



BY ELECTRONIC MAIL

November 29, 2018

Mr. Richard Dwyer, Manager of Licensing
Nunavut Water Board
Gjoa Haven, Nunavut
Email: richard.dwyer@nwb-oen.ca
Ph: 1-867-360-6338 (ext. 27)

Mr. David Baines, Technical Advisor
Nunavut Water Board
Gjoa Haven, Nunavut
Email: dave.baines@nwb-oen.ca
Ph: 1-867-360-6338 (ext. 29)

Dear Mr. Dwyer and Mr. Baines:

RE: CHIDLIAK PROJECT – ADDITIONAL WATER SOURCE – LICENCE 2BE-CHI1823

Peregrine Diamonds Ltd. (“Peregrine”) holds Nunavut Water Board licence 2BE-CHI1823 which was issued April 30, 2018 and expires May 31, 2023. This licence authorizes water use and waste water disposal at the Chidliak Project located on the Hall Peninsula of Baffin Island. The licence currently allows the withdrawal 221m³ for drill purposes and 25m³ for domestic purposes for an aggregate of 246m³.

The licence authorizes under ice water withdrawal at specific locations during the winter. At present Sunrise Lake is approved for domestic water purposes (25m³). This letter is a request to add drill water withdrawal (221m³) at this location. The central coordinates for Sunrise Lake are listed below in Table 1 and the location is illustrated on the attached map.

Table 1: Sunrise Lake Coordinates

#	Name	50K NTS	Datum	Latitude (y) ddd.ddd (WGS84)	Longitude (x) ddd.ddd (WGS84)	Calculated Lake Water Volume (m ³)
1.	Sunrise Lake	26B01 & 26B08	WGS84	64.235933°	-66.114643°	94,201,500

The reason for this request is to improve safe access to water for operations at the Discovery Camp and CH-7 kimberlite. An adjacent smaller lake is currently an approved water source for the full water volume (246m³). This unnamed lake is surrounded by blockfield granite boulders and is difficult to safely access during the winter months.

A bathymetry study in 2011 calculated the summer water volume at Sunrise Lake as 94,201,500m³ and the under ice winter water volume is calculated at 77,256,199m³. A copy of the bathymetric map is attached.



Water meters will be used to measure all water withdrawal from the lake and all DFO water withdrawal guidelines will be followed.

Finally, in September 2018 De Beers Canada Inc. ("De Beers") purchased Peregrine Diamonds Ltd. Peregrine is a corporate entity and wholly owned subsidiary of De Beers.

Contact information for Peregrine Diamonds Ltd. is listed below;

