		

Co-ordinates given in NAD 83, Zone 15

Figure 11 - Location Map, Diamond Drilling

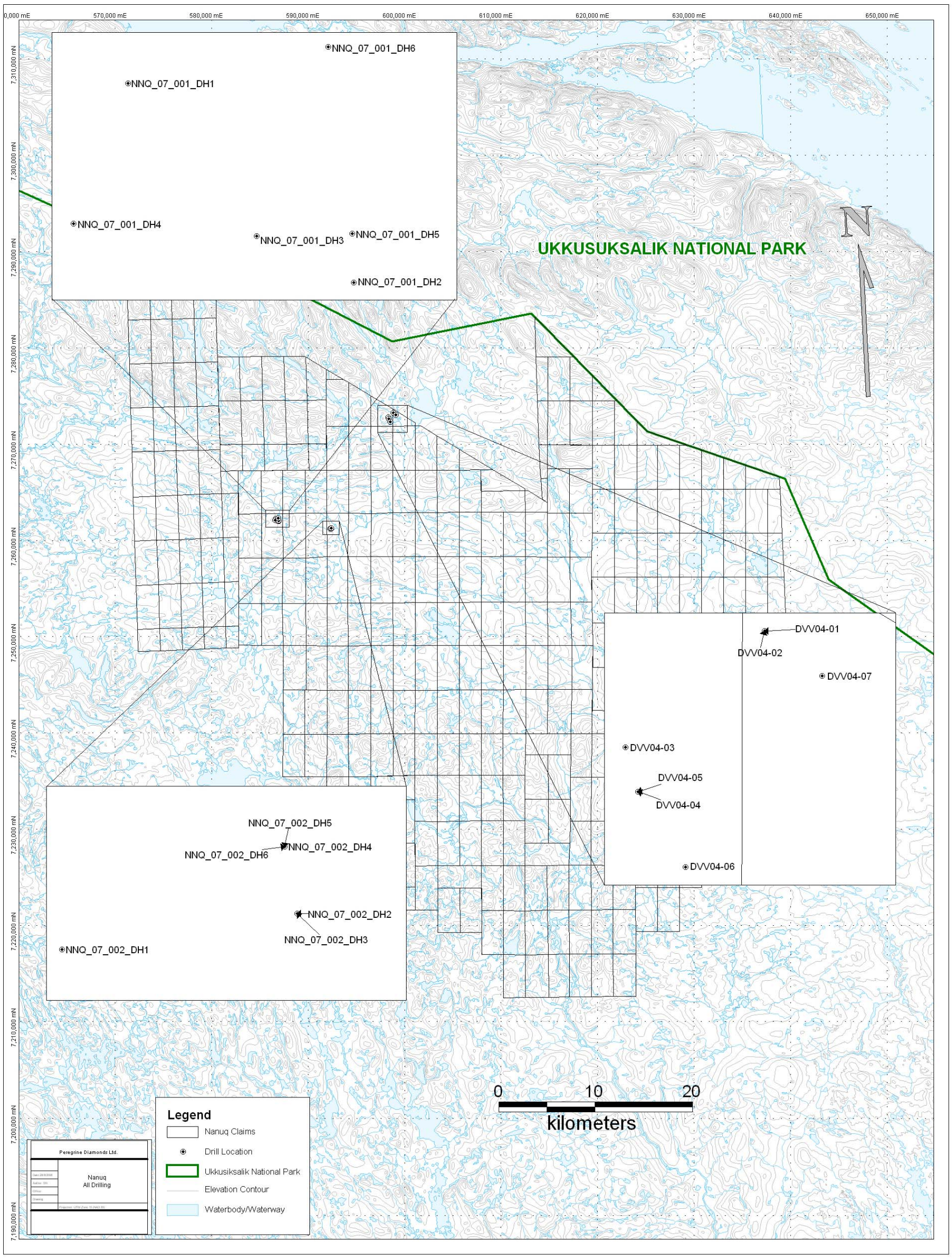


Figure 12 - Drill Map, Kayuu and Tudlik Kimberlites with Ground Magnetic Survey

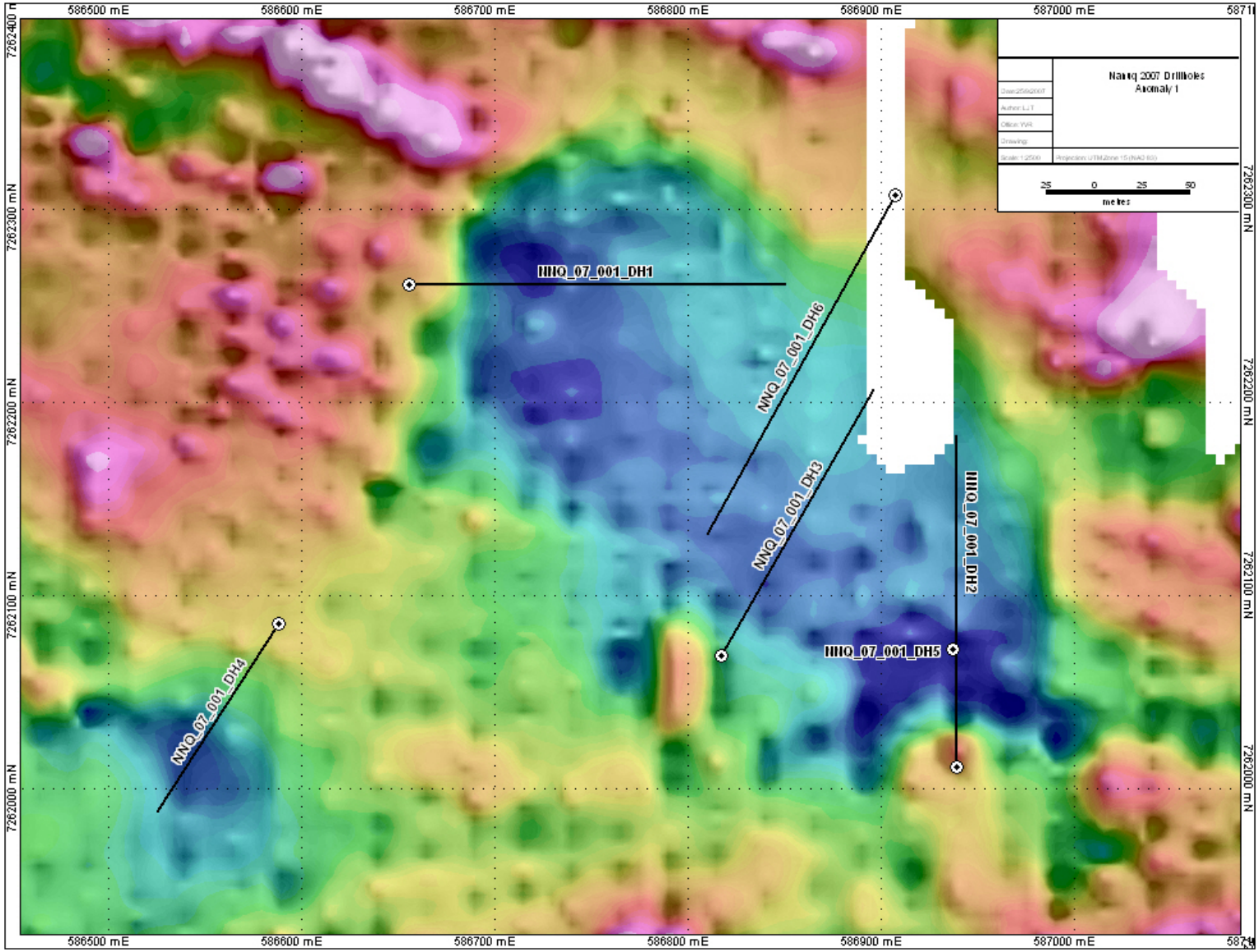
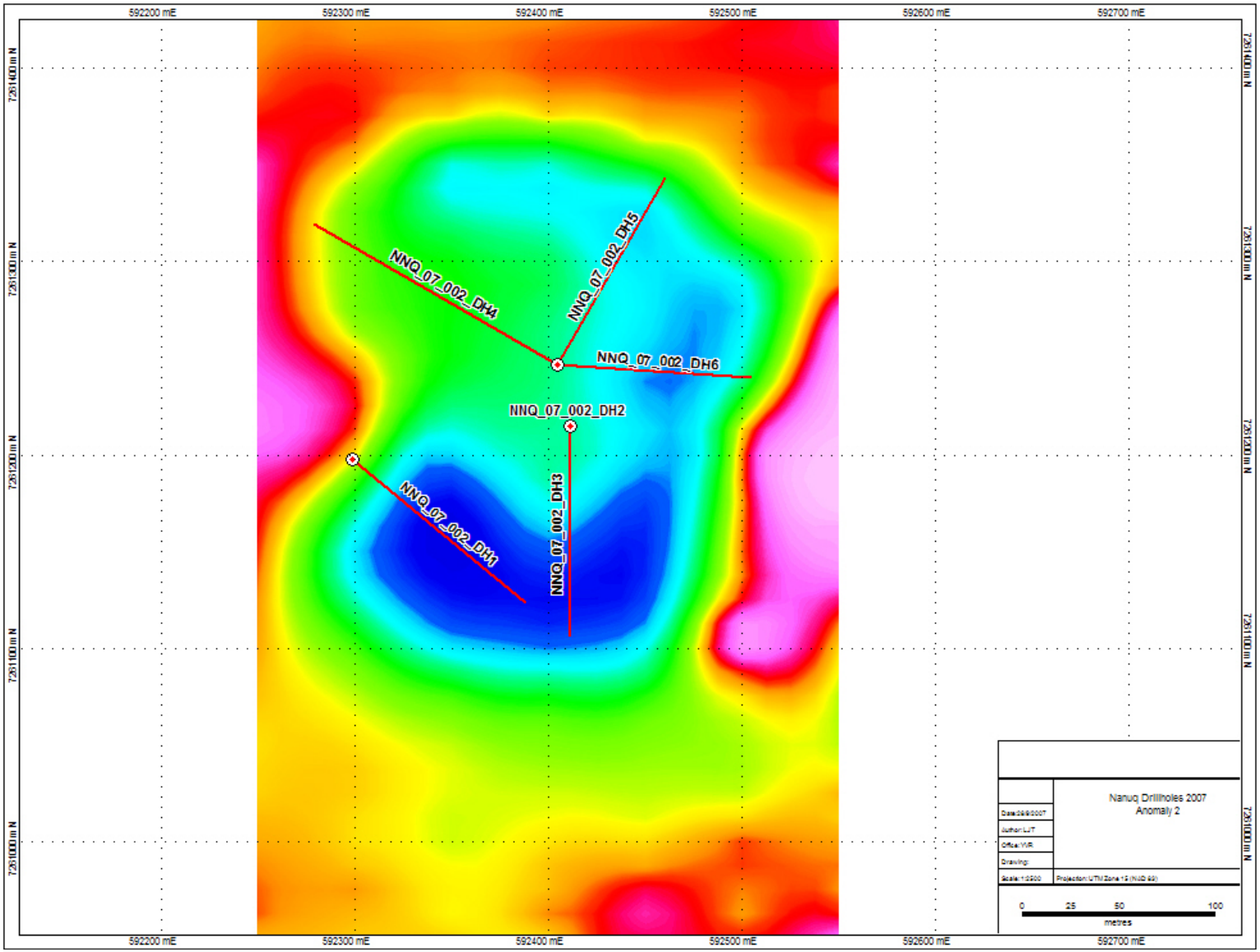


Figure 13 - Drill Map, Naturalik Kimberlite with Ground Magnetic Survey



11.1 Details of the Geology of Kayuu, Tudlik and Naturalik Kimberlites from Drill Core

Drill core was logged and photographed in the field and then shipped to Peregrine's Yellowknife core logging facility for detailed logging by Mineral Services Inc. The following descriptions come from Mineral Services work (Webb, 2007; Webb and Harder, 2008; Webb et. al., 2008) and the authors observations.

11.1.1 Kayuu Kimberlite

The Kayuu kimberlite is estimated from geophysics to be approximately five hectares at surface and is texturally and structurally complex. The bulk of the pipe fill currently defined in five drill cores comprises volcaniclastic kimberlite (VK) arranged in numerous massive to crudely bedded depositional packages that occur as six spatially and lithologically distinct domains (Table 4; Fig. 14).

Table 4 - The six main Kayuu pipe filling units.

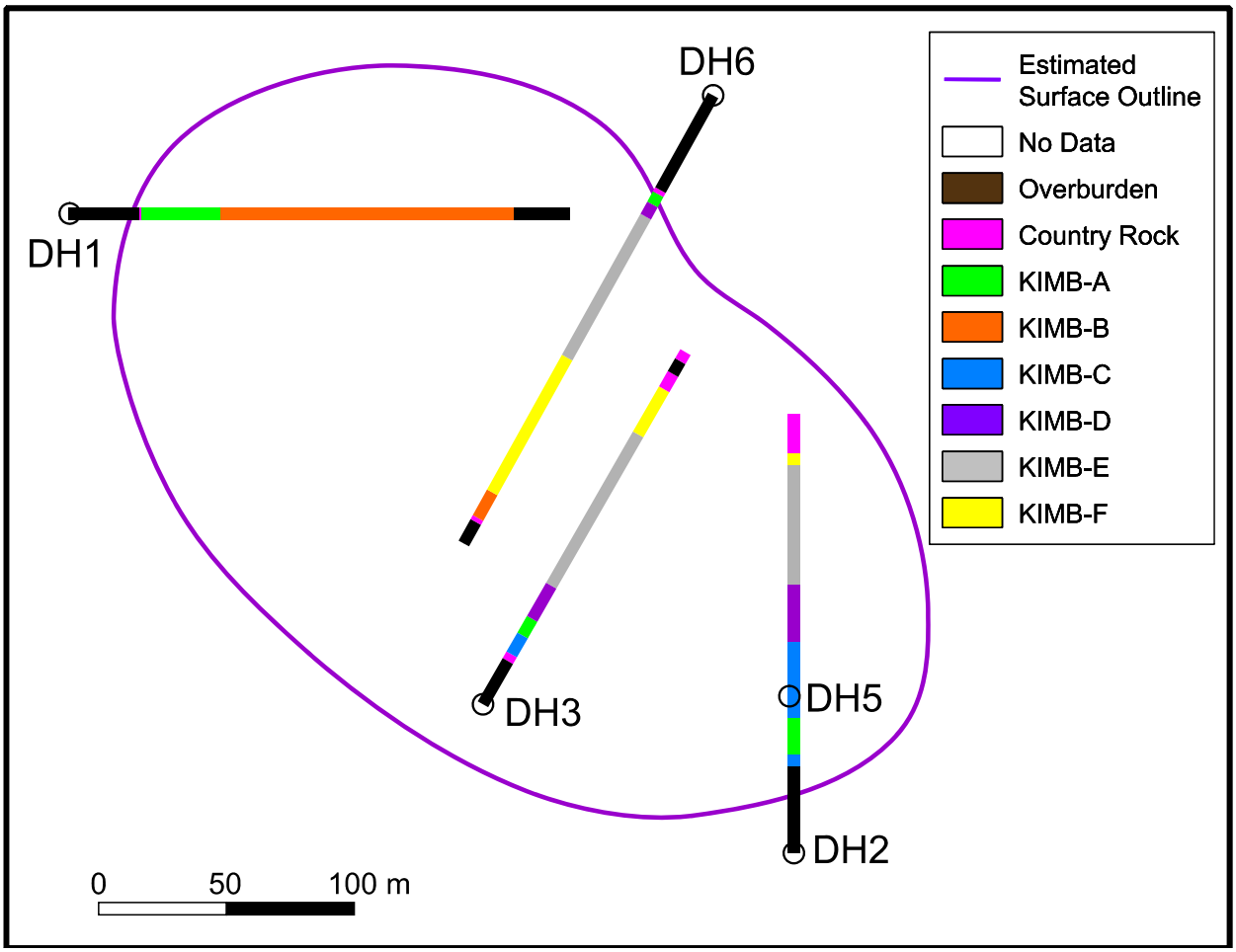
Pipe Unit	Character and Textural Classification
KIMB-A	Mud-poor VK
KIMB-B	Variably fragmental VK to possible CK
KIMB-C	Kimberlitic sediments
KIMB-D	Massive 'speckled' VK
KIMB-E	Alternating variably mud-rich RVK
KIMB-F	Granite xenolith-rich VK / PK

Modified from Webb et. al., 2008. VK=Volcaniclastic Kimberlite; CK=Coherent (magmatic/hypabyssal) kimberlite; RVK=Resedimented volcaniclastic kimberlite; PK=Pyroclastic Kimberlite

KIMB-A (Figure 15) is a fine to medium-grained, sparsely macrocrystic, distinctly magmaclastic, clast-supported VK; possibly resedimented VK (RVK). Olivine, juvenile pyroclasts and country rock xenoliths (both basement and mud clasts) as well as rare garnet, ilmenite and clinopyroxene xenocrysts occur in a serpentine-carbonate ± ash ± mud matrix. It displays considerable variation in grain size, olivine macrocryst abundance, relative abundance of discrete olivine grains and juvenile pyroclasts, and country rock abundance and size.

KIMB-B (Figure 16) appears to be restricted to the north and central parts of the pipe. It is a medium-grained, moderately macrocrystic variably fragmental volcaniclastic to apparently coherent (magmatic/hypabyssal) kimberlite. Olivine macrocrysts and phenocrysts and rare ilmenite, garnet and clinopyroxene xenocrysts occur in a phlogopite-rich groundmass. Olivines are commonly broken and are generally closer-packed than in a typical magmatic kimberlite and rare, indistinct magmaclasts are present.

Figure 14 - Surface outline of Kayuu showing drill traces projected to surface and currently defined internal geology.



From Webb et. al., 2008.

KIMB-C (Figure 17) consists of massive to subtly-bedded to well-bedded, very-fine to fine grained, sparsely macrocrystic kimberlitic sediments, generally with < 30% kimberlitic component. Quartz sand appears to be a dominant component. In some holes, KIMB-C and KIMB-A appear to be interbedded.

KIMB-D (Figure 18) is massive, generally fine to medium-grained, sparsely to moderately macrocrystic volcaniclastic kimberlite with a distinctly speckled appearance, due to conspicuous, dark-green olivine macrocrysts set in a lighter greenish-grey matrix. Other macrocrysts, such as garnet and clinopyroxene are present but not common.

