

March 26, 2025

By Electronic Mail

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Mr. Richard Dwyer, Mgr of Licensing
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Dear Mr. Kharatyan, Mr. Dwyer:

RE: CHIDLIAK PROJECT – 2BE-CHI2333 ANNUAL WATER FEE – CALENDAR YEAR 2024

De Beers Peregrine currently holds type B water use licence 2BE-CHI2333. The following is an annual report as required by part B: General conditions (2) of the permit. The annual water use fee for this water use licence is \$1121.35 based upon fees set out in Section 12(1)(b) of the Nunavut Waters Regulations (SOR/2016-69).

Maximum water allocation = 299 m³ per day

Total days in the year = 365

Charge per cubic meter = \$0.01 per m³

Water Use Fee = \$30.00

Total annual fee: \$1121.35 (299m³ x 365 days x \$0.01 per m³ + \$30.00)

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.
Sincerely,



Chad Corson – De Beers Group
Attachments: Annual Report Excel Spreadsheet

Annual Water Report 2024
De Beers Chidliak Exploration Project
Type B Water License #CHI2333

March 26, 2025

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Background

Peregrine Diamonds Ltd. (“Peregrine”) is a wholly owned subsidiary of De Beers Group. Peregrine holds type B water license 2BE-CHI2333 which commenced on June 1, 2023 and expires on May 31, 2033. The permit authorizes two hundred and ninety-nine cubic meters per day of water use. The activities authorized under this license include camp operations (Discovery Camp, Sunrise Camp, Aurora Camp, and CH-6 Camp) and activities related to exploration including:

- Trenching
- Blasting
- Core drilling (on land and on ice)
- Reverse circulation drilling (on land)
- Percussion drilling (on land; does not use water)
- Large diameter reverse circulation drilling
- Airstrips (ice and land)
- Winter trails (inter-camp and Iqaluit-camp)
- Bulk sampling
- Cuttings disposal

The following is an annual report as required by part B: General condition (2) of the license.

Field Season Overview

The Chidliak Project is currently under care and maintenance. Three programs occurred in 2024. The first program, occurring in spring was based out of Discovery Camp from April 30th to May 2nd, 2024 and focused on environmental baseline work. The second visit occurred from August 15th to August 20^h 2024. This program focused on heavy equipment and camp maintenance activities. From September 3rd to 19th a third program occurred to prepare the site equipment for a potential winter trail in 2025. The Discovery Camp was the only camp utilized for all three programs. Access to the project was by helicopter and fixed wing aircraft.

The last occupancy of the site during the snow free months was in September 2024. The poor weather in the form of low-lying cloud, rains and winds added delays to the completion of the program and it was decided to close the camp September 19th.

Reporting Requirements

A. summary report of Water use and Waste disposal activities;

No water was taken for drilling purposes in 2024. Discovery camp domestic water was taken from a single source adjacent the camp. Water source locations are summarized in Table 1 below.

Table 1 – 2024 Chidliak Exploration Project Water Taking Coordinates

Location	Purpose	Datum	Latitude (y)	Longitude (x)
Discovery Camp	Domestic	WGS84	64°14'24.00"N	66°20'41.94"W

Water takings were recorded daily. Takings were compared to the daily total allowance under Type B Water License 2BE-CHI2333. No daily water takings exceeded the maximum permitted values outlined in the license in 2024. Water intake hose foot valves were equipped with screens with a mesh size that would not allow for the entrapment of fish. The Discovery Camp utilized 1000 liters totes for water storage to service the camp. Although equipped with a UV treatment system water was not tested for contaminants and drinking water was flown in.

All hazardous waste including empty fuel drums was flown off-site where it was taken to certified waste manager Nunatta Environmental in Iqaluit. Waste consisting mostly of kitchen and pacto wastes were incinerated daily at the Discovery Camp. Left over clean wood waste was burned at the end of season in drums, or a large steel container. Painted or treated wood was shipped off-site for disposal in Iqaluit.

b. Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Inuit-owned lands for the reporting period;

In 2024 no water taking occurred on Inuit Owned Lands.

c. Quantity of Water (in cubic metres/day) obtained for domestic and other purposes from sources on, in or flowing through Crown Lands reporting period;

A complete list of water takings can be found in Appendix A. A total of 20.59 m³ was used for domestic purposes at the Discovery camp in 2024.