Peregrine Diamonds Ltd.
Suite 300, 1601 Airport Road NE
Calgary, Alberta
T2E 6Z8

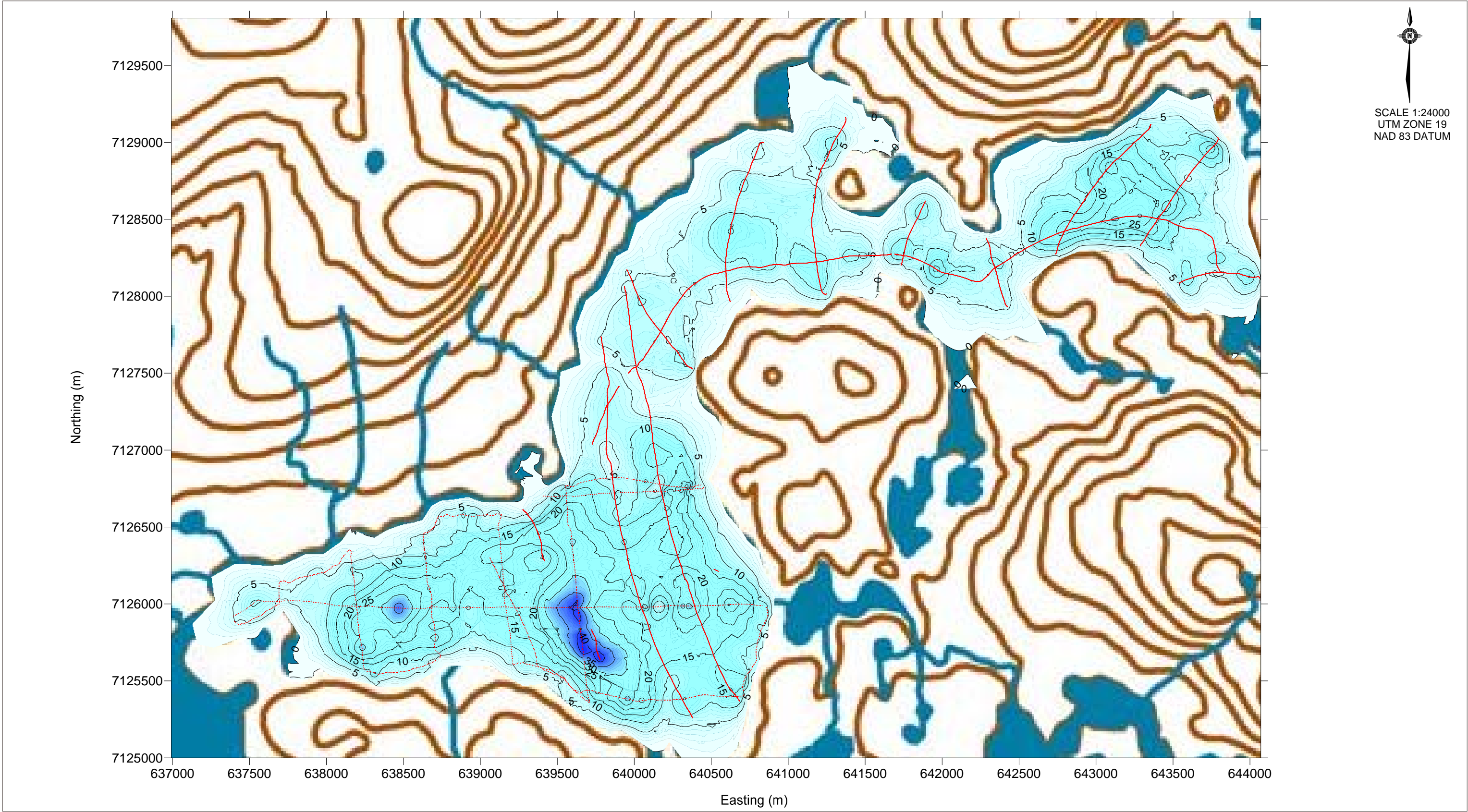
If you have any question please do not hesitate to contact me at (604) 836-3284 or by email at david.willis@debeersgroup.com.

Yours truly,

David Willis
Environment and Community Coordinator

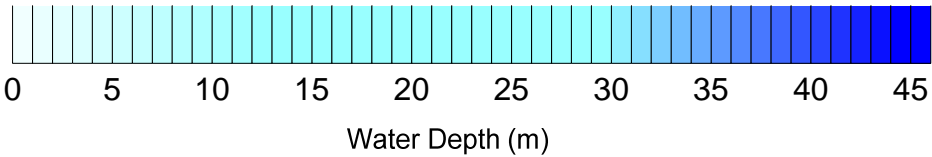


Location Map of Sunrise Lake, Discovery Camp, CH-7 Kimberlite and Current Authorized Water Location





LEGEND

Lake ID: Water Supply D
Surface Area: 9,342,200 m²
Total Volume: 94,201,500 m³
Assumed Ice Thickness: 2.0 m
Under Ice Volume: 77,256,100 m³
10% of Under Ice Volume: 7,725,600 m³



+++++ GPS Survey Tracks

CLIENT

Chidliak Site Infrastructure Study
Nunavut, Canada

DFO Winter Water Withdrawal
Water Supply D (Sunrise Lake)

PROJECT NO. E14101108.E111	DWN GB	CKD NSP	APVD KJ	REV 000
OFFICE EBA-EDM	DATE August 30, 2011			

Figure A.6