Figure 15 - Kayuu typical KIMB-A

Note: kelyphytized garnet (G), juvenile pyroclast with country rock core (JP) and mudstone xenoliths (M).

Figure 16 - Kayuu typical KIMB-B

Note: indistinct magmaclasts (MC); overall brownish colour due to presence of matrix phlogopite; apparent “vugs” due to plucking of olivine macrocrysts.

Figure 17 - Kayuu typical KIMB-C, kimberlitic sediments

Figure 18 - Kayuu typical KIMB-D

Note: dark olivine macrocrysts in lighter coloured matrix.

KIMB-E is the volumetrically dominant rock type in Kayuu. It is a resedimented volcaniclastic kimberlite characterised by the presence of variable quantities of exotic mud (as soft-sediment deformed clasts, see Figure 19a, and disaggregated matrix component) in alternating mud-rich (Figure 19b) and less mud-rich intervals. Organic fragments (Fig. 19c) are also present. Olivine and large (>5 cm) crustal xenoliths contents are also variable and it locally contains a high abundance of very finely fragmented crustal xenoliths.

Figure 19 - Kayuu typical KIMB-E

19a – KIMB-E with soft-sediment deformed mudstone clast (M). Lighter and darker areas in the matrix reflect variable matrix mud content.

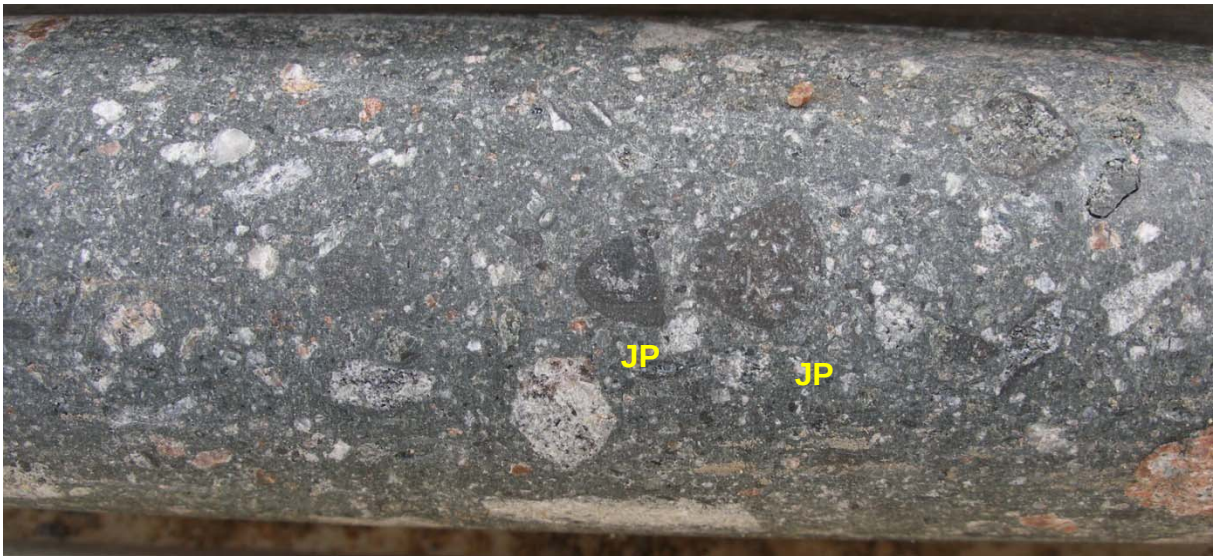
19b – KIMB-E with a very mud-rich layer (dark grey) surrounded by kimberlite with lower matrix mud contents.

Figure 19c - organic fragment in KIMB-E drill core.

KIMB-F (Figure 20a) is a heterogeneous, light grey, locally country-rock xenolith-rich volcaniclastic kimberlite that may be pyroclastic in origin. It contains kimberlite breccias distinctly diluted by granitic xenoliths up to few meters in size and microbreccia intervals. It is fine to medium grained, sparsely macrocrystic and contains juvenile pyroclasts (Figure 20b). Garnets and clinopyroxenes are more obvious and appear to be more abundant than in the overlying layers. The top of this unit appears to be gradational with the overlying KIMB-E.

Figure 20 - Kayuu typical KIMB-F

Figure 20a - KIMB-F with pink and white altered country rock xenoliths and garnet (G).
Figure 20b – KIMB-F with juvenile pyroclasts (JP) and small, pink and white altered country rock xenoliths.



Based on the units defined by the detailed core logging (Webb, 2007; Webb and Harder, 2008) preliminary, highly schematic cross-sections have been constructed through the Kayuu kimberlite. Cross-section A-A' (Figure 21, 22) was constructed along a SSW-NNE line, roughly perpendicular to the long axis of the kimberlite. A fairly simple stratigraphy is evident in this line of section. The complex, probable RVK domain, represented by units KIMB-C, A, D and E respectively from the top of the pipe, downwards, is underlain by largely massive, possible pyroclastic kimberlite (KIMB-F). The zone of gradation between KIMB-E and KIMB-F is represented by KIMB-E/F. The possible PK unit is in turn underlain by the somewhat enigmatic unit, KIMB-B which is variably fragmental to apparently coherent (magmatic/hypabyssal). Kimberlite-country rock breccias are locally developed along the pipe margins.

Figure 21 - Plan Map with Locations of Cross-Sections, Kayuu.

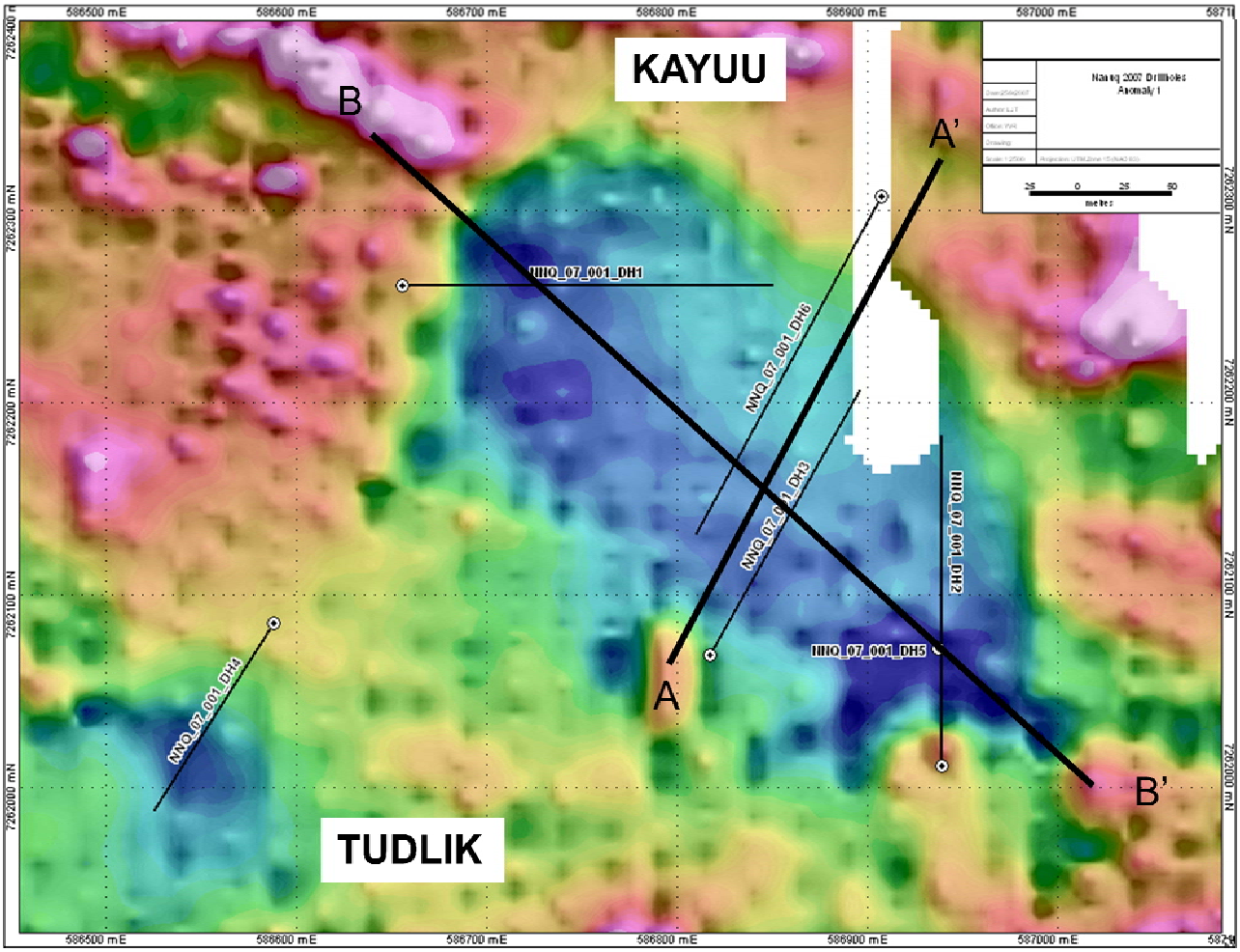
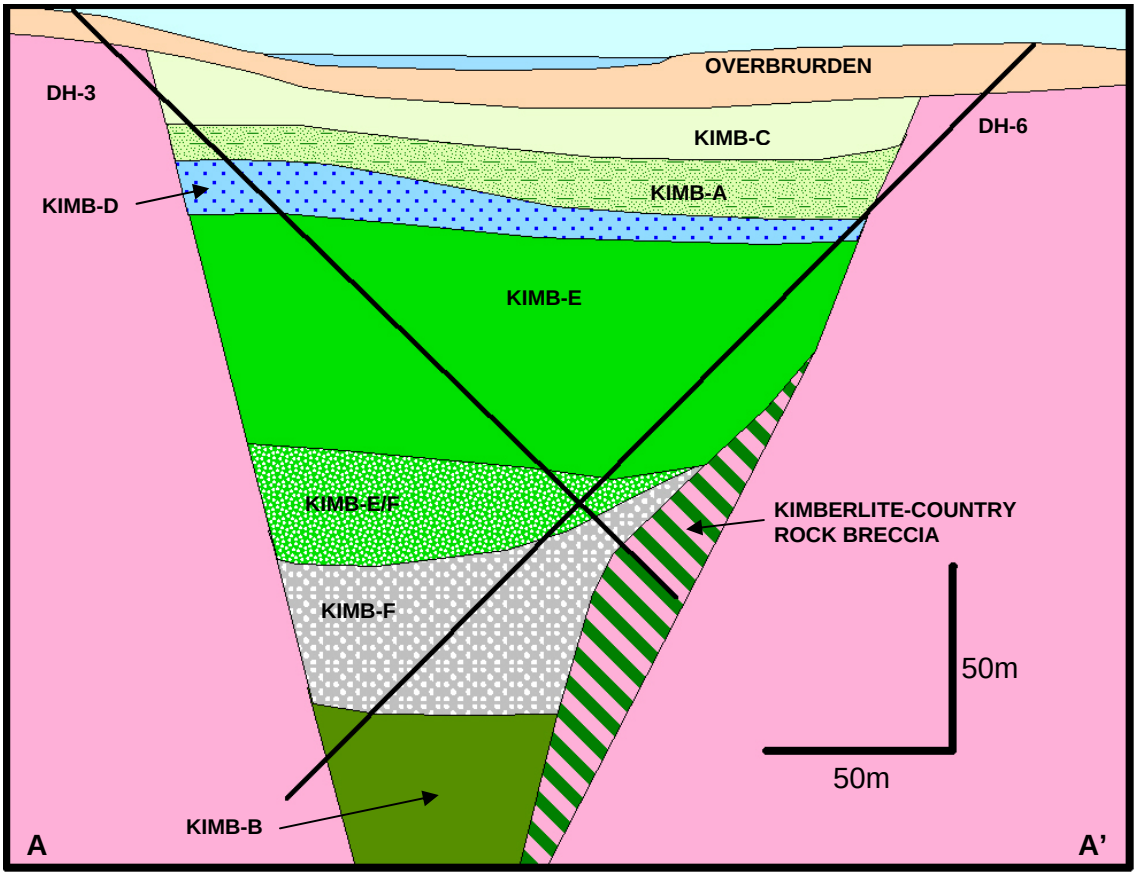


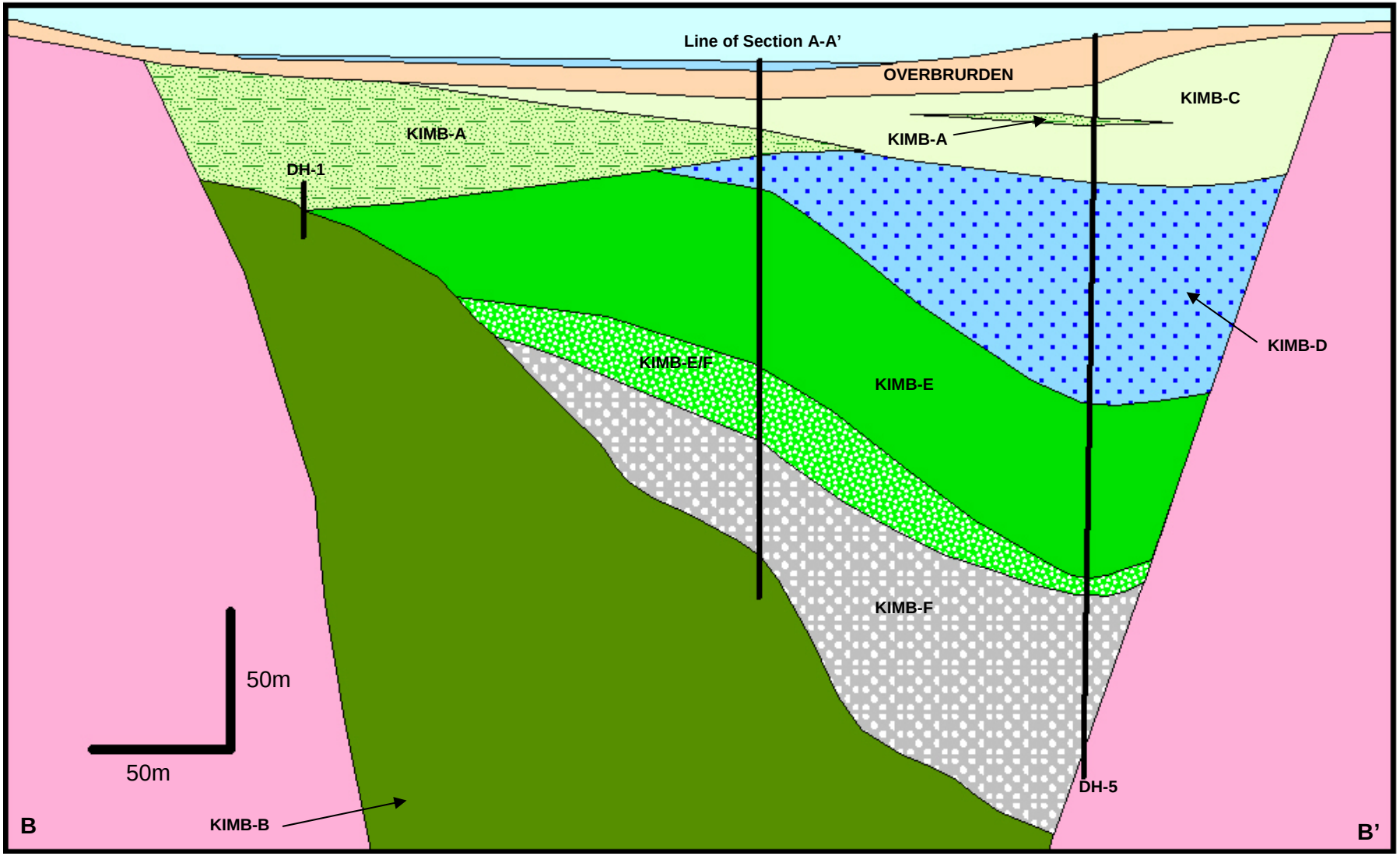
Figure 22 - Kayuu Schematic Cross-Section A-A'



Section B-B' (Figure 21, 23) was constructed along a NW-SE line, parallel to the long dimension of the Kayuu kimberlite pipe. Considerably more variation in the stratigraphy is evident along this line of section. The uppermost probable RVK units, KIMB-A and KIMB-C, appear to interfinger and/or be depositional equivalents, with KIMB-A better developed in the northwest and KIMB-C in the southeast. KIMB-D appears to be restricted to the central and southeast part of the pipe, as are KIMB-E & F. KIMB-B is best developed in the central and northwest part of the pipe.

It must be noted that these are very preliminary and very schematic sections of a very complex kimberlite pipe. The extrapolation of unit KIMB-B to depth in Cross-Section B-B' (Figure 23) is highly speculative. If additional drilling is completed on the Kayuu kimberlite it is highly likely that these cross-sections will change somewhat.

Figure 23 - Kayuu Schematic Cross-Section B-B'



11.1.2 Tudlik Kimberlite

Tudlik is a small (approximately one hectare) pipe located 200 meters southwest of Kayuu. It was intersected by one drill hole only (NNQ_07_001_DH4, Table 4, and Figure 11). Based on the limited drilling it appears to comprise a single volcaniclastic kimberlite phase. It is dominantly massive, but has minor, localized bedding. It is fine to medium-grained, moderately macrocrystal with a high total olivine content. Discrete olivine crystals, juvenile pyroclasts, country rock xenoliths and mantle indicator mineral xenocrysts occur in a serpentine and ash matrix (Figure 24). Country rock xenoliths and xenocrysts are not common and are weakly altered. The Tudlik pipe infill contrasts in terms of both texture and components to that in Naturalik and Kayuu.

Figure 24 - Typical Tudlik Kimberlite:

A – with garnet (G); B – with juvenile pyroclast (JP)

11.1.3 Naturalik Kimberlite

Naturalik is the largest of the three kimberlite bodies with a surface area (estimated from geophysics) of roughly six hectares. The pipe is filled by two contrasting textural varieties: coherent kimberlite (CK) and subordinate variably fragmental volcaniclastic kimberlite (VK). The CK occurs as two generally massive domains: KIMB-1A and KIMB-1B. The VK domain, referred to as KIMB-2, is texturally and mineralogically distinct from KIMB-1.