d. Quantity of Waste disposed of on on-site Waste disposal facility;

No waste was disposed of onsite. Camp and Pacto waste were incinerated on site. Camp waste mostly consisted of organic food waste and kitchen waste. Camp waste was incinerated daily with an average estimate of four standard sized garbage bags daily. Pacto waste had an average estimate of one standard sized garbage bag per day. Incinerator ash was consolidated in overpack drums planned for shipment off-site. Incinerator ash taken off site was sent to Nunatta Environmental.

e. Quantity of Waste backhauled to approved facility for disposal;

Waste taken off-site could be classified into two categories: hazardous waste and benign waste. All hazardous waste was taken to Nunatta Environmental for appropriate disposal. A list of quantities of Hazardous Waste can be found in Appendix B. Benign waste consisting of nonorganic garbage, scrap metal, painted wood and some electronics was taken to the Iqaluit landfill. Waste was shipped from site by fixed wing aircraft. A list of Iqaluit landfill waste can be found in Appendix B.

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

A total of one spill (#2024-312) was discovered and cleaned up during 2024. The spill occurred at the Discovery Camp. Spills are reported through email or telephone to the Nunavut Spill Reporting Line. The spill was cleaned up until no trace contaminants could be verified. Any contaminated soil was placed in drums or pails and shipped to Iqaluit as hazardous waste.

Table 2 – 2024 Chidliak Exploration Project Spills

Description	Followup actions taken
On August 16 th 2024 a pail of oil was found to have spilled less than 3 liters on top of a c-can. Some of the oil contents dripped down the side of the sea can and onto the ground.	The spill was reported to the spill line. Contaminated soil was collected and treated as hazardous waste. The oil was cleaned up on the c-can and discussion with crews occurred for proper storage.

g. Any revisions to the Spill Contingency Plan and Closure and Reclamation Plan, as required by Part B, Item 7, submitted in the form of an Addendum;

There are currently no revisions to these plans to submit.

h. A description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;

Sunrise camp was visually observed overhead during field operations and inspected to identify any areas of potential concern. The camp was in good condition. The camp had no occupancy during the season. Very few contents currently remain at the Camp. These mainly consist of camp incinerator, pylons and signage for a winter airstrip, cleaning or landscape tools. CH-6 camp was visited and inspected. The camp was in good condition. There was no occupancy of CH-6 camp in 2024.

During September 2024 the large diameter drill rig on site was disassembled and packaged for transport off-site. After seasonal activities heavy machinery was left parked within the garage at

Discovery Camp for ease of access in spring. Other equipment was left at the laydown surrounding the garage. Waste was removed off-site and taken to Iqaluit. Fuel drums were left stored within secondary containment berms. All chemicals were consolidated and stored within a shed. The camps were closed out in accordance with the approved De Beers Chidliak Exploration Project Abandonment and Restoration Plan under Seasonal Camp Closure.

i. Report all artesian flow occurrences as required under Part F, Item 3;

There were no artesian flow occurrences in 2024.

j. A summary of all information requested and results of the Monitoring Program;

Part J of the water License details the environmental monitoring requirements. No monitoring was requested in 2024. On August 15th re-sampling occurred at a 2017 spill site (#2017-320). Previous sampling at the location from 2019 was within regulatory limits. The sample was taken as a confirmation sample. Results from the 2024 sample came back Non Detect. Results can be found in Appendix C.

Domestic water use was tracked daily. Scientific baseline studies occurred in May with maintenance of Wildlife surveillance cameras by ArcticUav. The Chidliak Project wildlife field work was based out of Iqaluit and the Discovery Camp. Access to the project area was with a Snowmobile. The 2024 wildlife field program had one objective which was to maintain the existing network of wildlife cameras. A summary of baseline data collection activities is below.

- 1) April 30th to May 2nd: Wildlife cameras were visited by snowmobile. Data cards were collected and any maintenance performed.
- 2) August 15-August 20th & September 3rd - September 19th: During Discovery camp occupancy all wildlife sightings were recorded using a wildlife log.

k. Details pertaining to locations of sump(s) and drill holes;

No drilling occurred in 2024, therefore no sumps or drill holes occurred.

l. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) for the locations of all temporary camps established in support of the project if the actual coordinates differ from that provided in the application;

No temporary camps were setup beyond those described in the initial application during activities in 2024. A list of camp uses is described below.

