



APPENDIX 1

PEREGRINE DIAMONDS LTD. ENVIRONMENTAL GUIDELINES

Environment

Peregrine believes that wise environmental stewardship is founded on the diligent application of best environmental management practices. Peregrine believes that best environmental practices are in the interests of its employees, its owners, and the communities affected by its operations.

Peregrine will:

- Comply with all environmental laws and regulations and ensure that their contractors do the same.
- Establish and maintain a clearly defined environmental programme.
- Ensure that its directors, officers, managers, employees and contractors understand and adhere to its environmental programme.
- Ensure adequate environmental training is available for employees and contractors.
- Provide its managers and supervisors at each operation with the authority and resources necessary to carry out its environmental programme.
- Conduct periodic reviews of its operations to monitor and improve environmental performance and mitigate environmental risks.
- Promote environmental awareness among its employees and subcontractors.
- Work with community and government leaders to develop a mutual understanding of environmental issues and aboriginal traditional knowledge.
- Ensure that reclamation occurs for exploration activities.

(Excerpted from Page 3, Health, Safety, Environment and Community Guidelines, “Peregrine Diamonds Ltd. - Health, Safety, Environment and Community Policy”, 30 June 2008)