Both KIMB-1A (Figure 25) and KIMB-1B (Figure 26) are medium-grained and moderately olivine macrocryst-rich competent, fresh rocks. Most of the olivine in both these units is fresh. There is no obvious contact between them, however, they can be distinguished macroscopically on the basis of contrasting crustal xenolith contents, degree of preservation of mantle-derived garnet and abundance of CK autoliths (cognate lithics), all of which are higher in KIMB-1A. Garnet macrocrysts in KIMB-1B are almost entirely kelyphyitzed, those in KIMB-1A sometimes have preserved fresh cores. KIMB-1B generally contains <1% to 2% country rock xenoliths, while KIMB-1A generally contains 2 – 4% country rock xenoliths. Olivine macrocrysts and phenocrysts display a uniform to locally heterogeneous distribution in a crystalline groundmass. Although not common, broken olivine crystals are notably present throughout. Mineralogically, both domains are classified as phlogopite monticellite kimberlite, but differ in terms of the abundance and habit of groundmass phlogopite. The magnetic susceptibility of KIMB-1B is double that of KIMB-1A.

KIMB-2 (Figure 27) is dominantly volcaniclastic and displays gradational variations in the abundance of juvenile clasts, broken olivine grains and matrix ash. Localized intercalated intervals of CK are also present. KIMB-2 is finer-grained and the olivine macrocryst content is lower than the KIMB-1 domains. It contains garnet that is commonly partly to totally altered to kelyphyte, ilmenite and rare clinopyroxene. Crustal xenoliths are commonly quite fresh and their abundance is variable, but can be as much as 20%.

At the bottom of one hole (NNQ-07-002_DH2, Table 4, Figure 11) a massive, 10m thick interval of medium-grained moderately macrocrystal CK, KIMB-3 (Figure 28), was encountered between what is interpreted as in situ country rock. This unit is superficially similar to KIMB-1A, but may have slightly lower garnet abundances.

Based on the units defined by the detailed core logging (Webb, 2007; Webb and Harder, 2008) a preliminary, highly schematic cross-section has been constructed through the Naturalik kimberlite (Figure 29, 30). KIMB-1A appears to be largely restricted to pipe marginal zones and at depth, while KIMB-1B occupies much of the pipe volume and is the major unit exposed at surface. The VK domain, KIMB-2, underlies KIMB-1A and is mainly in the southern part of the pipe.

It must be noted that this is a very preliminary and very schematic and if additional drilling is completed on the Naturalik kimberlite it is highly likely that this cross-section will change somewhat.

Figure 25 - Naturalik Typical KIMB-1A

Note: Garnets with kelyphyte rims (G) and country rock xenoliths (CX)

Figure 26 - Naturalik Typical KIMB-1B

Note: Garnets completely altered to kelyphyte (G)

Figure 27 - Naturalik Typical KIMB-2

Figure 28 - Naturalik, KIMB-3

The entire intersection of KIMB-3 (dark coloured interval) within country rock gneisses (light grey).

Figure 29 - Plan Map with Locations of Cross-Section, Naturalik.

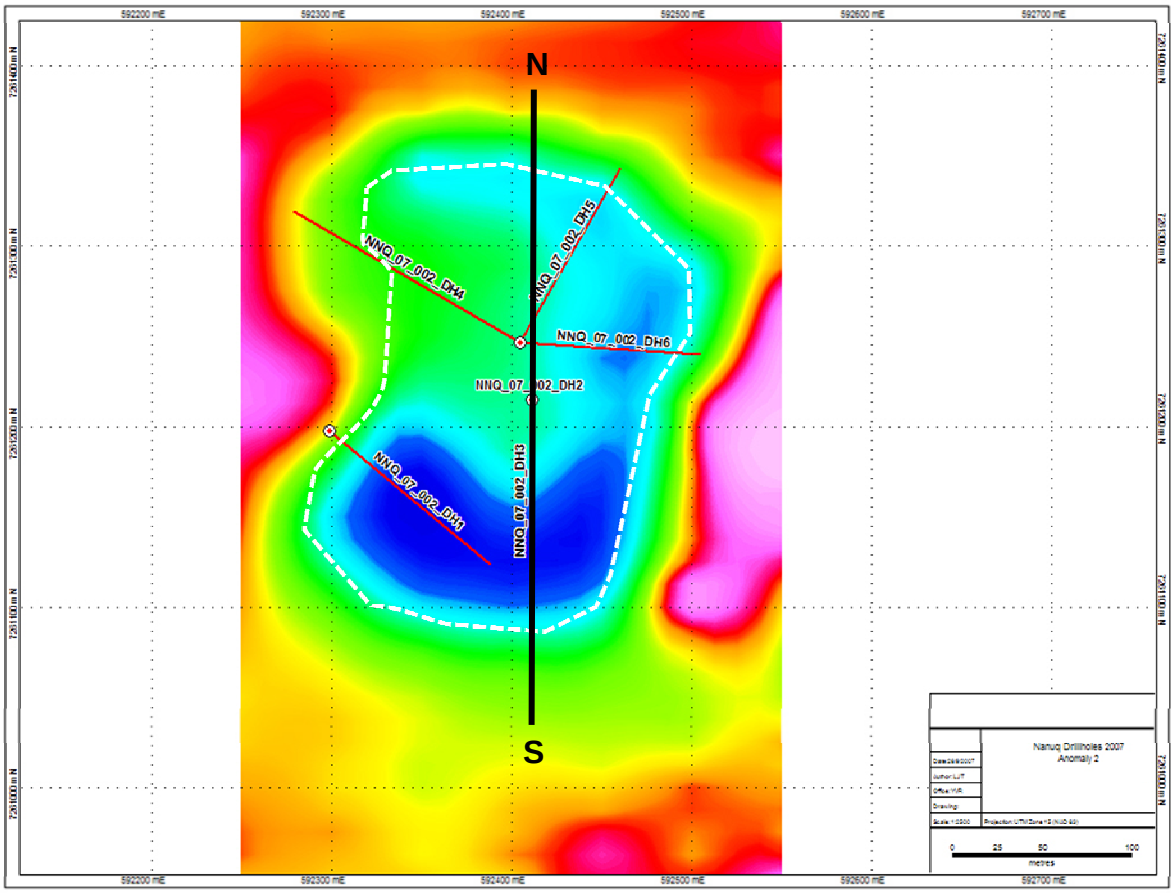
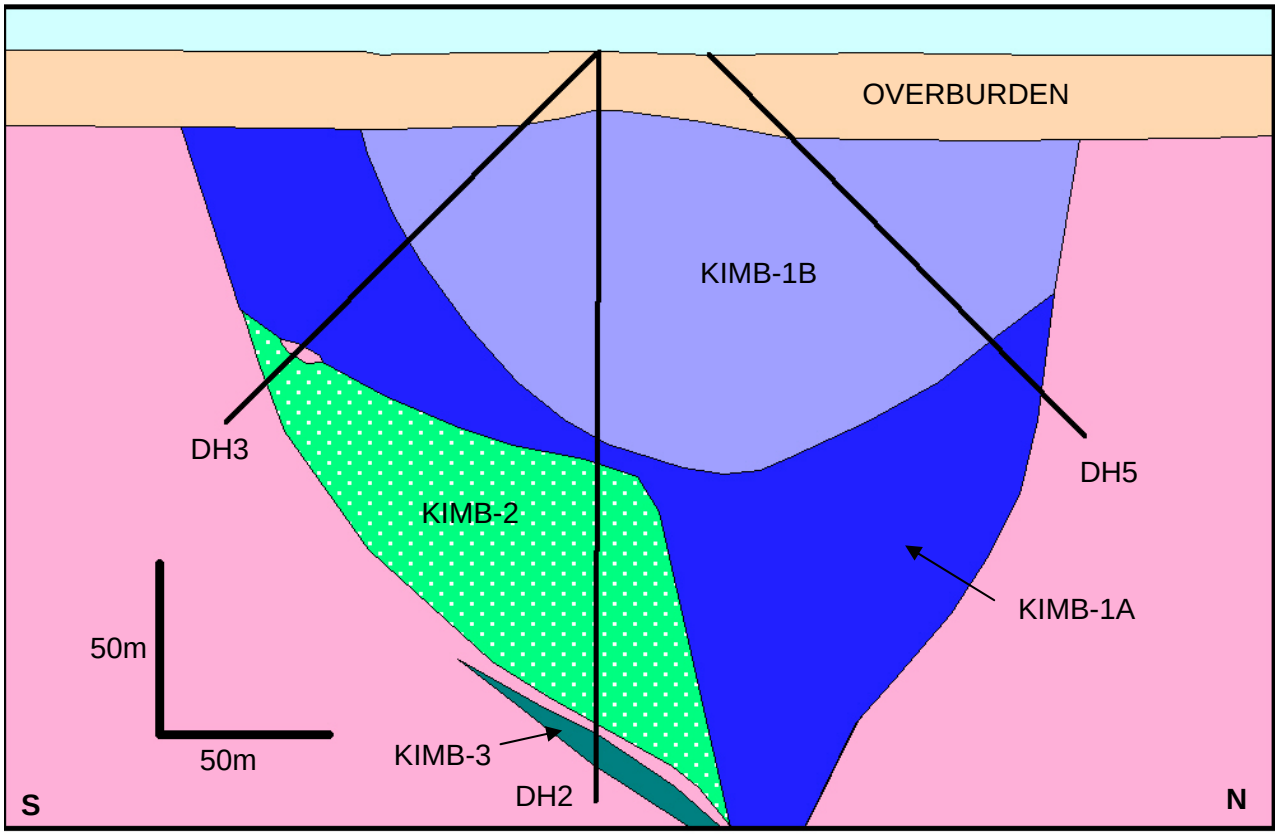


Figure 30 - Cross-Section S-N, Naturalik Kimberlite



11.2 Caustic Fusion Analyses of Drill Core from the Kayuu, Tudlik and Naturalik Kimberlites

A total of 1593 kilograms of kimberlite from the three pipes was sent to the Saskatchewan Research Council Geoanalytical Laboratories ("SRC"), which is accredited to the ISO/IEC 17025 standard, for microdiamond recovery via caustic fusion. In all, a total of 993 diamonds (>0.075mm) were recovered (Table 5), with the largest stone described as a white fragment measuring 2.12 mm X 1.48 mm X 1.0 mm.

Samples from each geological unit in each of Kayuu and Naturalik were analyzed separately and some variations were noted between the various units in each pipe. In total, 567 diamonds larger than 0.075mm were recovered from 791 kg of Kayuu for an average stone count of 0.72 stones per kilogram. One phase, KIMB-B (Table 5), a variably fragmental volcaniclastic to apparently coherent (magmatic/hypabyssal) kimberlite had an elevated stone count (1 stone/kg) relative to the other units in the pipe which were dominantly resedimented volcaniclastic kimberlites and volcaniclastic kimberlites.

Table 5 - Summary of Caustic Fusion Analyses, Kayuu, Tudlik and Naturalik Kimberlites

KAYUU KIMBERLITE							
Unit	**KIMB-A + KIMB-C+A?**	**KIMB-D**	**KIMB-E**	**KIMB-E/F**	**KIMB-F**	**KIMB-B**	**Total**
Weight (kg)	139.6	91.05	223.15	55.35	104.6	177.3	791.05
Sieve Size	**# of Stones**	**# of Stones**	**# of Stones**	**# of Stones**	**# of Stones**	**# of Stones**	**# of Stones**
+1180	0	0	1	0	0	0	1
+ 850	0	0	0	0	0	2	2
+ 600	0	0	1	0	1	0	2
+ 425	3	2	8	1	5	4	23
+ 300	6	2	9	5	5	10	37
+ 212	13	10	19	5	8	17	72
+ 150	19	10	33	1	15	35	113
+ 106	19	11	47	4	17	50	148
+ 75	24	21	34	9	21	60	169
Total	84	56	152	25	72	178	567
Stones/kg	0.60	0.62	0.68	0.45	0.69	1.00	0.72

TUDLIK KIMBERLTE	
Unit	**KIMB**
Weight (kg)	88.95
Sieve Size	**# of Stones**
+1180	0
+ 850	0
+ 600	2
+ 425	5
+ 300	12
+ 212	10
+ 150	29
+ 106	17
+ 75	37
Total	112
Stones/kg	1.26

NATURALIK KIMBERLITE				
Unit	**KIMB-1A**	**KIMB-1B**	**KIMB-2**	**Total**
Weight (kg)	210.75	364.95	137.35	713.05
Sieve Size	**# of Stones**	**# of Stones**	**# of Stones**	**# of Stones**
+1180	0	0	0	0
+ 850	2	0	0	2
+ 600	0	1	0	1
+ 425	3	3	0	6
+ 300	2	12	3	17
+ 212	12	18	11	41
+ 150	13	29	15	57
+ 106	22	44	16	82
+ 75	34	50	24	108
Total	88	157	69	314
Stones/kg	0.42	0.43	0.50	0.44

12.0 SAMPLING METHOD AND APPROACH

12.1 Heavy Mineral Sampling

All till sampling programs at Nanuq were conducted using helicopter support and sampling teams consisting of two persons each. A professional geoscientist supervised the project and a professional geoscientist or experienced geologist lead the teams and contract sampling assistants were also employed. The crews were based in a field camp and access to the area and sample sites was via helicopter each day. Sampling was done along lines roughly perpendicular to the interpreted ice flow direction with each sample team picked up and dropped off at their respective sites or on their respective sampling line. Radio access was maintained between the helicopter and the sampling teams to increase efficiency and reduce waiting times. Samples consisted of approximately 20 kilograms of glacial till that was collected from hand dug holes varying from 30 to 70 centimetres in depth. Frost boils were the desired sampling media. Where it was not possible to find frost boils, tills were collected from beneath surface organic or clay layers. Any intermixed organic material or large clasts were removed by hand. All samples were screened down to approximately two centimetres while in the field using a metal screen and 20 litre plastic bucket.

Sample information was collected at each site and recorded on a sample card. A standardized sample description form was completed for each sample in the field, with categories such as sample number, UTM coordinates (collected using Garmin hand-held GPS units), sample type, color, depth, texture, type of clasts, etc. In addition, the local site environment, glacial striae where observed, and the regional setting were described. This data was transferred from the field sheets to a portable computer in camp. Sample co-ordinates were downloaded directly from the GPS units.

All sampling was performed according to industry standards.

12.2 Diamond Drill Core Sampling

The drill core was sealed in core boxes at the drill site. The core was then transported directly to the secure onsite core logging facility where geological summary logs and geotechnical logs were completed. All drill core was photographed on site.

All holes containing kimberlite were then securely boxed at site and shipped via wheel plane to Baker Lake and then onwards to Peregrine's core logging facility in Yellowknife for detailed examination. Prior to detailed logging, a second, complete photographic record of each core hole was taken. After the macroscopic log was completed, representative

samples for petrography were selected from each core hole such that geology of each hole could be reconstructed from these samples.

The drill holes were sampled and submitted for caustic fusion diamond analysis as deemed necessary. The sampling was done to industry standards by or under the supervision of Mineral Services Inc. personnel. All sampling was completed in Yellowknife. The sampling strategy was based on the geologic units identified by the detailed core logs. Whole pieces of core were selected and submitted for analysis with representative material from each interval left in the box. The samples were sent to the lab in polyurethane bags placed in plastic buckets. Each bag (and bucket) was secured to ensure no material could be lost. Tamper-proof security seals were placed on each bucket.

13.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

13.1 Heavy Mineral Sampling

All till samples collected at Nanuq consisted of approximately 20 kilograms of glacial till, collected using D-handled spades and placed into 18 x 24 inch (7.1 x 9.4 cm) polypropylene woven bags (rice bags) lined with 18 x 24 inch poly ore bags (plastic sample bags) or a second rice bag. The inner bag was labelled on one side with the sample number and a metal tag with the sample number was placed inside. The outer bags were labelled on both sides with their respective sample numbers. The opening was secured using two plastic non-removable cable ties. Samples were collected in the helicopter and ferried to a central cache site at the base camp for transport to Baker Lake or to Rankin Inlet. When samples were cached, bags were checked for damage and wear. Samples were placed in order and a sample list was compiled for

Once samples were at the airport in Baker Lake or in Rankin Inlet, they were left in the care of the expediterwho placed the samples in shipping containers. The samples were shipped either by barge to Churchill, Manitoba then by rail and then truck or by air to the Saskatchewan Research Council laboratory in Saskatoon, Saskatchewan or to Overburden Drilling Management in Nepean, Ontario for processing. The labs reported that all of the samples arrived at their facility and were reported to be in good condition.

All sample collection, transportation and processing was done to industry standards.

13.2 Diamond Drill Core Sampling

After completion of field logs, all holes containing kimberlite were securely boxed at site. Core box lids were sealed with at least eight screws in each to assure they did could not be accidentally opened and spilled and all boxes were clearly labelled. The boxes were then shipped via wheel plane to Baker Lake where they were placed in care of the expeditor who arranged transport to Peregrine's core logging facility in Yellowknife for detailed examination. Core was sent to Yellowknife of charter fixed wing aircraft. In Yellowknife it was received by Peregrines Yellowknife Expeditor who transported it to Peregrines secure Yellowknife logging facility where it was logged and sampled.