The Discovery Camp was first occupied for the season on April 30th for two nights for an Environmental Program and general camp inspection. The camp remained in excellent condition over winter. Although equipped with a UV system bottled water was brought in for drinking throughout the season. Domestic water for cleaning and cooking purposes was taken from the Discovery creek adjacent the Camp. At its peak the camp saw a maximum occupancy of 10 people during the September program.

The CH-6 camp is used for drilling programs. During 2024 the CH-6 camp was unoccupied. The camp was visited and all buildings inspected. The camp appeared to be in good condition and no notable issues were observed.

Sunrise camp was inspected overhead by helicopter on one occasion in 2024. The camp appeared to be in good condition and similar to what was observed in 2023. The camp had no occupancy during the season.

During 2024 operations Aurora camp was not visited. The camp does not currently house any contents and has seen several cleanup and demobilization efforts in prior seasonal programs.

m. A summary, including photographic records before, during and after any relevant construction activities or Modifications and/or major maintenance work carried out on facilities under this License and an outline of any work anticipated for the next year;

Most repairs at the Discovery camp were minor in nature. Each building was inspected and any necessary repairs made. Minor maintenance and repairs to equipment was also done. During September 2024 the Large Diameter Drill Rig which was stationed at Discovery Camp was fully disassembled in preparations for shipment from the project site. The deconstruction of the rig included packaging the components of the drill into manageable sea cans. Photo 1-2 show components of the rig before and after disassembly.

Photo 1: LDD Rig Prior to Disassembly September 2024



Photo 2: LDD Rig After Deconstruction September 2024



Fields plans for 2025 included the use of the project winter trail to bring equipment no longer needed at site to Iqaluit for return to their owners or sale. In February 2025 the Trail project was put on hold. At this time tentative plans are in the works for potential maintenance with general upkeep of the camps and equipment.

n. Detailed discussion on the performance, installation, and evaluation, including the use of photographic record, of the primary and secondary containment functions used in fuel storage to safeguard impacts to freshwaters;

Fuel was brought into Discovery camp through the airstrip by fixed wing aircraft. Berms used to store fuel drums are all temporary in construction and made from rubber or other non-permeable fabric reinforced with aluminum sidewall brackets. The Containment berms used on site are engineered to withstand petroleum chemicals and designed to safeguard against spills to the environment. Each berm is affixed with a charcoal “Rain Drain” filter at the corners. The filters are necessary to avoid any accidental hydrocarbon discharge. Ongoing replacement and inspection of the charcoal filters was required throughout the 2024 season to ensure passive water filtration. Any visual evidence of hydrocarbons identified within the containment was cleaned up using spill pads or socks prior to gravity fed filtration. Fuel berms and storage remained at the same location as in previous years. Daily inspections of the berms occurred during the occupancy of Discovery Camp.

Single fuel drums were used at individual tents for heating and each drum had a small portable containment berm placed underneath. During rainy weather the berms were found to accumulate water quickly and had to be inspected then drained regularly. Any berms found to have the presence of hydrocarbons are treated like a spill and the contaminated water are cleaned up accordingly.

Photo 4: Discovery Camp Fuel Berm September 2024



Empty fuel drums were removed from camp and sent to Nunatta Environmental Services. Table 4 lists current fuel counts at the Chidliak Project. There are no fuel caches beyond the locations listed below.

Table 4 - Current Fuel Counts Chidliak Project

Location	Diesel (205L)	Gasoline (205L)	Jet A (205L)	Propane (100lbs)	Propane (20lbs)
Discovery	135	1	23	34	0
CH-6	8	0	0	4	0
Sunrise	0	0	0	0	0
Aurora	0	0	0	0	0
Total:	143	1	23	38	0

o. A summary of public consultation/participation, describing consultation with local organizations and residents of the nearby communities, if any were conducted;

During 2024 community members from Iqaluit and Pangnirtung were included in baseline studies. The focus of activities for the IQ study included completing mapping and non-mapping interviews with key knowledge holders in the communities of Iqaluit and Pangnirtung, while verifying interview results with participants. Major in-person interviewing/verification periods occurred in April and June 2024. As of November 1, 2024, a total of 36 individuals have participated in IQ interviews for the Chidliak Project.

During site operations several employees were hired from local communities to fulfill various roles. Local businesses including; ArcticUAV, and Nunatta Environmental were contracted for assistance.

p. Any other details on Water use or Waste disposal requested by the Board by the 1st November of the year being reported.

