

DE BEERS

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December 16, 2022

By Electronic Mail

Mr Karén Kharatyan, Mgr of Technical Services
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Mr. Richard Dwyer, Licencing Administrator
NWB – Licensing Department
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Email: Richard.Dwyer@nwb-oen.ca

Dear Mr. Kharatyan, Mr. Dwyer:

RE: CHIDLIAK PROJECT – 2BE-CHI1823 ANNUAL WATER FEE – CALENDAR YEAR 2022

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.

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)

Several small field programs occurred. However, the Discovery camp was not occupied until July 13th to September 3rd. The first field program occurred in April and the site was accessed to conduct baseline data and camp reconnaissance. The second field program occurred in May to conduct spring maintenance and small ARU studies. A two-day partial demobilization of Aurora camp occurred in June with flights from Iqaluit. All activities were accessed by a Long Ranger helicopter and Twin Otter fixed wing. No geological evaluation work was conducted in 2022.

Spring Field Work 2022

From April 4th-13th four technicians and hydrologist conducted baseline studies and some site reconnaissance. Work included hydrological surveys, snow surveys, and water quality. Arctic UAV also performed maintenance on Camera Stations. The purpose of their maintenance was to check on the winter condition of field installations (camps and sensors) and install new batteries and data cards in the camera array. All April site

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locations were accessed daily from Iqaluit by Long Ranger Helicopter. Field crews would mobilize at the airport and fly to the project area daily

A field crew consisting of two technicians departed Iqaluit on May 14, 2022 by Twin Otter. The crew then used snowmobiles to deploy ARU for baseline studies. The field crew returned to Iqaluit the same day.

Summer Field Work 2022

From June 20th to 22 a partial demobilization of Aurora camp occurred. The three-day work departed daily out of Iqaluit using a helicopter.

Bird surveys and hydrology surveys were conducted between June 24 and July 9. All work based out of Iqaluit and site access was by helicopter.

The Discovery camp was occupied for fifty-three days from July 13th to September 3rd. During this time the camp was restored from the past few years of vacancy during the pandemic. Tents and buildings were repaired with equipment maintained and operated. Items or materials which were not salvageable were flown off site and treated according to their appropriate waste stream in Iqaluit. A small baseline field program of water quality and hydrology also occurred.

On September 5th, 2022 a one day field maintenance program was conducted on the Chidliak weather stations. Work was based in Iqaluit and the site was accessed by helicopter.

During the occupancy period the camp was generally inhabited by a total of four people. For a short timeframe a maximum occupancy of nine occurred. Water use was limited to general domestic camp use yet did not include drinking. All water was taken from the Discovery camp Domestic water source -66° 20' 38.01" 64°14' 23.93". During all 2022 field and camp activities bottled water was brought in for drinking. All camp waste was handled in accordance with Peregrines Chidliak Waste Management Plan.

Inspections 2022

No CIRNAC or ECC inspections were conducted in 2022. One minor spill was noted and reported to the spill line.

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If you have any questions regarding this report or require additional information, please do not hesitate to contact me at chad.corson@debeersgroup.com or by telephone at (249) 377-4445.

A handwritten signature in black ink, appearing to read "Chad Corson", is displayed within a light gray rectangular box.

Yours Truly
Chad Corson – De Beers Group