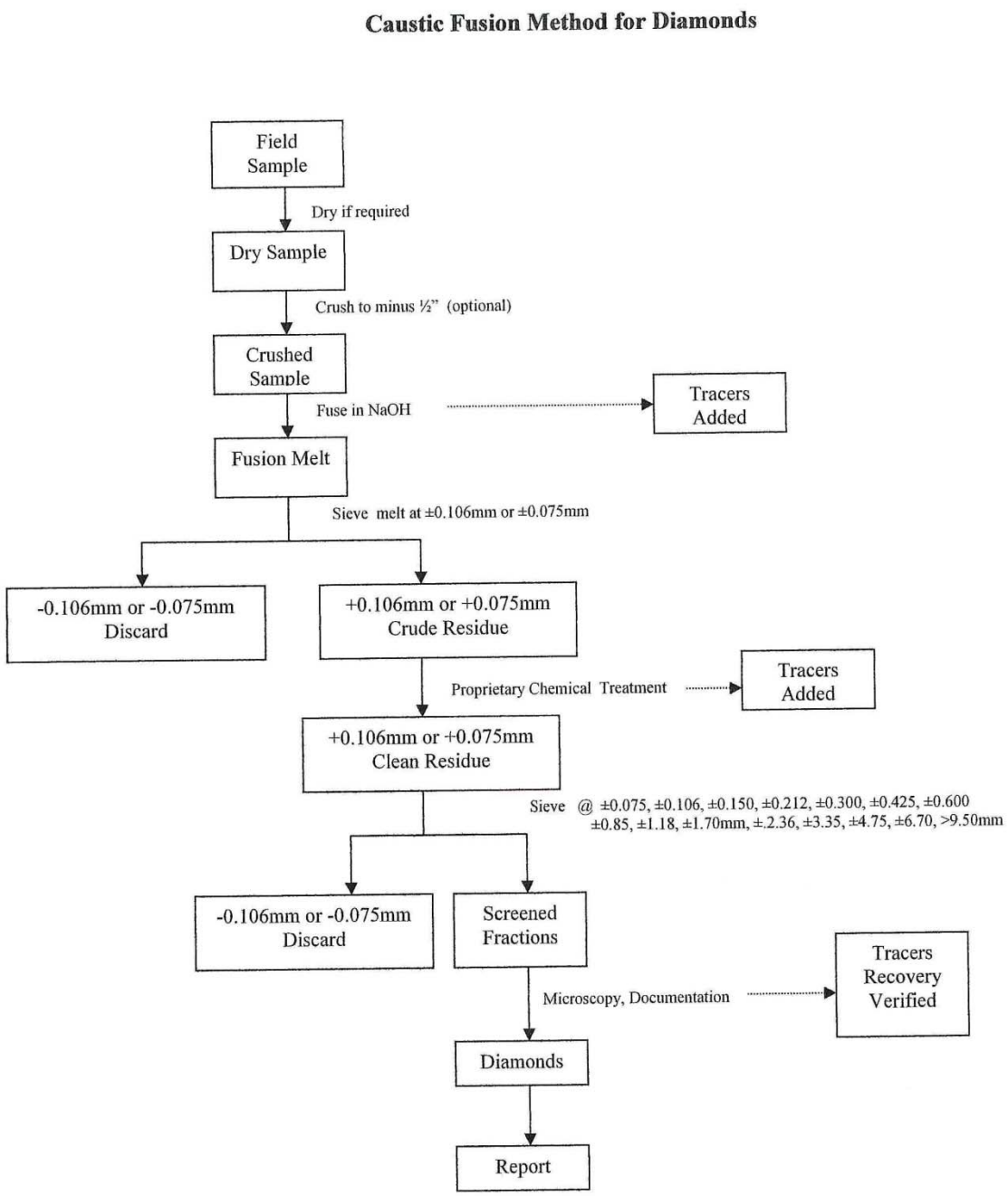
The drill holes were sampled and submitted for caustic fusion diamond analysis as deemed necessary. The sampling was done to industry standards by or under the supervision of Mineral Services Inc. personnel. All sampling was completed in Yellowknife. All core sent for caustic fusion diamond analysis was placed in polyurethane bags which were sealed and put into 20 litre pails that were sealed with tamper proof lids which, in turn, were secured with a uniquely numbered security seal. The bucket was further sealed with packing tape to ensure that any evidence of tampering would be noticed. Once the samples were security sealed, they were put on pallets and shrink wrapped. They were then transported by truck to Saskatchewan Research Council ("SRC") of Saskatoon, Saskatchewan, Canada, an ISO/IEC 17025 accredited lab.

The caustic fusion method of diamond extraction was employed SRC. This method included:

- weighing the sample as it arrived,
- crushing at 0.5 inch (1.3 cm) gap,
- fusing the sample with NaOH and adding tracers,
- discarding the -0.075mm residue,
- again adding tracers and cleaning the +0.075mm crude residue,
- sieving and discarding any -0.075mm material,
- using microscopes to recover and document the natural diamonds and recover the added tracers to the +0.075mm fractions.

Each sample is observed twice to ensure that the all the diamonds have been recovered. See the Figure 29 for a flow chart of the SRC "Caustic Fusion Method for Diamonds"

Figure 31 - SRC Caustic Method for Micro Diamonds.



Accreditation: ISO/IEC 17025

14.0 DATA VERIFICATION

Core from the core drilling campaign is securely stored a warehouse facility in Vancouver. All core has been logged descriptively and photographed at two different scales. For the 2007 core drill samples representative samples of the lithologic units were collected as were petrographic samples and microdiamond analyses. The goal was to retain in excess of 50% of all drill cores for future study.

Core sent for caustic dissolution diamond analysis to SRC is completely consumed in the process. Fusion residues and recovered diamonds will be shipped to Peregrine for storage and reference. SRC is an ISO-IEC 17025 accredited facility. Samples were spiked with synthetic diamonds for quality control and 4428 spikes of 4579 placed in all samples were recovered, for a recovery rate of 97% (Table 6). The indicated efficiency is high and satisfactory.

Table 6 - Diamond Spiking Quality Control

Batch #	Spikes in (#)	Recovered (#)
1024	500	482
1025	445	433
1026	588	569
1027	380	363
1539	426	425
1544	1210	1173
1623	1030	983
TOTAL	**4579**	**4428**
Recovery %		**97**

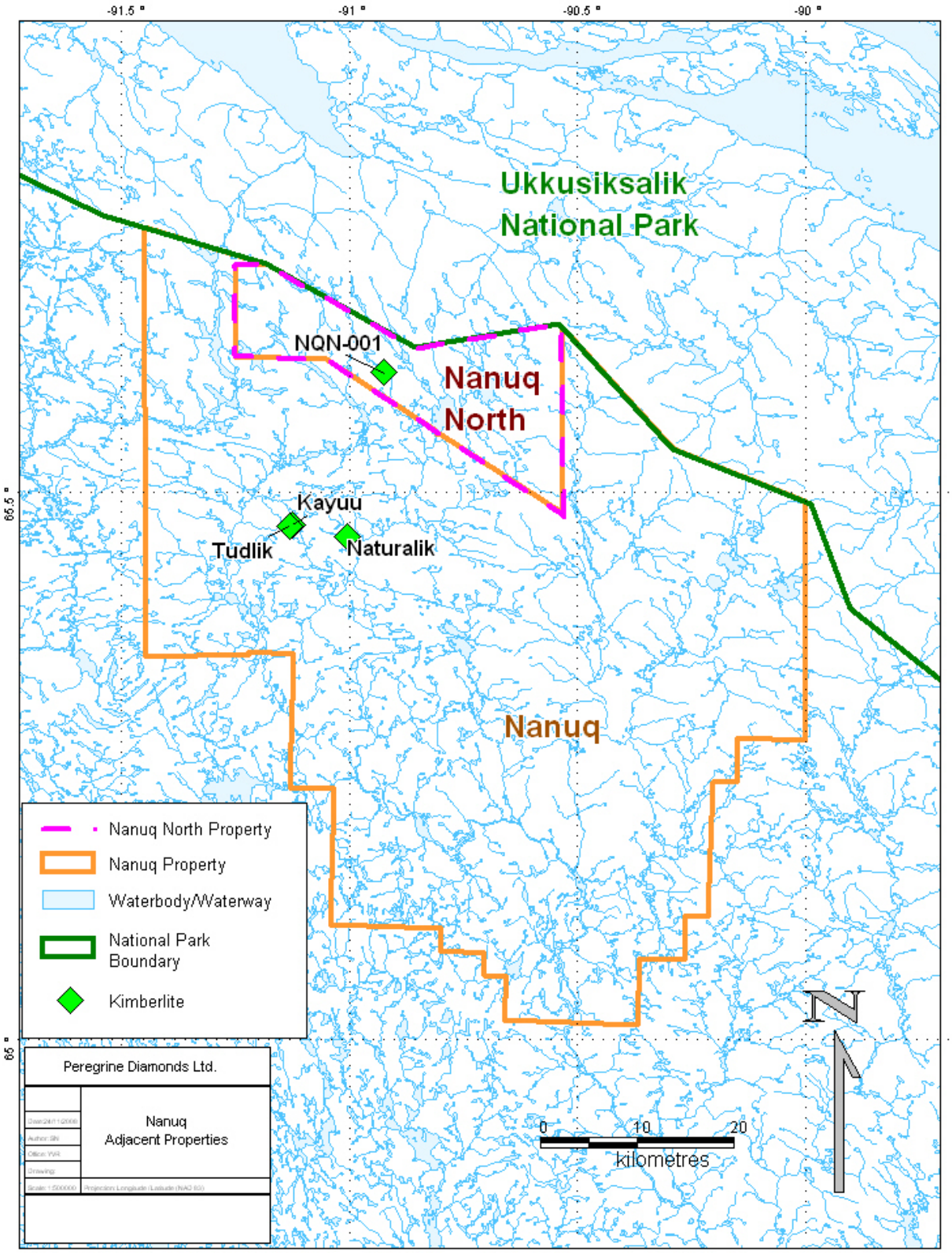
Drill core and detailed drill logs were reviewed for all drill holes by the author and field logging of five of the holes was completed by the author. The core documentation and logging adequately capture the required data from the drilling. The remaining core samples are available for further verification. No other independent data verification of the core drilling or analysis has been performed.

15.0 ADJACENT PROPERTIES

Immediately adjacent to the Nanuq property, between its northern boundary and Ukkusiksalik National Park, is the 33,100 hectare Nanuq North Property (Figure 32). Exploration expenditures on this property are currently funded on a 50/50 basis by Peregrine and Indicator Minerals Inc. ("Indicator"). Under the terms of a letter agreement, the Hunter Exploration Group ("Hunter") retains a 20 percent interest and Peregrine and Indicator each retain 40 percent interests in 16 claims covering 13,900 hectares. Hunter's 20 percent interest is carried through completion of a scoping study. Peregrine and Indicator each have an undivided 50 percent interest in the remaining 19,200 hectares of claims at Nanuq North. Indicator is the operator of the project.

One kimberlite, NQN-001 was discovered during a short, late season percussion drilling campaign on claims subject to the Hunter interest. The discovery hole, inclined at -58°, was terminated in kimberlite after a continuous 80 metre kimberlite intersection beginning at seven metres and ending at 87 metres of depth. Based on ground geophysical data, NQN-001 is interpreted as having a minimum surface area of 4.5 hectares. A representative 150 kilogram sample of drill cuttings collected from the kimberlite has been sent to Saskatchewan Research Council Geoanalytical Laboratories for diamond analysis.

Figure 32 - Location Map of the Nanuq and Nanuq North Properties and the Kimberlites.



16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

This section is not relevant to this report.

17.0 MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

This section is not relevant to this report.

18.0 OTHER RELEVANT DATA AND INFORMATION

This section is not relevant to this report.

19.0 INTERPRETATION AND CONCLUSIONS

The Nanuq property consists of 320 mineral claims covering 313,859 hectares (775,563 acres), located in the Western Churchill Province. The centre of the property is 170 kilometres north of the town of Chesterfield Inlet and 225 kilometres east-northeast of the town of Baker Lake at 90° 30' W longitude and 65° 15' N latitude. The property is held 100% by Peregrine, subject to a 2% gross production royalty in favour of BHP Billiton for 47% of the property. BHP Billiton also retains all marketing rights in respect of all rough diamonds for the same 47% of the property for a period of three years from the commencement of commercial production.

Nanuq is located within the Rae domain of the Western Churchill Province. The property area is underlain primarily by Archean tonalite-granodiorite-granite gneiss and by Archean or Paleoproterozoic (Aphebian) biotite gneiss, migmatite, and granite. Rocks in the Nanuq region have been divided into three major supracrustal belts. The Wager Bay Shear Zone cuts through the north central part of the property in an east-west direction and is the dominant structural element observed. It is a near-vertical-dipping shear zone that displays dextral movement. The property is located within, and to the southeast of, the Keewatin Ice Divide. Undifferentiated surficial materials, which consist mainly of tills, cover bedrock. Two esker systems traverse the area; one trends in an east-southeast direction and the other, more dominant system is southeast trending. In the southern part of the area glacial striae indicate that ice flow was in a general southeasterly direction. On the northern part of the property, northerly ice flow directions have been recorded.

Kimberlite indicator mineral sampling by BHPB as part of a regional reconnaissance program detected the presence of KIMs in the Nanuq area. Additional work by between 2002 and 2005 defined several southeast-trending dispersion plumes dominated by chrome pyrope, eclogitic garnet and chrome diopside with some forsteric olivine and chromite, but no ilmenite. Olivine dominated dispersion plumes were also identified. The mineral chemistry showed evidence of sampling within the diamond stability field by the presence of pyrope garnets (both G10's and G9's), and diamond inclusion field eclogitic garnets and diamond inclusion field chromites. Clinopyroxene thermobarometry indicated a cool geotherm for Nanuq mantle, approximately 34 to 35 mW/m^2, which is similar to what is found for the Slave Province and also indicated that mantle within the diamond stability field was tapped.

An airborne magnetometer survey was flown in the fall of 2003 over part of the property and in 2004, a Falcon^{TM} airborne gravity gradiometric survey was flown over parts of the area. In 2007 an airborne magnetic survey was flown over previously unsurveyed claims, resulting in complete airborne magnetic coverage of the property. Ground geophysical surveys (magnetic, electromagnetic and gravity) have been completed over a number of the

anomalies. Airborne and ground geophysical surveys identified and confirmed the presence of numerous geophysical anomalies on the Nanuq. Most remain untested.

In May, 2004 seven drill holes totalling 520 metres was drilled to test five anomalies. All targets tested were on a single geophysical grid. Additional drilling had been planned, but delays due to bad weather resulted in the termination of the drill program before completion. No kimberlites were intersected.

In 2007, 2,502 m of NQ diamond drilling was completed in 12 holes to test three geophysical targets. Three kimberlites, Kayuu, Tudlik and Naturalik, were discovered. Kayuu is estimated to be approximately five hectares in size and has complex internal geology. It was intersected by 5 drill holes. The bulk of the Kayuu pipe fill comprises volcaniclastic kimberlite (VK) arranged in numerous massive to crudely bedded depositional packages that occur as six spatially and lithologically distinct units. Many of the VK units show evidence of being resedimented; one unit is enigmatic and displays both fragmental and coherent textures. Naturalik is located approximately five kilometres east of Kayuu and is estimated to be around six hectares in size. It was intersected by 6 drill holes. Naturalik is filled by two contrasting textural varieties of kimberlite: two phases of coherent kimberlite (CK) and subordinate variably fragmental VK. Tudlik is located approximately 200 metres southwest of Kayuu. Tudlik is smaller than Naturalik and Kayuu, at approximately one hectare in size, and was intersected with only a single drill hole. It appears to be infilled with a single phase of VK, distinctly different than the phases in either Kayuu or Naturalik. All three pipes have been tested and all are diamond bearing.

In 2008, 303 line-kilometres of data were collected on 14 ground magnetometer grids and 572 line-kilometres of data were collected on a sled-magnetometer grid. Four horizontal-loop electromagnetic grids were surveyed for a total of 31 line-kilometres.

The kimberlite discoveries made by Peregrine at Nanuq in 2007 and by Indicator and Peregrine at Nanuq North in 2008 have established a new Canadian diamond district. It is very early in the cycle of evaluating this district. Based on the information derived from the first three discoveries and property-wide exploration data, the author of this report believes that the property has good exploration potential. There is the potential for the property to host one or more kimberlites that have a favourable combination of grade and tonnage to warrant economic evaluation.

20.0 RECOMMENDATIONS

The kimberlite discoveries made by Peregrine at Nanuq in 2007 have established a new Canadian diamond district. It is very early in the cycle of evaluation for this district. Based on the information derived from the first three discoveries and property-wide exploration data, the author believes that the property has good exploration potential. There is the potential for the property to host one or more kimberlites that have a favourable combination of grade and tonnage to warrant economic evaluation. Future exploration should focus primarily on identifying new kimberlites and evaluating their diamond potential. The following program should be considered for 2009:

- Till sample density should be increased throughout the property. This should include increasing the density of samples on the claims staked in 2005 and the ground acquired in 2007 and 2008. There has been little if any sampling done on the newer claims.

- Prospecting and mapping (both bedrock and quaternary mapping) should be done in key areas as needed. Airphoto/satellite photo interpretation should be used to augment quaternary studies. Airborne geophysical anomalies should be ground checked.

- Ground geophysical surveys (magnetic, electromagnetic and gravity) should be done on priority airborne anomalies.

- Priority targets should be tested by diamond drilling. Five to ten targets are considered ready for drilling in 2009. Additional drilling may be needed to test additional targets after this period.

- Kimberlites that are discovered will be sampled for diamonds by caustic fusion. If the kimberlite has elevated diamond counts, additional studies (petrography, palynology, paleomagnetic, age dating, etc.) should be completed, as warranted.

- The local communities will continue to be updated by Peregrine on a regular basis as the work programs evolve.

A proposed budget for a conceptual Nanuq 2009 exploration program is presented in Table 7.

Table 7 - Proposed budget for 2009

ACTIVITY	ESTIMATED EXPENDITURE ($)	COMMENTS
Sampling	$750,000	1500 samples
Prospecting Mapping	$55,000	Review anomalies, prospecting and mapping.
Drilling	$1,275,000	2500m (1 drill). Test 10 targets at 150 m per target. Assume 3 discoveries, additional 300 m on each.
Ground Geophysics	$290,000	10 MAG/HLEM grids
Laboratory Charges	$540,000	Heavy mineral sample analyses and provision for microdiamond on 3 new discoveries
Special Projects	$60,000	Mineralogical studies, core review and studies including research projects
Project Supervision	$250,000	Supervisory time not allocated to activity
Operations	$725,000	All costs associated with the operation of a camp and support of field crews for 120 days
Land Administration	$150,000	Claim fees, assessment report preparation and community consultation
Environmental & Reclamation	$50,000	Baseline environment studies, caribou monitoring, compliance measures
TOTAL	**$4,145,000**	

Based on the results of the proposed work, additional exploration may be warranted in subsequent years as follows:

- Once a number of kimberlites have been found and their diamond contents established by caustic fusion analyses, they should be prioritized for definition drilling and bulk sampling, if warranted.

- Additional airborne geophysical surveys should be completed on any unsurveyed ground if indicator mineral sampling results suggest the presence of kimberlites.

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22.0 SIGNATURE PAGE

This report titled *Technical Report on the Nanuq Property, Kivalliq Region, Nunavut*, and dated November 26, 2008 was prepared by and signed by the following author.

Dated this 26th day of November 2008.

Jennifer Pell

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APPENDIX 1

DRILL LOGS

EXCERPTS FROM:

Webb, K., 2007. Graphical Summary Logs for 2007 Drill Cores from the NNQ-07-001 and NNQ-07-002 Kimberlites, Nanuq Project, Nunavut. Mineral Services Report MSC07/037R, prepared for Peregrine Diamonds Inc.

