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04 October 2010

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

**RE: REQUEST TO AMEND WATER LICENCE #2BE-CHI0813  
IN ORDER TO CONSTRUCT A THIRD TENT CAMP FOR CHIDLIAK PROJECT, NU**

Please accept the attached submission as a request by Peregrine Diamonds Ltd. (Peregrine) to amend its existing Chidliak Type B Water Licence #2BE-CHI0813. The Nunavut Water Board (NWB) has advised that a new screening review likely is required for water use associated with the new tent camp, in that the camp is at a location not previously used for a camp. No increase in the water-use allotment under #2BE-CHI0813 is requested. The purpose of the third camp is to ensure safe exploration of the northern sector of the large Chidliak property, which area is at least 50km distant from both existing Chidliak camps. (Payment of fees totalling \$60 already has been arranged).

Indian and Northern Affairs Canada (INAC) has advised Peregrine that a new screening review is not required for constructing the new tent camp under #N2008C0005, as construction of tent camps already is permitted on the Chidliak property under the existing land-use permit.

Attached are the following documents: (1) NWB's new Amendment Application Form; (2) revised Exploration/Remote Camp Questionnaire; (3) Appendices 1 and 3-7b; Appendix 2 (updated MSDS CD) already has been provided to our regulators in June 2010 and is thus is not included; (4) Project Description for the new-camp amendment; (5) Project Summary in English and Inuktitut; (6) correspondence from the Nunavut Planning Commission, confirming that Peregrine South Baffin projects fall outside an approved Land-Use Plan Region; (7) an Updated Spill Contingency Plan and one-page Emergency Response Plan; (8) an Updated Abandonment & Restoration (A&R) Plan; (9) Nunavut Impact Review Board (NIRB) Form I in English and Inuktitut; (10) NIRB Form 2 (completely revised), with associated Maps 1-3 and Photos 1-2, and (11) NIRB Screening Decision #08AN008 (28 March 2008 and 18 December 2008 versions). You had recommended that Peregrine include the NIRB forms in its amendment application, in order to expedite the review process. A complete copy of the amendment application is being submitted to NIRB under separate cover.

We trust that this amendment meets your requirements. Peregrine looks forward to its approval, as we continue in compliance with all existing regulatory obligations. Please let me know if you require further information at this time.

Shirley Standafer-Pfister  
Manager, Regulatory and Environmental Affairs

attach.