

# Peregrine Diamonds Ltd. – Preliminary Economic Assessment

## Chidliak Project, Baffin Island, Nunavut

JDS Energy & Mining Inc.

### OVERVIEW

The Chidliak Project is located 120 km northeast of Iqaluit, the capital of Nunavut, on Canada's Baffin Island. Of the 74 kimberlites discovered, two (CH-6 and CH-7) form the foundation for the Phase One Diamond Development Program at Chidliak, as announced in the Preliminary Economic Assessment (PEA) completed by JDS Energy & Mining (JDS) in July, 2016. Chidliak is 100% owned by Peregrine.

### SCOPE

JDS was retained by Peregrine to lead their PEA for Chidliak. JDS developed a conventional open pit mine plan and cost estimate, rationalizing capital and operating costs. Accountabilities include pit and infrastructure design, mine planning, cost estimation and overall study preparation and management.

The study yielded an after-tax NPV at a rate of 7.5% of C\$471.2M, an IRR of 29.8% and a payback of 2 years. The total planned mine life is 10 years with a production rate of 1.2M carats per annum, peaking at 1.8M carats per annum with a LOM head grade of 1.67 carats per tonne. LOM pre-tax cash flow is C\$1.3B with an operating margin of 72%. Pre-production capital includes the construction of a 160 km all-weather road to connect to Iqaluit.

**Project Value: \$484M**