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Abbreviations

ABBREVIATIONS	DESCRIPTION	
KIMB	Kimberlite	
OLV	Olivine	
OLVm	Olivine macrocryst	
OLVp	Olivine phenocryst	
JP	Juvenile Pyroclast	
GAR	Garnet	
ILM	Ilmenite	
CPX	Chrome Diopside	
CR	Country Rock	
CRG	Country Rock Granite (wall rock)	
CRX	Country Rock Xenolith	
CRB	Country Rock Breccia	
MK	Magmatic Kimberlite	
AMK	Apparent Magmatic Kimberlite	
VK	Volcaniclastic Kimberlite	
PK	Pyroclastic Kimberlite	
RVK	Resedimented Volcaniclastic Kimberlite	
OVB	Overburden	
VE %	visually estimated modal abundance	
DCC	Diamond Carrying Capacity	
Grain size:		
VVF	Very Very Fine grained	< 0.2 mm
VF	Very Fine grained	0.2 - 0.5 mm
F	Fine grained	0.5 - 2 mm
M	Medium grained	2 - 5 mm
C	Coarse grained	5 - 10 mm
VC	Very Coarse grained	> 10 mm
VVF-VF	Very Very Fine to Very Fine grained	avg 0.2 mm
VF-F	Very Fine to Fine grained	avg 0.5 mm
F-M	Fine to Medium grained	avg 2 mm
M-C	Medium to Coarse grained	avg 5 mm
C-VC	Coarse to Very Coarse grained	avg 10 mm
Breccias:		
B	> 15 - 50 % CRX	
BB	> 50 - 75 % CRX	
BBB	> 75 % CRX	
mB	> 15 % CRX < 10 mm	

Summary of Geological Divisions

NNQ-07-001 DH1 (- 45º/090º)

- Interval logged: 38.1 – 244.5m (0 – 38.1m and 244.5 – 275.3m not available)
- The thick kimberlite intersection is different to that in DH1, DH2 and DH3 at NNQ-07-002
- It comprises two main zones, termed KIMB-A and KIMB-B, which are characterized by contrasting texture, juvenile grain size and character, and country rock xenolith suite

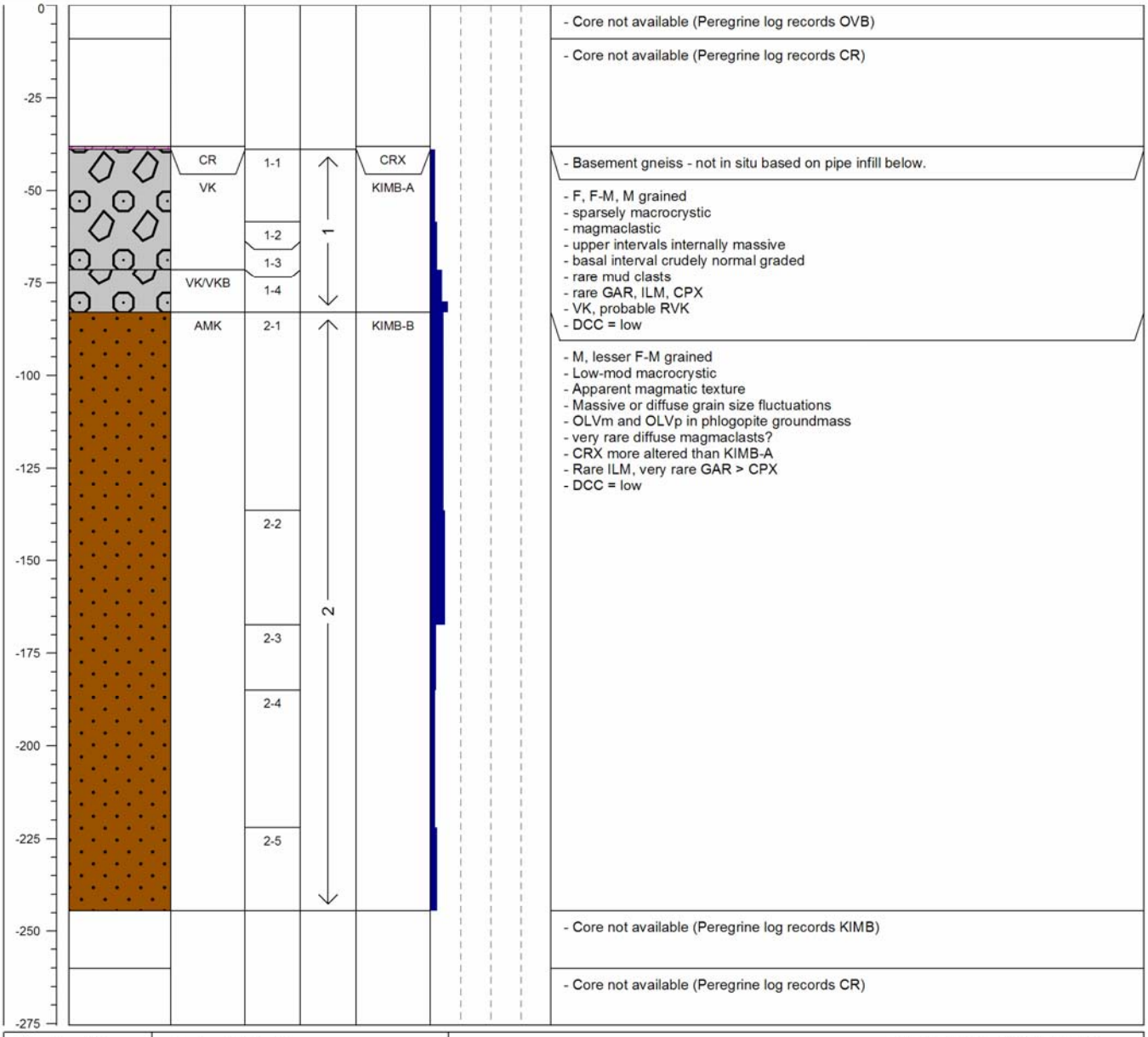
- **Uppermost KIMB-A zone:** based on macroscopic observations, this unit is divided into four sub-zones defined by variations in grain size, OLVm abundance, relative abundance of discrete OLV and JP, and CRX abundance and size. See slide 8 for a photo of typical KIMB-A.
- Upper 3 intervals are internally massive; lower interval is crudely graded to a basal breccia; contacts are gradational
- **KIMB-A:** fine to medium grained, sparsely macrocrystic, distinctly magmaclastic, clast supported volcaniclastic kimberlite; possible RVK
- OLV, JP, minor CRX (basement, mud clasts) occur in a serpentine-carbonate ± ash ± mud matrix
- Rare GAR, ILM, CPX
- The diamond carrying capacity is rated as low

- **Lowermost KIMB-B zone:** divided into five sub-zones defined by variations in grain size, OLVm abundance, OLV alteration state, and CRX alteration, abundance and size. See slide 9 for a photo of typical KIMB-B.
- Appears superficially massive, but displays very subtle fluctuations in grain size
- **KIMB-B:** medium grained, moderately macrocrystic, apparent magmatic kimberlite
- OLVm and OLVp occur in phlogopite-rich groundmass; common broken OLV; closer packed than typical magmatic texture; rare indistinct magmaclasts
- Rare ILM > GAR > CPX
- The diamond carrying capacity is rated as low

- Note: The uppermost country rock interval in this drill core is unlikely to be in situ based on the nature of the underlying kimberlite

NNQ-07-001 DH1
SCHEMATIC GEOLOGY SUMMARY

Project:	PEREGRINE NANUQ	**EOH:**	275.3 m
Kimberlite:	NNQ-07-001	**Logged By:**	Kimberley Webb
Core Diameter:	NQ	**Date Logged:**	28 July 2007
Dip:	-45°	**Log Type:**	RAPID
Azimuth:	90°	**Interval Logged:**	38.10 - 244.50 m



Drafted By:	Meilani Z. Smith
Date Drafted:	27 August 2007

MINERAL SERVICES CANADA

Mineral Services

Summary of Geological Divisions
NNQ-07-001 DH2 (- 45°/0°)

- Interval logged: 47.4 – 242.38 m

- This drill core comprises six main zones, four of which are kimberlite. The kimberlite zones are characterized by contrasting texture, juvenile grain size and character, and country rock xenoliths. A total of 172.3 m of kimberlite was intersected.

- **Zone 1: Country rock granite** Likely in situ country rock.

- **Zone 2: KIMB-C?/KIMB-A?** Massive but internally variable, sparsely macrocrystic volcaniclastic kimberlite; some more highly macrocrystic kimberlite is present, and may be similar to KIMB-A intersected in NNQ-07-001-DH1.

- **Zone 3: KIMB-C** Massive to well-bedded, sparsely macrocrystic kimberlitic sediments; < 30% kimberlitic component.

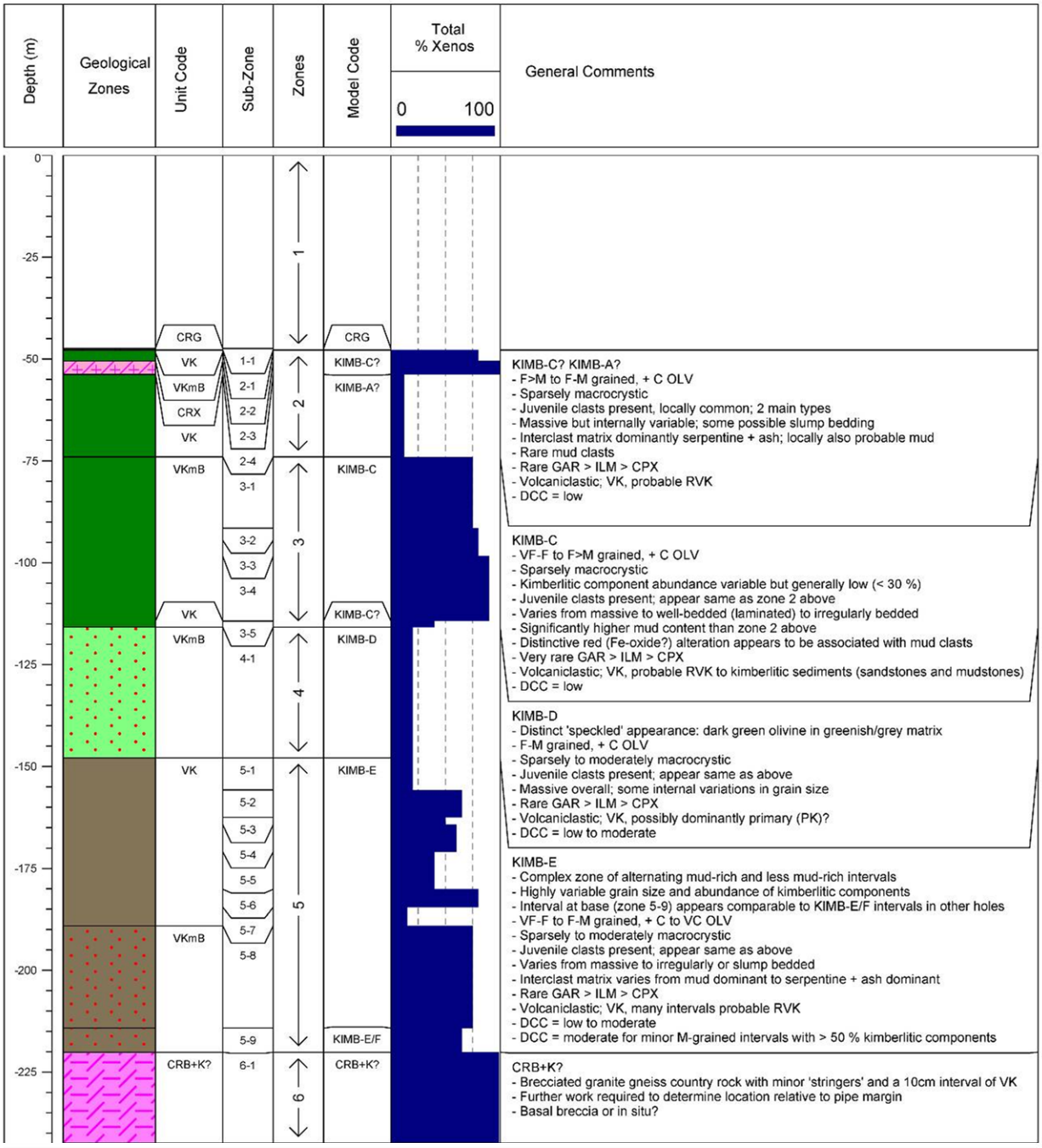
- **Zone 4: KIMB-D** Distinctly 'speckled' volcaniclastic kimberlite; structurally massive and sparsely to moderately macrocrystic. The speckled appearance is due to conspicuous dark green serpentinized olivine macrocrysts set within a paler greenish/grey matrix. KIMB-D is intersected in four of the total five drill cores from this body.

- **Zone 5: KIMB-E** Complex zone of alternating mud-rich and less mud-rich kimberlite intervals; highly variable grain size and proportion of kimberlitic components. Sparsely to moderately macrocrystic volcaniclastic kimberlite. KIMB-E comprises a significant proportion of this drill core and is intersected in four of the total five drill cores from this body.

- **Zone 6: Country rock breccia with kimberlite** Brecciated granite country rock with minor 'stringers' of probable volcaniclastic kimberlite; may be in situ or a basal breccia.

NNQ-07-001 DH2
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Margaret Harder, GIT
Kimberlite:	Kayuu	**Date Logged:**	29/30 Sept. 2007
Core Diameter:	NQ	**Reviewed With:**	Kimberley Webb, P.Geo.
Dip:	-45°	**Log Type:**	Full
Azimuth:	0°	**Interval Logged:**	47.40 - 242.38 m
EOH:	242.38 m		



Drafted By:	Meilani Z. Smith
Date Drafted:	23 January 2008

MINERAL SERVICES CANADA

Mineral Services

Summary of Geological Divisions
NNQ-07-001 DH3 (- 45°/30°)

- Interval logged: 27.3 – 210.5 m and 218.7 – 224.1 m

- This drill core comprises seven main zones, five of which are kimberlite. The kimberlite zones are characterized by contrasting texture, juvenile grain size and character, and country rock xenoliths. A total of 168.4 m of kimberlite was intersected.

- **Zone 1: Country rock granite** Likely in situ country rock.

- **Zone 2: KIMB-C** Subtly bedded, sparsely macrocrystic volcaniclastic kimberlite; < 30% kimberlitic component.

- **Zone 3: KIMB-A?** Massive with possible diffuse bedding, sparsely to moderately macrocrystic volcaniclastic kimberlite; may be similar to KIMB-A intersected in NNQ-07-001-DH1.

- **Zone 4: KIMB-D** Distinctly 'speckled' volcaniclastic kimberlite; structurally massive and sparsely to moderately macrocrystic. The speckled appearance is due to conspicuous dark green serpentinized olivine macrocrysts set within a paler greenish/grey matrix. KIMB-D is intersected in four of the total five drill cores from this body.

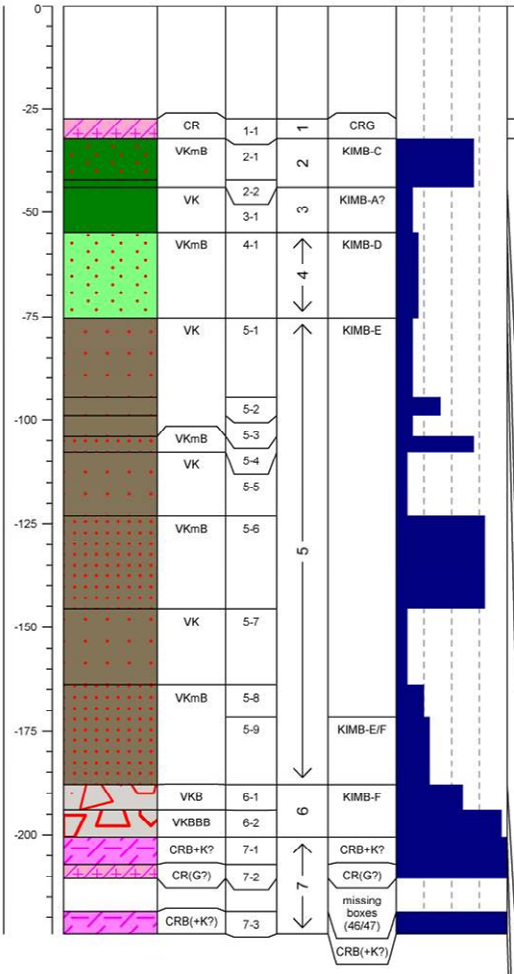
- **Zone 5: KIMB-E** Complex zone of alternating mud-rich and less mud-rich kimberlite intervals; highly variable grain size and proportion of kimberlitic components. Sparsely to moderately macrocrystic volcaniclastic kimberlite. KIMB-E comprises a significant proportion of this drill core and is intersected in four of the total five drill cores from this body.

- **Zone 6: KIMB-F** Light grey, very granite-rich volcaniclastic kimberlite (breccia and microbreccia intervals present); sparsely macrocrystic. The base of the overlying KIMB-E appears to represent a gradation to this zone. KIMB-F is intersected in three of the total five drill cores from this body.

- **Zone 7: Country rock breccia with kimberlite** Brecciated country rock granite with minor 'stringers' of probable volcaniclastic kimberlite; may be in situ or a basal breccia.

