

08 January 2007

Phyllis Beaulieu
Licensing Manager
Nunavut Water Board
Box 119
Gjoa Haven, NU X0B 1J0

Application:
"Type B" Water Licence
For Chidliak Project, Baffin, NU

Please accept this letter and the accompanying application package as a formal request, on behalf of Peregrine Diamonds Ltd. (PDL), for a Nunavut Water Board (NWB) "Type B" Water Licence for the remote camp and exploration area, known collectively as the "Chidliak Property" (the property), South Baffin Region, Nunavut. No water licence currently exists, as the 35 Prospecting Permits that make up the property were granted only on 01 February 2007; only prospecting has occurred to date. PDL holds 100% interest in the Prospecting Permits. A "Class A" Indian and Northern Affairs land-use permit also is being applied for, as well as a Land Licence I from the Qikiqtani Inuit Association. It is hoped that submission at this time will allow the NWB sufficient time for licence issuance, so that a work programme may commence approximately 01 June 2008. Fees of \$60.00, payable to the Receiver General for Canada, to cover the application fee and water-use fee, will be provided to the NWB via credit card upon its receipt of this application.

This application package is submitted in two (2) signed hard copies, along with a CD of all documents.

It is planned to establish the camp on Crown land at 64° 14' 00" N lat. – 66° 21' 00" W long., at the site of a previous temporary prospecting camp. Work will consist of a programme of airborne geophysics, followed by helicopter-supported ground geophysics and surficial sediment sampling. The entire programme is expected to conclude around 25 September 2008, at which time the 15-person seasonal tent camp will be closed and secured for further exploration in 2009. Should results warrant, a programme of core drilling could occur in 2009. Transportation in 2008 will be by means of aircraft only, with a Twin Otter typically used for supply flights and a helicopter used to conduct the geophysical survey and support the ground geophysical crew and samplers.

The accompanying application is comprised of: ⁽¹⁾ An English-language Summary; ⁽²⁾ An Inuktitut Summary; ⁽³⁾ A completed NWB application form; ⁽⁴⁾ A completed NWB Remote Camp/Exploration Supplementary Questionnaire; ⁽⁵⁾ A completed NIRB

Exploration Part 1 Form in English; ⁽⁶⁾ A completed NIRB Exploration Part 1 Form in Inuktitut; ⁽⁷⁾ A completed NIRB Exploration Part 2 Form in English; ⁽⁶⁾ A detailed Project Description (with two figures and Appendices 1-7a and 7b); ⁽⁹⁾ Spill Contingency and Abandonment and Restoration plans; ⁽¹⁰⁾ maps 1-4; ⁽¹¹⁾ photos 1-2, and ⁽¹²⁾ A digital MapInfo file (with map data).

Thank you for the opportunity to make this submission on behalf of PDL. Please contact me or the proponent if you have any questions, or require extra copies or re-transmissions.

A handwritten signature in black ink, appearing to be 'SP' or similar initials, enclosed in a light gray rectangular box.

Shirley Standafer-Pfister
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