

March 13, 2019

Ms. Sarah Forte, Water Management Coordinator
INAC – Water Resources
969 Qimugjuk Building
Iqaluit , Nunavut X0A 0H0
Email: sarah.forte@canada.ca

Mr. Richard Dwyer, Licencing Administrator
NWB – Licencing Department
PO Box 119
Gjoa Haven, NU X0B 1J0
Email: Richard.dwyer@nwb-oen.ca

Dear Ms. Forte & Mr. Dwyer:

RE: CHIDLIAK PROJECT – 2BE-CHI1823 ANNUAL WATER USE FEE – CALENDAR YEAR 2018

In September 2018, Peregrine Diamonds Ltd. (Peregrine) was purchased by De Beers Canada Inc. (De Beers). Peregrine is now a wholly owned subsidiary of De Beers.

No field work was conducted in 2018, no water was utilized and no waste water generated.

Peregrine currently holds water use licence 2BE-CHI1823. The annual water use fee for this water use licence is \$897.90 based upon fees set out in Section 12(1)(b) of the Nunavut Waters Regulations (SOR/2016-69).

Maximum water allocation = 246 m³ per day

Total days in the year = 365

Charge per cubic meter = \$0.01 per m³

Total annual fee: \$897.90 (246m³ x 365 days x \$0.01 per m³)

Peregrine would like to pay the annual water use fee for calendar year 2018. Please call me at your earliest convenience in order to complete the transaction by credit card. My direct line is (403) 930-0991 (ext. 2711).

The annual water use report for calendar year 2018 is attached.

Yours truly,

DE BEERS CANADA INC. FOR PEREGRINE DIAMONDS LTD.



David Willis – Environment and Community Coordinator

DE BEERS CANADA INC

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Incorporated in Canada | Registration number 889569596

A member of the Anglo American plc group

NWB Annual Report

Year being reported:

Select

2018

License No: 2BE-CHI1823

Issued Date:

June 1, 2018

Expiry Date:

May 31, 2023

Project Name:

Chidliak

Licensee:

Peregrine Diamonds Ltd.

Mailing Address:

C/O De Beers Canada Inc.
Suite 300, 1601 Airport Road NE
Calgary, Alberta
T2E 6Z8

Name of Company filing Annual Report (if different from Name of Licensee please clarify relationship between the two entities, if applicable):

Peregrine Diamonds Ltd. a subsidiary of De Beers Canada Inc.

General Background Information on the Project (*optional):

Diamonds Project - Hall Peninsula of Baffin Island - Operations 2008 to present.
NTS 26B02, 26B03, 26B07 and 26B08

Licence Requirements: the licensee must provide the following information in accordance with

Part B

Item 2

A summary report of water use and waste disposal activities, including, but not limited to: methods of obtaining water; sewage and greywater management; drill waste management; solid and hazardous waste management.

Water Source(s):

Various

Water Quantity:

25

Quantity Allowable Domestic (cu.m)

0

Actual Quantity Used Domestic (cu.m)

221

Quantity Allowable Drilling (cu.m)

0

Total Quantity Used Drilling (cu.m)

Authorized 25m³ per day domestic and 221m³ per day drill

Waste Management and/or Disposal

☒ Solid Waste Disposal☒ Sewage☒ Drill Waste☒ Greywater☐ Hazardous☐ Other:

Additional Details:

No field work done in 2018. No water consumed. Two site inspections by staff one in March 2018 and one in October 2018. Field inspection by CIRNAC Inspector in July 2018.

A list of unauthorized discharges and a summary of follow-up actions taken.

Spill No.: (as reported to the Spill Hot-line)

Date of Spill:

Date of Notification to an Inspector:

Additional Details: (impacts to water, mitigation measures, short/long term monitoring, etc)

No spills in 2018

Revisions to the Spill Contingency Plan

SCP submitted and approved - no revision required or proposed

Additional Details:

No revisions.

Revisions to the Abandonment and Restoration Plan

AR plan submitted and approved - no revision required or proposed

Additional Details:

No revisions

Progressive Reclamation Work Undertaken

Additional Details (i.e., work completed and future works proposed)

No field work. Progressive reclamation is undertaken at the conclusion of each program. Work sites and camp facilities are clean, organized and well maintained.

Results of the Monitoring Program including:

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where sources of water are utilized;

Details described below

Additional Details:

No field work undertaken in 2018 and no water consumed in 2018.

The GPS Co-ordinates (in degrees, minutes and seconds of latitude and longitude) of each location where wastes associated with the licence are deposited;

Details described below

Additional Details:

No field work undertaken in 2018 and no water consumed in 2018.

Results of any additional sampling and/or analysis that was requested by an Inspector

Additional sampling requested by an Inspector or the Board (See below) ▼

Additional Details: (date of request, analysis of results, data attached, etc)

Soil sample taken at 2017 spill location #2017-320. A soil sample taken at 2017 spill site #2017-320 on October 2, 2018. The sample was sent for analysis at Parcel Laboratories Ltd. in Ottawa, Ontario. The sample was analysed for hydrocarbons in soil and the results compared to the Nunavut soil quality guidelines. The results were over the PHC F1 and F2 criteria but at manageable levels. Additional sampling and remediation will take place during the summer of 2019. The analysis certificate from Parcel Laboratories (#1840538) is attached.

Any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.

No additional sampling requested by an Inspector or the Board ▼

Additional Details: (Attached or provided below)

Soil testing at spills #2017-320 in 2018.

Any responses or follow-up actions on inspection/compliance reports

Select ▼

Additional Details: (Dates of Report, Follow-up by the Licensee)

Inspector had questions regarding drums outside fuel berm. Drums were empty, decanted and herc strapped together to prevent blow away.

Any additional comments or information for the Board to consider

Additional sampling and remediation at spill site #2017-320 during the summer field season 2019.

Date Submitted:

March 13, 2019

Submitted/Prepared by:

David Willis

Contact Information:

Tel: 403-930-0991

Fax:

email: david.willis@debeersgroup.com