NNQ-07-001 DH3
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Margaret Harder, GIT
Kimberlite:	Kayuu	**Date Logged:**	30 Sept 2007/01 Oct 2007
Core Diameter:	NQ	**Reviewed With:**	Kimberley Webb, P.Geo
Dip:	-45°	**Log Type:**	Full
Azimuth:	30°	**Interval Logged:**	27.3 - 210.5 m, 218.7 - 224.1 m
EOH:	224.1 m		



KIMB-C?
- Extremely friable core
- F>M grained + C OLV
- Sparsely macrocrystic
- Kimberlitic component abundance is low overall (< 30 %)
- Juvenile clasts present, locally common; 2 main types
- Subtly bedded wrt grain size and interclast matrix; some possible slump bedding
- Interclast matrix dominantly mud, plus serpentine (and ash?)
- Common mud clasts
- Localized distinctive red alteration (Fe-oxide?) associated with mud clasts
- Granitic xenocrysts are common; this zone is a microbreccia
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, probable RVK
- DCC = low

KIMB-A?
- F-M grained + C OLV
- Sparsely to moderately macrocrystic
- Kimberlitic component abundance significantly higher than zone 2 above (80-90 %)
- Juvenile clasts present; appear same as zone 2 above
- Massive with possible diffuse bedding
- Interclast matrix dominantly serpentine and ash; little to no mud
- Mud clasts present but not common
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low to moderate

KIMB-D
- Distinct 'speckled' appearance: dark green olivine in greenish/grey matrix
- F-M grained + C OLV
- Sparsely to moderately macrocrystic
- Massive overall; some internal variations in grain size
- Juvenile clasts present; appear same as above
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low to moderate

KIMB-E
- Complex zone of alternating mud-rich and less mud-rich intervals
- Highly variable grain size and abundance of kimberlitic components
- Zone 5-9 appears gradational in character between the variable VK of KIMB-E and the grey VKB/mB of KIMB-F below
- F>M to F-M + C and VC OLV
- Sparsely to moderately macrocrystic
- Juvenile clasts present; appear same as above
- Varies from massive to irregularly or slump bedded
- Interclast matrix varies from mud dominant to serpentine + ash dominant
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, many intervals probable RVK
- DCC = low to moderate
- DCC = moderate for minor M-grained intervals with > 50 % kimberlitic components

KIMB-F
- Light grey and very granite rich (breccia and microbreccia); > 60 % dilution
- Abundance of kimberlitic components gradually (not uniformly) decreases with depth
- Abundance of granitic components (particularly xenocrysts) increases with depth
- F>M grained + C OLV
- Sparsely macrocrystic
- Juvenile clasts present; only one type observed
- Varies from massive to irregularly bedded
- Interclast matrix dominantly serpentine + ash
- Granitic xenoliths/xenocrysts slightly more altered than all kimberlite zones above
- Mud clasts are very rare
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low

CRB+K?
- Brecciated granite gneiss country rock with minor 'stringers' of VK
- Further work required to determine location relative to pipe margin
- Basal breccia or in situ?

Drafted By:	Meilani Z. Smith
Date Drafted:	23 January 2008

MINERAL SERVICES CANADA

Mineral Services

Summary of Geological Divisions
NNQ-07-001 DH4 (- 45$^{o/}$ 213°)

- Interval logged: 80.0 – 145.2 m

- This drill core comprises one main zone of kimberlite.

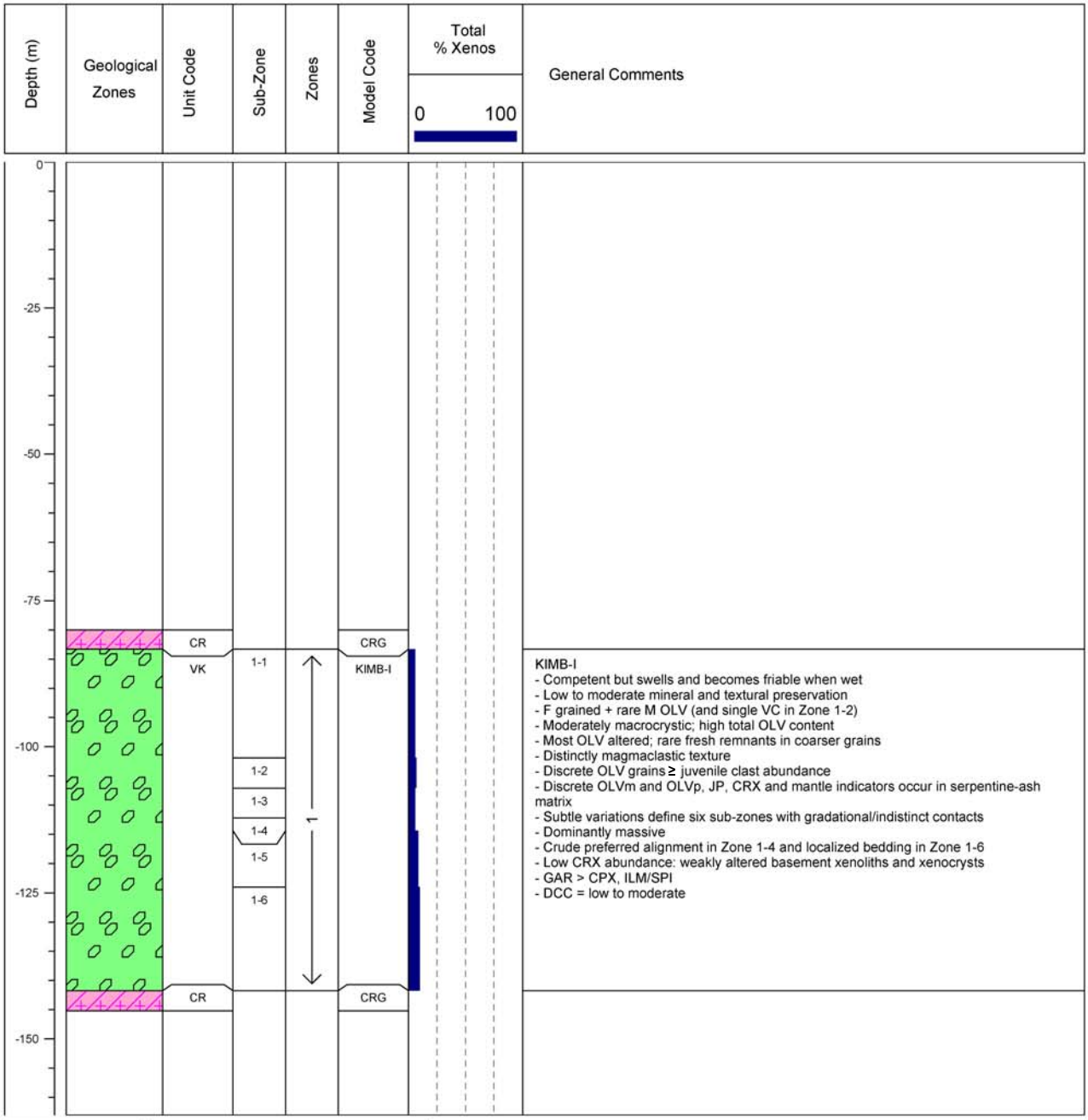
- This drill core is from a small kimberlite body, now called Tudlik, which lies to the southwest of Kayuu.

- This angled drill hole intersected the kimberlite body with both an entry and exit pierce point; a total of 58.43 m of kimberlite was intersected.

- **Zone 1: KIMB-I** Dominantly massive with minor localized bedding; moderately macrocrystic volcaniclastic kimberlite with a high total olivine content; discrete olivine, juvenile pyroclasts, country rock xenoliths and mantle indicators occur in a serpentine and ash matrix. Country rock xenoliths and xenocrysts are not common and are weakly altered.

NNQ-07-001 DH4
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Kimberley Webb, P.Geo.
Kimberlite:	Tudlik	**Date Logged:**	28 Sept. 2007
Core Diameter:	NQ	**Reviewed With:**	n/a
Dip:	-45°	**Log Type:**	Rapid
Azimuth:	213°	**Interval Logged:**	80.0 - 145.2 m
EOH:	163.07 m		



Drafted By:	Meilani Z. Smith
Date Drafted:	23 January 2008

MINERAL SERVICES CANADA

Mineral Services

Summary of Geological Divisions
NNQ-07-001 DH5 (- 90°)

- Interval logged: 15.0 – 258.6 m

- This vertical drill core comprises six main zones, four of which are kimberlite. The kimberlite zones are characterized by contrasting texture, juvenile grain size and character, and country rock xenoliths. A total of 241.4 m of kimberlite was intersected.

- **Zone 1: Overburden**

- **Zone 2: KIMB-C/KIMB-A?** A complex zone of volcaniclastic kimberlite and kimberlitic sediments, which vary from well bedded to subtly bedded to massive. Overall this zone is sparsely macrocrystic, with local thin intervals of moderately macrocrystic kimberlite (KIMB-A?).

- **Zone 3: KIMB-D** Distinctly 'speckled' volcaniclastic kimberlite; structurally massive and sparsely to moderately macrocrystic. The speckled appearance is due to conspicuous dark green serpentinized olivine macrocrysts set within a paler greenish/grey matrix. KIMB-D is intersected in four of the total five drill cores from this body.

- **Zone 4: KIMB-E** Complex zone of alternating mud-rich and less mud-rich kimberlite intervals; highly variable grain size and proportion of kimberlitic components. Sparsely to moderately macrocrystic volcaniclastic kimberlite. KIMB-E comprises a significant proportion of this drill core and is intersected in four of the total five drill cores from this body. The mud content (as clasts and matrix) of this KIMB-E zone is higher than KIMB-E zones in other cores.

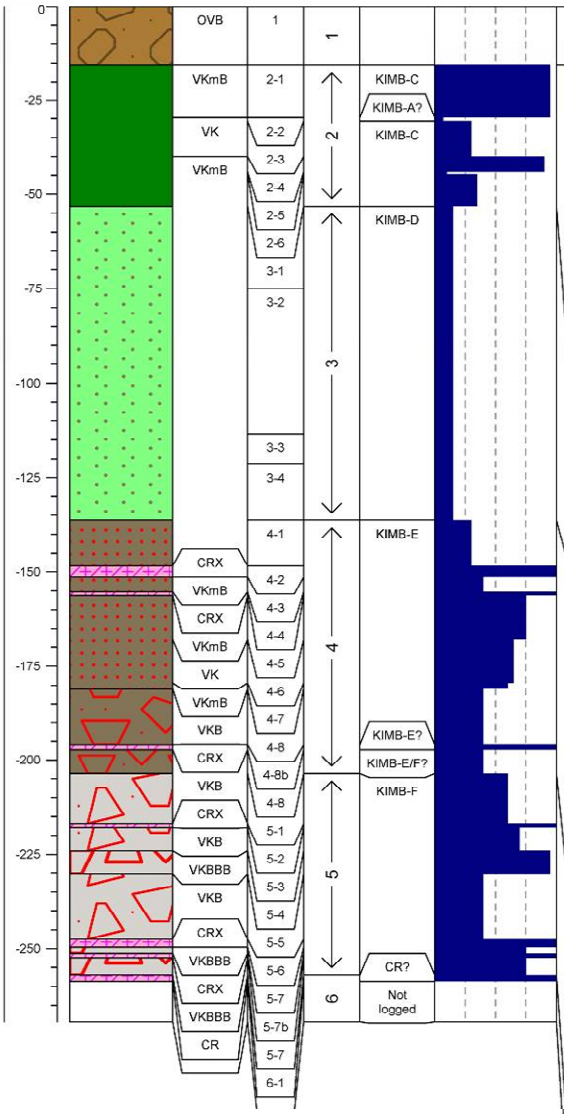
- **Zone 5: KIMB-F** Light grey, very granite-rich volcaniclastic kimberlite (breccia and microbreccia intervals present); sparsely macrocrystic and structurally massive. The base of the overlying KIMB-E appears to represent a gradation to this zone. KIMB-F is intersected in three of the total five drill cores from this body.

- **Zone 6: Country rock** Highly broken granite – a short interval that could be in situ or a xenolith.

- The lowermost 10.8 m of core was not available for logging; it may include kimberlite (as suggested by the quick field logs).

NNQ-07-001 DH5
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Margaret Harder, GIT
Kimberlite:	Kayuu	**Date Logged:**	24-27 September 2007
Core Diameter:	NQ	**Reviewed With:**	Kimberley Webb, P.Geo
Dip:	-90°	**Log Type:**	Full
Azimuth:	n/a	**Interval Logged:**	15.0 - 258.6 m
EOH:	269.44 m		



KIMB-C (+KIMB-A?)
- Complex zone
- VF-F+M grained + rare C OLV
- Sparsely macrocrystic
- Kimberlitic component abundance is low (typically <50%) except in zone 2-2
- Juvenile clasts present (2 main types) but rare (except in zone 2-2)
- Varies from well bedded to subtly bedded to massive; possible slump bedding
- Possible two repeated internally graded units
- Interclast matrix varies from mud dominant plus serp (+ ash?) to serp + ash dominant
- Granitic xenocrysts are common; much of this zone is a microbreccia
- Mud clasts are present (locally common)
- Localized distinctive red alteration (Fe-oxide?) is associated with mud clasts
- Very rare GAR > ILM > CPX
- Volcaniclastic; VK, probable RVK
- DCC = low (short intervals possibly low-moderate)

KIMB-D
- Distinct 'speckled' appearance: dark green olivine in greenish/grey matrix
- Most of core is completely disaggregated
- F>M and lesser VF-F grained + C and VC OLV
- Sparsely to moderately macrocrystic
- Kimberlitic component abundance higher than zone 2 above (>70%)
- Juvenile clasts present; appear same as above
- Massive overall; some internal variations in grain size
- Interclast matrix dominantly serpentine + ash; mud present towards base
- Granitic xenocrysts are common; this zone is a microbreccia
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low to moderate

KIMB-E
- Complex zone of alternating mud-rich and less mud-rich intervals
- Highly variable grain size and abundance of kimberlitic components
- Mud content (as clasts and matrix) is higher than KIMB-E intervals in other drill cores
- Basal interval appears gradational in character to the grey VKB/mB of KIMB-F below
- Mud content (as clasts and matrix) decreases through this basal interval
- VF-F to F-M grained + C OLV
- Sparsely macrocrystic
- Juvenile clasts present; appear same as above; locally common
- Varies from massive to irregularly to slump bedded
- Interclast matrix varies from mud dominant to serpentine + ash dominant
- Localized distinctive red alteration (Fe-oxide?) is associated with mud clasts
- Granitic xenocrysts are common; many intervals are microbreccias
- Numerous >1 m gneiss xenoliths
- Rare charcoal plant fragments
- Rare to very rare GAR > ILM > CPX
- Volcaniclastic; VK, probable RVK
- DCC = low

KIMB-F
- Light grey and very granite rich (breccia and microbreccia); > 60 % dilution
- Abundance of kimberlitic components gradually (not uniformly) decreases with depth
- Abundance of granitic components (particularly xenocrysts) increases with depth
- F to F>M grained + VC OLV
- Sparsely (locally moderately) macrocrystic
- Juvenile clasts present; only one type observed
- Varies from massive to irregularly bedded
- Interclast matrix dominantly serpentine + ash (very common ash in areas?)
- Granitic xenoliths/xenocrysts slightly more altered than all kimberlite zones above
- Mud clasts not observed
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low

CR?
- Pinkish white, very broken granite/gneiss
- Field log records possible minor kimberlite 'stringers' in underlying core (not available)

Drafted By:	Meilani Z. Smith
Date Drafted:	23 January 2008

MINERAL SERVICES CANADA

Summary of Geological Divisions
NNQ-07-001 DH6 (- 45º/209º)

- Interval logged: 60.2 – 269.7 m

- This drill core comprises five main kimberlite zones, characterized by contrasting texture, juvenile grain size and character, and country rock xenoliths. This angled drill core intersected the kimberlite body with both an entry and exit pierce point; a total of 205.02 m of kimberlite was intersected.

- **Zone 1: KIMB-A** Massive, sparsely macrocrystic volcaniclastic kimberlite with a high proportion of kimberlitic components. KIMB-A is present as relatively thin intervals near the top of several drill cores in this body.

- **Zone 2: KIMB-D** Distinctly 'speckled' volcaniclastic kimberlite; structurally massive and sparsely to moderately macrocrystic. The speckled appearance is due to conspicuous dark green serpentinized olivine macrocrysts set within a paler greenish/grey matrix. KIMB-D is intersected in four of the total five drill cores from this body.

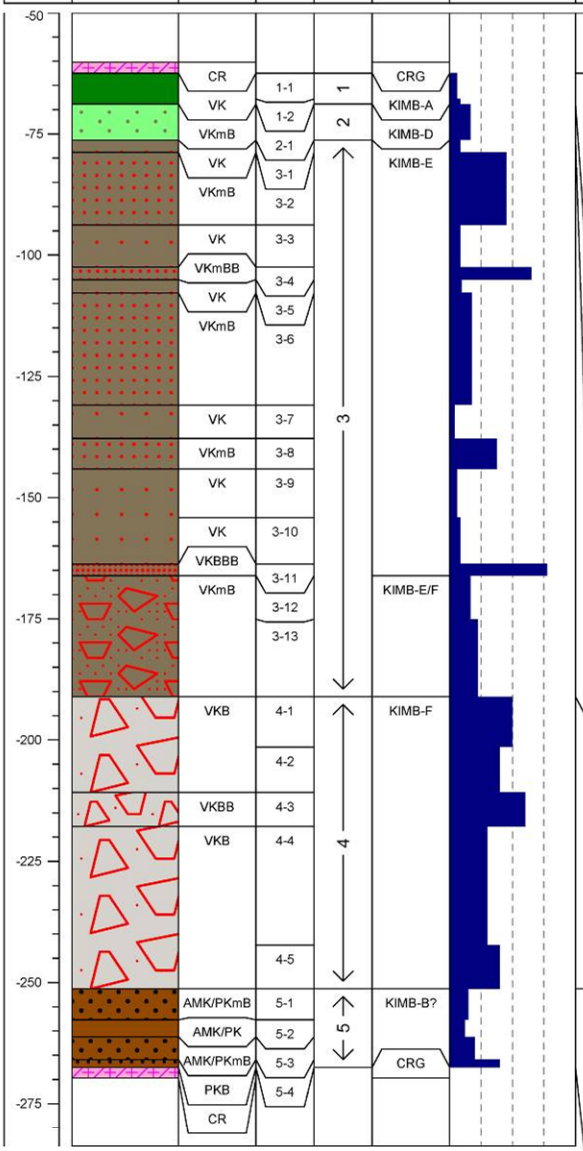
- **Zone 3: KIMB-E** Complex zone of alternating mud-rich and less mud-rich kimberlite intervals; highly variable grain size and proportion of kimberlitic components. Sparsely to moderately macrocrystic volcaniclastic kimberlite. KIMB-E comprises a significant proportion of this drill core and is intersected in four of the total five drill cores from this body.

- **Zone 4: KIMB-F** Light grey, very granite-rich volcaniclastic kimberlite (breccia and microbreccia intervals present); sparsely macrocrystic and although not obviously layered is locally heterogeneous. The base of the overlying KIMB-E appears to represent a gradation to this zone. KIMB-F is intersected in three of the total five drill cores from this body.

- **Zone 5: KIMB-B?** Sparsely to moderately macrocrystic kimberlite. Texturally variable from magmatic to magmaclastic; the abundance and character of granitic xenoliths/xenocrysts is distinct. This kimberlite may be related and correlate with KIMB-B in NNQ-07-001-DH1, however this zone contrasts in being dominantly fragmental in texture.

