



October 11, 2013

BY ELECTRONIC MAIL

Mr. Mosha Cote, Manager & Research Liaison

Nunavut Research Institute

P.O. Box 1720

Iqaluit, NU X0A 0H0

Dear Mr. Cote:

RE: LICENCE 0100113RM – WEATHER MONITORING PROJECT

Alan O'Connor holds Nunavut Research Institute Licence 0100113RM on behalf of Peregrine Diamonds Ltd. ("Peregrine"). The term of this licence is January 1, 2011 to December 31, 2014. As part of this licence Mr. O'Connor/Peregrine is required to submit an annual synopsis of research activities to the NRI.

Enclosed is the annual synopsis of research work in both English and Inuktitut.

If you have any questions on this matter please do not hesitate to contact me at (604) 608-4524.

Yours truly,

Peregrine Diamonds Ltd.

David Willis

LICENCE 0100113RM ANNUAL RESEARCH SUMMARY FOR 2013

In June of 2010 Peregrine Diamonds Ltd. hired Symbioticware Corporation to setup a weather monitoring station near Peregrine's Discovery Camp located on the Hall Peninsula of Baffin Island approximately 120 kilometers northeast of the City of Iqaluit. Weather data collection commenced on July 2, 2010 and has been collected continuously ever since.

The weather station is a remote robotic station powered by two 85 watt solar panels and a backup battery. Electronic sensors collect weather data and broadcast it by iridium satellite to a computer server located in Sudbury, Ontario.

Data is measured and collected for the following six parameters.

- 1) Air Temperature
- 2) Relative Humidity
- 3) Air Pressure
- 4) Rain Accumulation
- 5) Average Wind Direction
- 6) Average Wind Speed

Collected weather data is used to understand the weather in the vicinity of Discovery Camp. When the camp was established in 2008, it was noted that the weather conditions in camp were often different to simultaneous forecasts for Iqaluit, the closest community with a year round weather station.

Weather monitoring is important for day to day operations, for seasonal planning and for evaluating weather related risks. Weather data collected from the weather station is a useful tool in planning mineral exploration activities.

One of the biggest benefits from the station is the wind speed and direction data. The direction data will be used by engineers when selecting orientations for buildings (avoiding excessive snow drifting) and a permanent airstrip. The wind speeds will be useful for wind loading design for buildings. Temperature data will be useful for engineering as well (heating needs, etc...). The data can eventually become part of an environmental baseline database.

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