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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

File: 2BE-CHI0813

July 22, 2010

Shirley Standafer-Pfister  
Manager, Regulatory and Environmental Affairs  
Peregrine Diamonds Ltd.  
201 – 1250 Homer St.  
Vancouver, BC V6B 1C6  
Email: [shirley@pdiam.com](mailto:shirley@pdiam.com)

**RE: 2BE-CHI0813 Type 'B' – Amendment No.2**

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Dear Ms. Standafer-Pfister:

Please find attached, Amendment No.2 to Licence No. 2BE-CHI0813 Type "B" issued to Peregrine Diamonds Ltd. by the Nunavut Water Board (NWB) (**Motion 2010-13-L05**) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. The terms and conditions of the original Licence and subsequent amendment related to water use and waste disposal remain an integral part of this approval.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. Among others, the Government of Nunavut – Department of Culture, Language, Elders and Youth has included terms and conditions pertaining to archaeological resources. This information is attached for your consideration.<sup>1</sup>

Sincerely,

Thomas Kabloona  
Nunavut Water Board  
Chair

TK/dc/pb

Enclosure: Licence No. **2BE-CHI0813 - Amendment No.2**  
Comments

Cc: Qikiqtani Distribution List

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<sup>1</sup> Environment Canada, June 18, 2008 and Government of Nunavut – Department of Culture, Language, Elders and Youth, June 6, 2010.

## LICENCE AMENDMENT No. 2

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<b>Licensee:</b>	<b>Peregrine Diamonds Ltd.</b>
<b>Licence No:</b>	<b>2BE-CHI0813      Type "B"</b>
<b>Licence Issued:</b>	<b>May 7, 2008</b>
<b>Amendment No.1 Issued:</b>	<b>April 17, 2009</b>
<b>Effective Date:</b>	<b>July 21, 2010</b>
<b>Licence Expiry:</b>	<b>June 1, 2013</b>

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Pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, with respect to the application for amendment dated May 7, 2010, made by Peregrine Diamonds Ltd., the Nunavut Water Board hereby grants the following Licence amendment.

The Licence issued May 7, 2008, amended April 17, 2009 and with an expiry date of June 1, 2013 shall be amended to include the following terms and conditions, with respect to use of water and deposit of waste during camp and drilling operations, to allow Peregrine Diamonds Ltd. to conduct diamond drilling at the IOL PA-28 Parcel at the Chidliak and Qilaq Project in the Qikiqtani Region, with new exploration approximately at latitude 64° 42' 15"N and longitude 65° 48' 17"W.

### Spill Contingency Plan

The Amendment application contained a revision to the approved Spill Contingency Plan entitled "Spill Contingency Plan Chidliak and Adjoining Qilaq Property, and Cumberland Prospecting Permits, Baffin Island, NU" revised May 7, 2010. The Board has accepted the revision to the approved plan and notes approval of the plan extends only to those work regions covered under the scope of the 2BE-CHI0813 Licence. If the Licensee contemplates water use and waste disposal in support of its prospecting operations on the Cumberland Property, the NWB advises a separate water licence be applied for.

### Abandonment and Restoration Plan

As per the Spill Contingency Plan, the revised Abandonment and Restoration Plan entitled "General Guidelines: Chidliak and Adjoining Qilaq Property, And Cumberland Prospecting Permits, Baffin, NU, Abandonment and Restoration of Camp Facilities and Worksites" revised May 7, 2010 has been accepted by the Board. The approval extends only to work regions covered under the scope of 2BE-CHI0813. Also Supplementary Map 3 of the plan depicts temporary structures located on a lake for on-ice drilling; the Licensee is reminded of Part E, Item 1 which states that all structures on frozen lakes must be for immediate use.

**The Licence, (Page 2), shall be amended to indicate the following:**

Location: CHIDLIAK AND QILAQ PROJECT, QIKIQTANI REGION, NUNAVUT

**PART A: SCOPE, DEFINITIONS AND ENFORCEMENT**

Amend Item 1

**1. Scope**

This Licence allows for the use of water and the disposal of waste for a Mining and Milling Undertaking classified as per Schedule II of the *Regulations* at the Chidliak and Qilaq claims, supported from the Discovery Camp and Sunrise Camp and with the project area located across the Hall Peninsula, approximately 60 km northeast of Iqaluit and 133 km south of Pangnirtung within the Qikiqtani Region, Nunavut.

- a. This Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new *Regulations* are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such *Regulations*, to be subject to such requirements; and
- b. Compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

**All remaining terms and conditions of the Licence 2BE-CHI0813 Type ‘B’ dated May 7, 2008 still apply.**

This Licence Amendment issued and recorded at Gjoa Haven, NU on July 21, 2010.

Approved by,



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Thomas Kabloona  
Nunavut Water Board  
Chair