NNQ-07-001 DH6
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Kimberley Webb, P.Geo.
Kimberlite:	Kayuu	**Date Logged:**	30 September 2007
Core Diameter:	NQ	**Reviewed With:**	n/a
Dip:	-45°	**Log Type:**	Full
Azimuth:	209°	**Interval Logged:**	60.20 - 269.70 m
EOH:	283.76 m		



KIMB-A
- F-M grained + C OLV
- Sparsely macrocrystic
- Kimberlitic component abundance is high
- Juvenile clasts present (2 main types); abundance lower or similar to discrete OLV
- Massive units; poorly sorted; serpentine and ash matrix
- Very rare GAR > ILM
- Volcaniclastic; VK
- DCC = low

KIMB-D
- Distinct 'speckled' appearance: dark green olivine in greenish/grey matrix
- F-M grained + M OLV
- Sparsely macrocrystic; moderate abundance of kimberlitic components
- Juvenile clasts present; appear same as above
- Massive; poorly sorted; serpentine and ash matrix
- Distinct granitic xenolith and xenocryst abundance - microbreccia
- Very rare GAR > ILM
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low

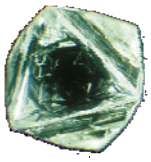
KIMB-E
- Thick complex zone of alternating mud-rich and less mud-rich intervals
- Highly variable grain size and abundance of kimberlitic components
- Mud occurs as clasts and matrix component
- Basal intervals appear gradational in character to the grey VKB of KIMB-F below
- F, F-M and M grained + C and VC OLV
- Sparsely macrocrystic
- Juvenile clasts present; appear same as above; locally common
- Brown AMK autoliths (possible KIMB-B?)
- Massive with diffuse internal heterogeneity or thickly bedded
- Interclast matrix varies from mud dominant to serpentine + ash dominant
- Granitic xenocrysts are common; many intervals are microbreccias
- Rare organic fragments
- Rare to very rare GAR > ILM > CPX
- Volcaniclastic; VK, probable RVK
- DCC = low or low-moderate; zone 3-7 is moderate

KIMB-F
- Light grey granite rich breccia; 20 - 90 % dilution
- F-M and M grained + C OLV
- Sparsely macrocrystic
- Juvenile clasts present; only one type observed
- Not obviously layered but locally heterogenous
- Interclast matrix serpentine and ash
- Granitic xenoliths and xenocrysts poorly sorted - range 1mm to >1m size
- Brown AMK autoliths present; abundance and size increases with depth
- Rare GAR > ILM > CPX
- Volcaniclastic; VK, possibly dominantly primary (PK)?
- DCC = low

KIMB-B?
- M grained + C OLV
- Sparsely to moderately macrocrystic
- Internally massive intervals
- Texture varies from magmatic to magmaclastic (diffuse to distinct)
- Distinct abundance and character of granitic xenoliths and xenocrysts
- May be related to KIMB-B in DH1 but is dominantly fragmental
- Rare ILM > GAR > CPX
- DCC = low

Drafted By:	Meilani Z. Smith
Date Drafted:	23 January 2008

MINERAL SERVICES CANADA



Summary of Geological Divisions

NNQ-07-002 DH1 (- 45º/130º)

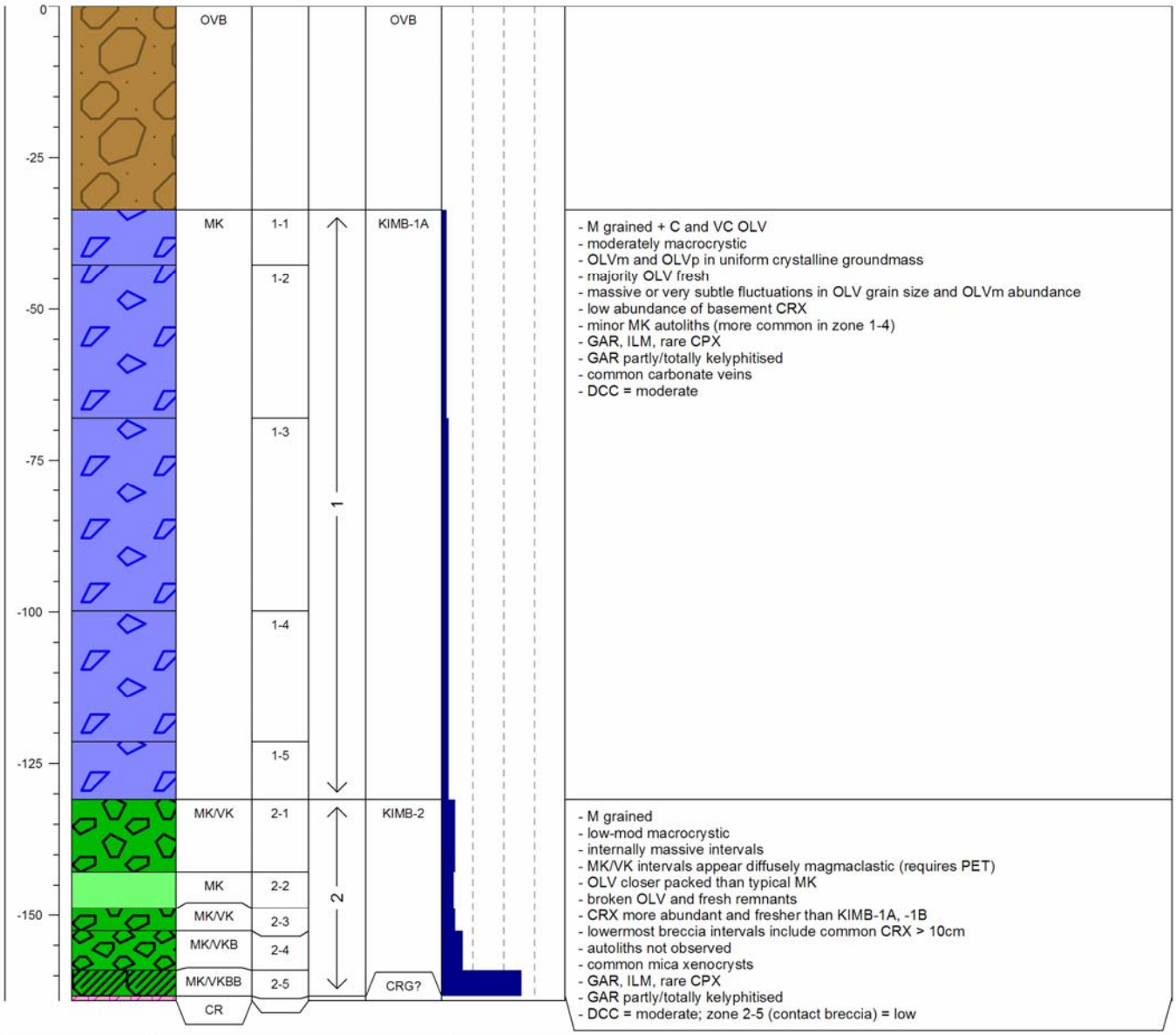
- Interval logged: 0 – 164.1m
- Thick kimberlite intersection comprises two main zones, termed KIMB-1A and KIMB-2, which are characterized by contrasting texture, juvenile grain size and character, and country rock xenolith suite

- **Uppermost KIMB-1A zone:** superficially uniform, but five sub-zones are defined by subtle variations in grain size, OLVm abundance, CRX abundance and size, and autolith content. See slides 19-20 for photos of typical KIMB-1A.
- Intervals are internally massive or display very subtle fluctuations in grain size and OLVm abundance
- **KIMB-1A:** medium grained (+ C and VC OLV), moderately macrocrystic magmatic kimberlite
- OLVm and OLVp occur in a uniform crystalline groundmass; most OLV is fresh
- Low abundance of highly altered basement CRX
- Minor MK autoliths (more common in zone 1-4)
- GAR, ILM, rare CPX. GAR is partly/totally kelyphitised.
- The diamond carrying capacity is rated as moderate

- **Lower KIMB-2 zone:** distinctly different from overlying KIMB-1A
- Five sub-zones are defined by variations in texture, grain size, CRX content (massive internally). See slides 23-24 for photos of typical KIMB-2.
- **KIMB-2:** medium grained, sparsely-moderately macrocrystic MK/VK and MK
- MK/VK intervals appear diffusely magmaclastic – requires PET to confirm
- Not typical MK – broken OLV, close packed components
- No autoliths; common mica xenocrysts
- Basement CRX are more abundant and fresher than in KIMB-1A and -1B
- Note presence of contact breccia
- GAR, ILM, rare CPX. GAR is partly/totally kelyphitised, apparent lower abundance than KIMB-1A and KIMB-1B
- The diamond carrying capacity is rated as moderate (but zone 2-5 is low)

NNQ-07-002 DH1
SCHEMATIC GEOLOGY SUMMARY

Project:	Peregrine Nanuq	**EOH:**	164.1 m
Kimberlite:	NNQ-07-002	**Logged By:**	Kimberley Webb
Core Diameter:	NQ	**Date Logged:**	23 July 2007
Dip:	-45°	**Log Type:**	FULL
Azimuth:	130°	**Interval Logged:**	0 - 164.10 m



Drafted By:	Meilani Z. Smith
Date Drafted:	27 August 2007

MINERAL SERVICES CANADA

Summary of Geological Divisions
NNQ-07-002 DH2 (- 90º)

- Interval logged: 15.17 – 221.34 m
- Thick kimberlite intersection comprises five main zones characterized by contrasting texture, juvenile grain size and character, and country rock xenolith suite

- **Upper thick KIMB-1B zone:** massive with very subtle fluctuations in OLV grain size and abundance. See slides 21-22 for photos of typical KIMB-1B.
- **KIMB-1B:** medium grained (+ C and VC OLV), moderately macrocrystic magmatic kimberlite
- OLVm and OLVp occur in uniform crystalline groundmass; most OLV is fresh
- Contrasts with KIMB-1A in terms of: very low abundance of basement CRX; very rare MK autoliths, most GAR is totally kelyphitised
- The diamond carrying capacity is rated as moderate

- **Underlying thin KIMB-1A? zone:** similar to KIMB-1A in DH1

- **Underlying thick KIMB-2 zone:** similar to KIMB-2 in DH1, but more complex
- Alternating intervals of MK/VK, MK and VK with variable texture, grain size and CRX abundance (massive internally). F-M and M grained, sparsely to moderately macrocrystic, DCC = moderate

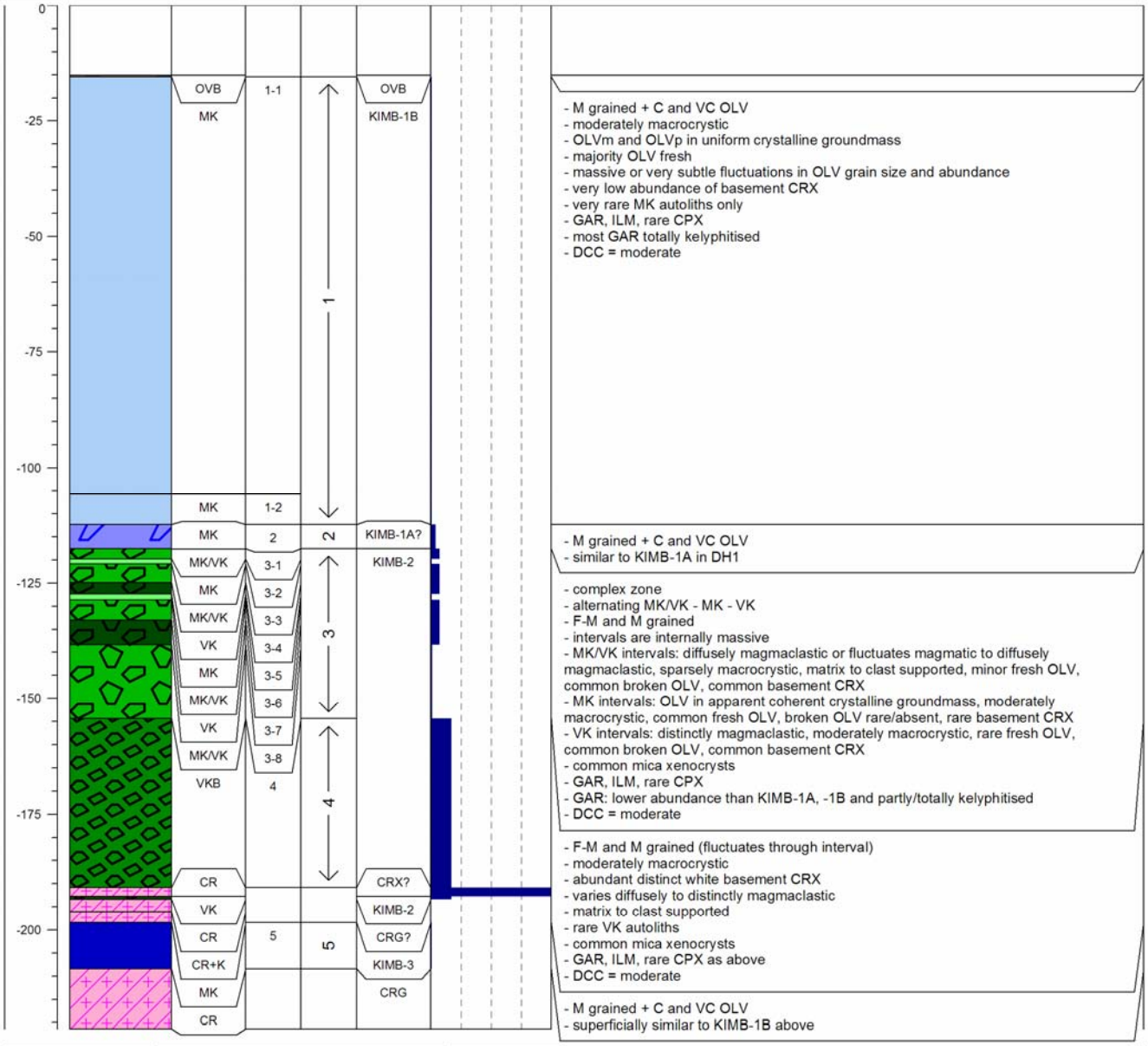
- **Underlying KIMB-2 zone of VKB:** abundant distinct white basement CRX. See slides 25-26 for photos of typical KIMB-2 VKB.
- DCC = moderate
- Thick granite interval at base may be large block

- **KIMB-3:** massive 10 m thick interval of M grained MK between possible in situ country rock at bottom of hole. See slide 27 for a photo of typical KIMB-3.
- Superficially similar to KIMB-1B, but possible lower GAR abundance

NNQ-07-002 DH2

SCHEMATIC GEOLOGY SUMMARY

Project:	PEREGRINE NANUQ	**EOH:**	221.34 m
Kimberlite:	NNQ-07-002	**Logged By:**	Kimberley Webb
Core Diameter:	NQ	**Date Logged:**	24 July 2007
Dip:	-90°	**Log Type:**	FULL
Azimuth:	N/A	**Interval Logged:**	15.17 - 221.34 m



Drafted By:	Meilani Z. Smith
Date Drafted:	27 August 2007

MINERAL SERVICES CANADA

Summary of Geological Divisions
NNQ-07-002 DH3 (- 45°/180°)

- Interval logged: 30.78 – 139.6 m (139.6 – 153.9 m not available)
- Thick kimberlite intersection comprises three main zones characterized by contrasting texture, juvenile grain size and character, and country rock xenolith suite

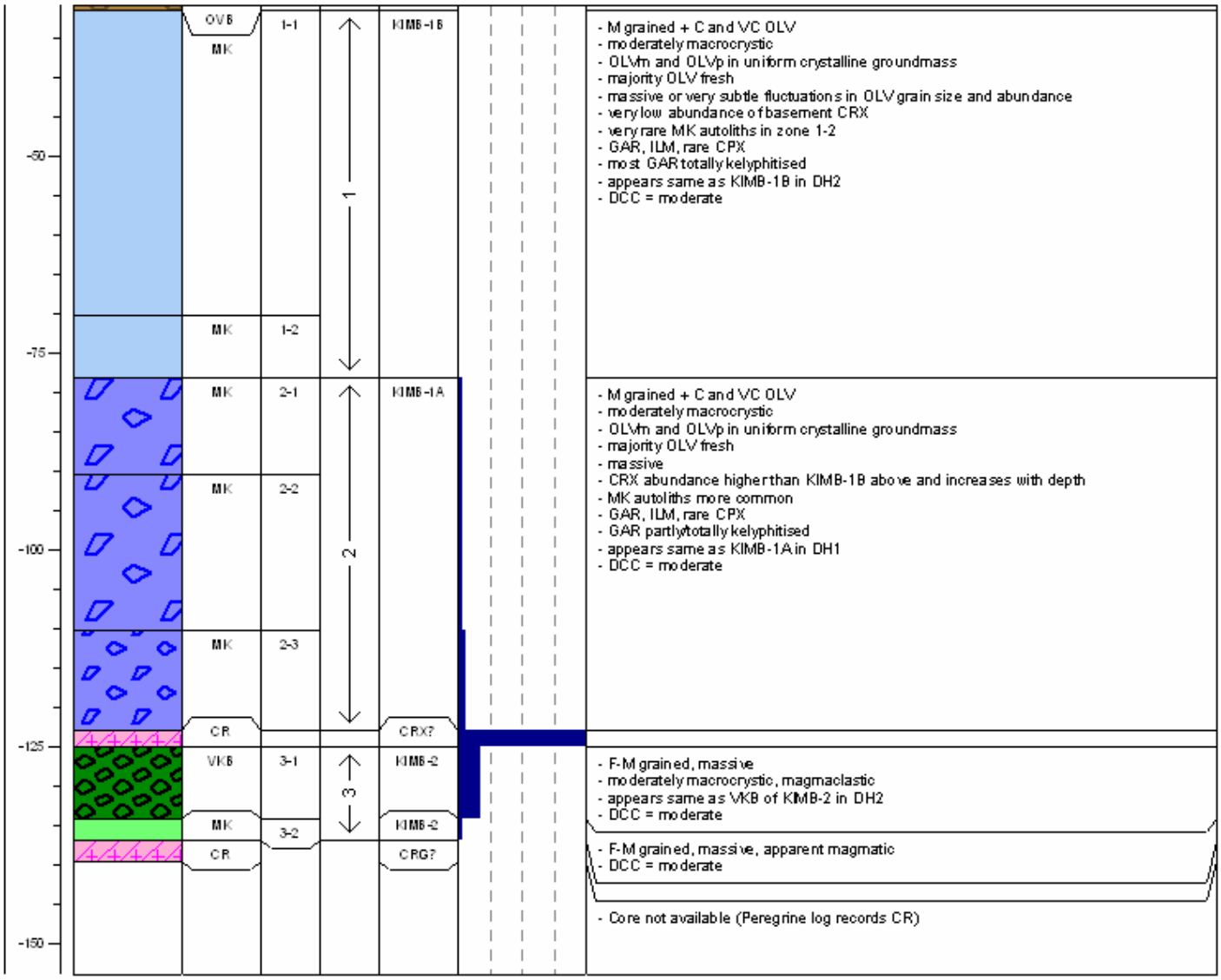
- **Upper thick KIMB-1B zone:** similar to KIMB-1B at top of DH2
- Massive with very subtle fluctuations in OLV grain size and abundance
- Medium grained (+ C and VC OLV), moderately macrocrystic magmatic kimberlite
- DCC = moderate

- **Underlying thick KIMB-1A zone:** similar to KIMB-1A at top of DH1
- Massive medium grained (+ C and VC OLV), moderately macrocrystic magmatic kimberlite
- CRX content higher than KIMB-1B and increases with depth
- DCC = moderate

- **Lower thin KIMB-2 zone:** similar to KIMB-2 near base of DH2
- Massive fine-medium grained VKB with distinct white basement CRX
- DCC = moderate

NNQ-07-002 DH3
SCHEMATIC GEOLOGY SUMMARY

Project:	Peregrine Nanuq	**EOH:**	153.9 m
Kimberlite:	NNQ-07-002	**Logged By:**	Kimberley Webb
Core Diameter:	NQ	**Date Logged:**	25/26 July 2007
Dip:	-45°	**Log Type:**	FULL
Azimuth:	180°	**Interval Logged:**	30.78 - 139.60 m



Drafted By:	Meilani Z. Smith
Date Drafted:	07 August 2007

MINERAL SERVICES CANADA

Summary of Geological Divisions
NNQ-07-002 DH4 (- 45°/300°)

- Interval logged: 28.51 – 177.0 m

- This drill core comprises two main kimberlite zones, which are characterized by contrasting country rock xenolith and magmatic kimberlite autolith abundances and degree of kelyphitisation of mantle-derived garnets.

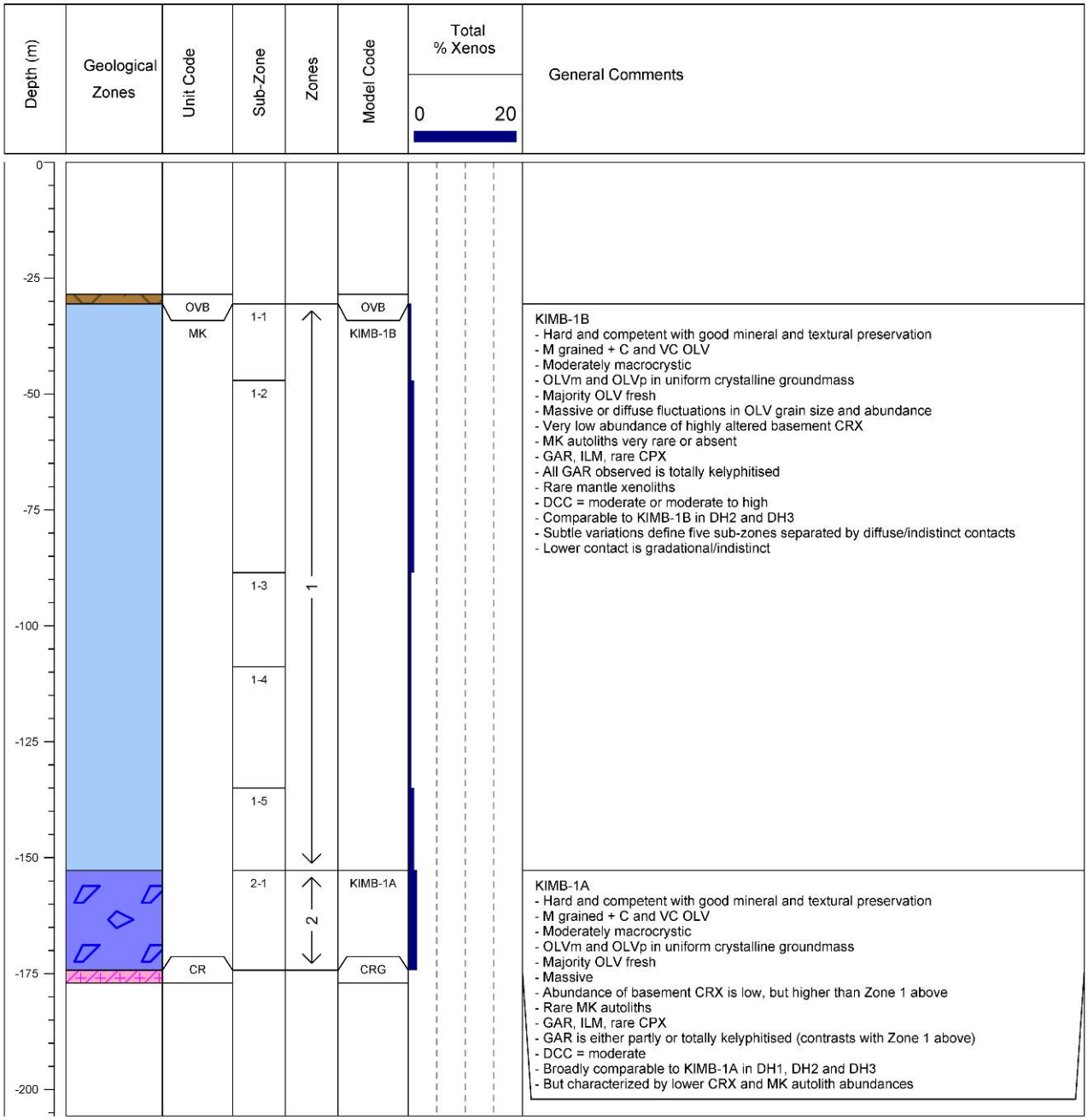
- This angled drill core was collared within the kimberlite body; a total of 143.7 m of kimberlite was intersected.

- **Zone 1: KIMB-1B** Moderately macrocrystic magmatic (coherent) kimberlite. This zone is massive or displays diffuse fluctuations in olivine grain size and abundance. It is characterized by a very low abundance of highly altered basement xenoliths and magmatic kimberilte autoliths are very rare or absent. All garnets are completely kelyphitised. The lower contact is gradational and indistinct. This zone is comparable to KIMB-1B in NNQ-07-002-DH2 and DH3.

- **Zone 2: KIMB-1A** Moderately macrocrystic magmatic (coherent) kimberlite. This zone is massive and characterized by a slightly higher abundance of basement xenoliths than KIMB-1B above. Magmatic kimberlite autoliths are rare. The garnets are highly kelyphitised, but some have fresh cores. This zone is broadly comparable to KIMB-1A in NNQ-07-002-DH1, DH2 and DH3, but is characterized by lower country rock xenolith and magmatic kimberlite autolith abundances.

NNQ-07-002 DH4
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Kimberley J. Webb, P.Geo
Kimberlite:	Naturalik	**Date Logged:**	25 Sept. 2007
Core Diameter:	NQ	**Reviewed With:**	n/a
Dip:	-45°	**Log Type:**	Full
Azimuth:	300°	**Interval Logged:**	28.51 - 177.0 m
EOH:	205.74 m		



Drafted By:	Meilani Z. Smith
Date Drafted:	19 Oct. 2007

MINERAL SERVICES CANADA

Mineral Services

Summary of Geological Divisions
NNQ-07-002 DH5 (- 45°/30°)

- Interval logged: 29.52 – 139.0 m

- This drill core comprises two main kimberlite zones, which are characterized by contrasting country rock xenolith and kimberlite autolith abundances and degree of kelyphitisation of mantle-derived garnets.

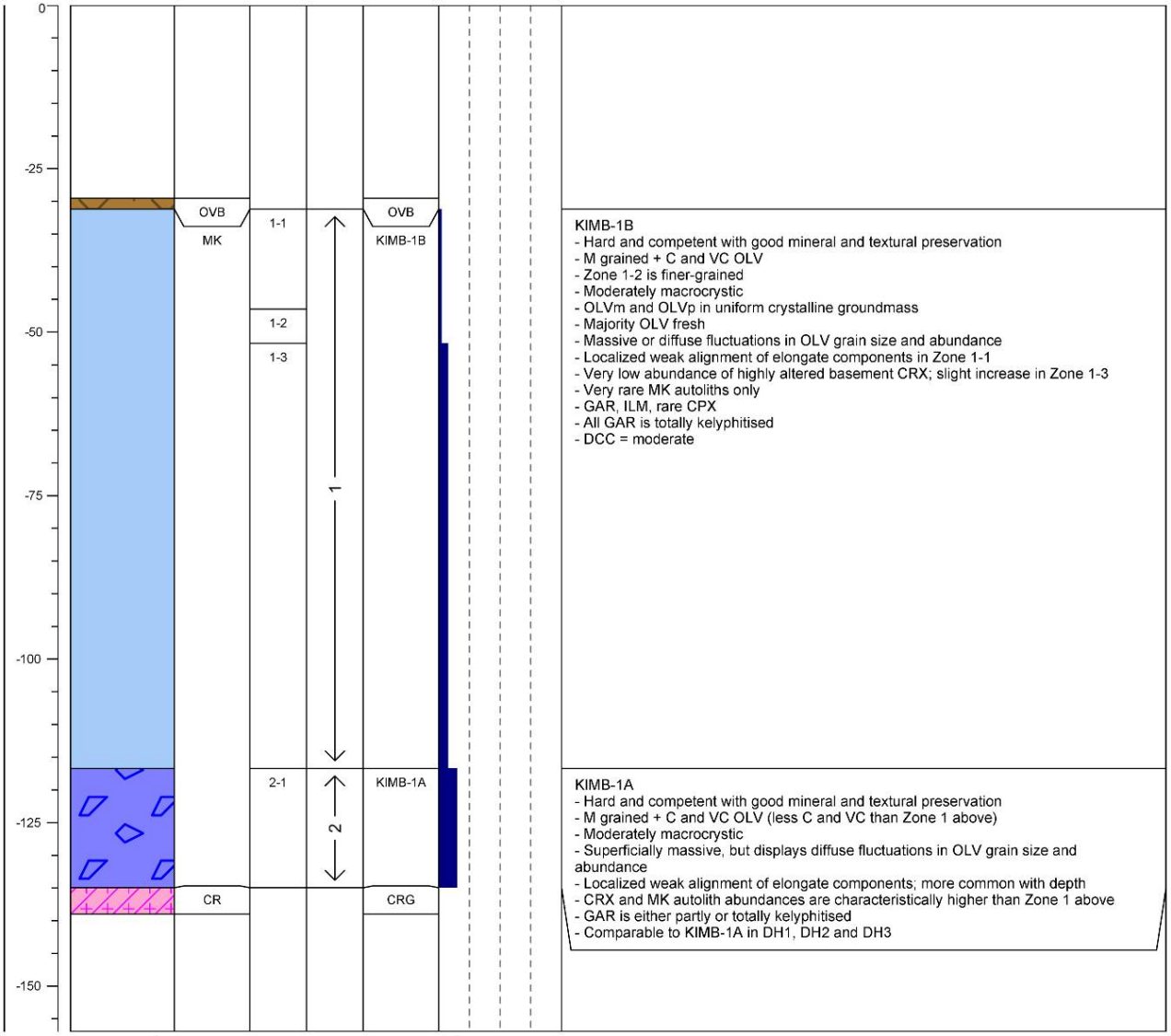
- This angled drill core was collared within the kimberlite body; a total of 103.75 m m of kimberlite was intersected.

- **Zone 1: KIMB-1B** Moderately macrocrystic magmatic (coherent) kimberlite. This zone is massive or displays diffuse fluctuations in olivine grain size and abundance. It is characterized by a very low abundance of highly altered basement xenoliths and magmatic kimberlite autoliths are very rare. All garnets are completely kelyphitised. The lower contact is gradational and indistinct. This zone is comparable to KIMB-1B in NNQ-07-002-DH2 and DH3.

- **Zone 2: KIMB-1A** Moderately macrocrystic magmatic (coherent) kimberlite. This zone displays diffuse fluctuations in olivine grain size and abundance and a localized weak alignment of elongate components that becomes more common with depth. It is characterized by a higher proportion of basement xenoliths and magmatic kimberlite autoliths than KIMB-1B above, and garnets can contain fresh cores. This zone is comparable to KIMB-1A in drill cores NNQ-07-002-DH1, DH2 and DH3.

NNQ-07-002 DH5
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Kimberley J. Webb, P.Geo
Kimberlite:	Naturalik	**Date Logged:**	26 Sept. 2007
Core Diameter:	NQ	**Reviewed With:**	n/a
Dip:	-45°	**Log Type:**	Rapid
Azimuth:	30°	**Interval Logged:**	29.52 - 139.00 m
EOH:	156.97 m		



Drafted By:	Meilani Z. Smith
Date Drafted:	19 Oct. 2007

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Summary of Geological Divisions
NNQ-07-002 DH6 (- 45°/94°)

- Interval logged: 28.0 – 120.2 m

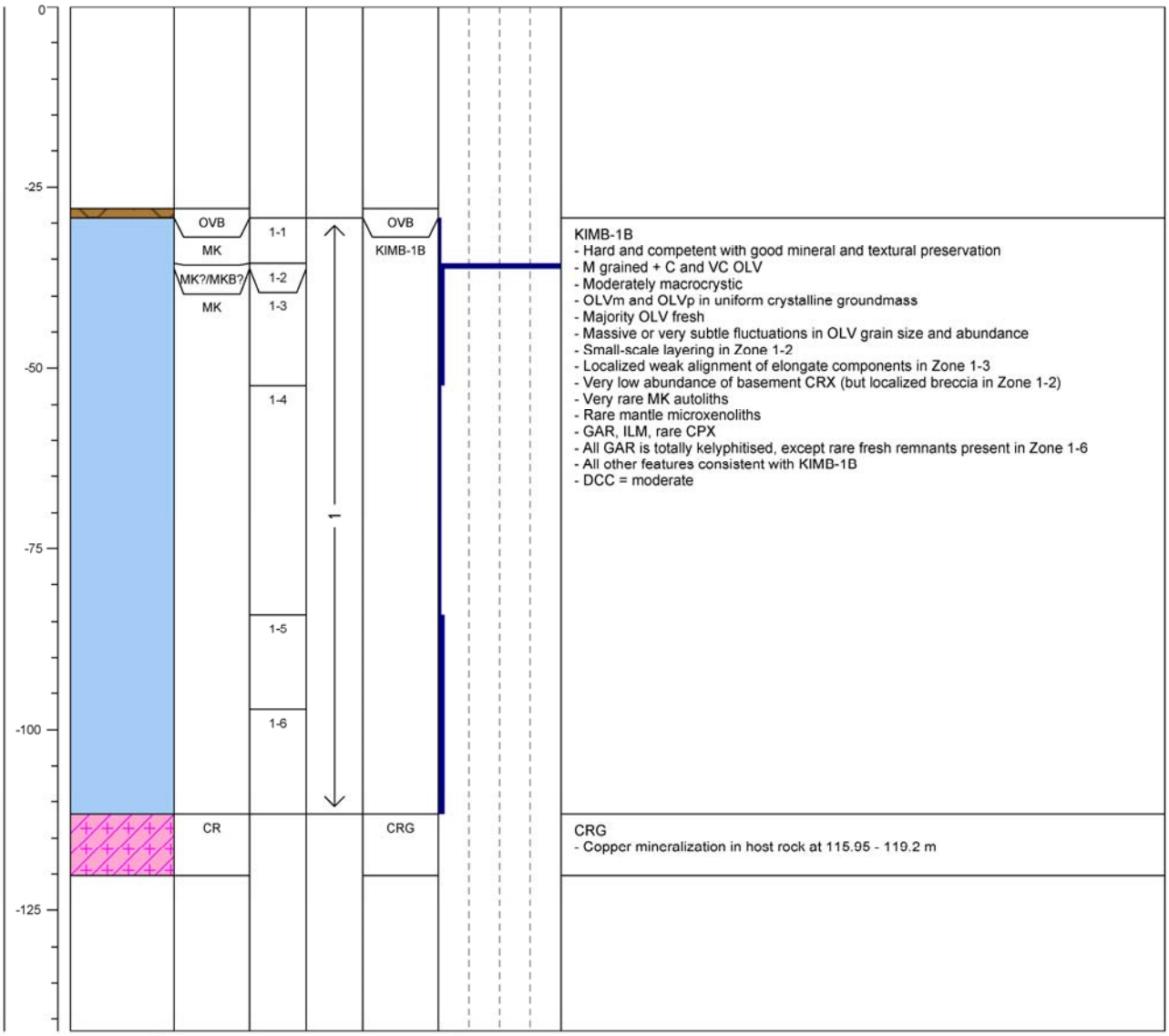
- This drill hole comprises one main kimberlite zone only.

- This angled drill core was collared within the kimberlite body; a total of 82.4 m of kimberlite was intersected.

- **Zone 1: KIMB-1B** Moderately macrocrystic magmatic (coherent) kimberlite. This zone is massive or displays very subtle fluctuations in olivine grain size and abundance; however, small-scale layering and weak preferred alignment is present locally. The kimberlite is characterized by a very low abundance of highly altered basement xenoliths and only very rare magmatic kimberlite autoliths. All garnets are completely kelyphitised, with the exception of rare fresh remnants near the base of the zone. This zone is comparable to KIMB-1B in drill cores NNQ-07-002-DH2 and DH3.

NNQ-07-002 DH6
SCHEMATIC GEOLOGY SUMMARY

Project:	Nanuq	**Logged By:**	Kimberley Webb, PGeo
Kimberlite:	Naturalik	**Date Logged:**	29 Sept. 2007
Core Diameter:	NQ	**Reviewed With:**	n/a
Dip:	-45°	**Log Type:**	Full
Azimuth:	94°	**Interval Logged:**	28.0 - 120.2 m
EOH:	141.70 m		



Drafted By:	Meilani Z. Smith
Date Drafted:	22 Oct. 2007

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