No additional details were requested by the board in 2024.

APPENDIX A – 2024 Daily Water Takings

Chidliak Exploration Project
Annual Water Report 2024

Date (dd/mm/yy)	Time	Water Source Location (Description)	Withdrawal (m3)
Thursday, August 15, 2024	18:00	Discovery Creek	5.00
Tuesday, September 3, 2024	13:00	Discovery Creek	10.00
Wednesday, September 4, 2024	14:00	Discovery Creek	2.00
Sunday, September 8, 2024	14:30	Discovery Creek	1.23
Tuesday, September 10, 2024	14:00	Discovery Creek	2.36
Water Taking Total			20.59

APPENDIX B – 2024 Waste Quantities

Chidliak Exploration Project
Annual Water Report 2024

Date	Domestic	Sewage (Incineration)	Industrial (Flight)	Hazardous (Flight)
Thursday, August 15, 2024	None	None	Flight of old driller items and toolboxes. Large bag of cutup tarp. Old Generator.	No Hazardous
Friday, August 16, 2024	None	None	3xMega bags, small metal tool parts, tools, scrap nuts/bolts	Mega Bag of hydraulic hose and gas hose. Four or five pails of drill muds and one hydraulic oil
Friday, August 16, 2025	None	None	3xMega bags, small tools, scrap nuts/bolts, bear fencing	Four Pails of drill muds and one hydraulic oil
Friday, August 16, 2025	None	None	3x Mega bags of Misc tools and misc scrap	Two pales partial hydraulic oil, three drums incinerator ash.
Saturday August 17, 2025	3 Garbage Bags	2xPacto	None (5m3 taken to the Iqaluit Landfill from prior dates)	None
Sunday August 18, 2025	None	None	Few Pieces of Scrap Metal	5 empty drums. 4 ash drums half full and one contaminated soil.
Sunday August 18, 2025	None	None	3 Fire extinguishers. 3 mega bags of scrap mostly metal.	Two drums contaminated Soil. 2x used Rain drain filters, 5 empty diesel drums.
Sunday August 18, 2024	1 Garbage Bag	1xPacto	None	None
Monday August 19, 2024	2 Garbage Bag	2xPacto	None	None
Monday August 19, 2024	None	None	3 bags of scrap metal	6 empty drums out. 2 empty propane out.
Monday August 19, 2024	None	None	3 bags scrap metal out, some old toolboxes.	None
Tuesday August 20, 2024	2 Garbage Bag	2xPacto	None	None
Wednesday September 4, 2024	2 Garbage Bag	1xPacto	None	None
Thursday September 5, 2024	3 Garbage Bags	2xPacto	None	None
Friday September 6, 2024	3 Garbage Bags	1xPacto	None	None
Saturday September 7, 2024	4 Garbage Bags	1xPacto	None	None

Chidliak Exploration Project
Annual Water Report 2024

Sunday September 8, 2024	4 Garbage Bags	1xPacto	None	None
Monday September 9, 2024	4 Garbage Bags	1xPacto	2x aluminum funnels. old treated wood and steel toolboxes. 2x drill small casing cutoffs (metal scrap).	None
Tuesday September 10, 2024	4 Garbage Bags	1xPacto	Some scrap metal and plastic waste in megabags out.	2 drums partial expired jet, 3x empty drums
Wednesday September 11, 2024	4 Garbage Bags	1xPacto	4 Mega bags of misc scrap.	None
Thursday September 12, 2024	5 Garbage Bags	1xPacto	None	None
Friday September 13, 2024	2 Garbage Bag	1xPacto	None	None
Saturday September 14, 2024	2 Garbage Bag	1xPacto	None	None
Sunday September 15, 2024	2 1/2 Garbage Bag	1xPacto	None	None

Megabags were not full and kept to manageable weights for safe handling*

APPENDIX C – 2018 Spill Follow up Sample Results

TABLE 1		CLIENT: Nunatta Environmental Services Inc.		
PARACEL LABORATORIES LTD.		ATTENTION: James Wilson		
WORKORDER: 2434025		PROJECT: Debeers Old Spill Site Sample		
REPORT DATE: 08/26/2024		REFERENCE: Standing Offer		
Parameter	Units	MDL	Regulation	Sample
				Sample #1 2434025-01
				Sample #2 2434025-02
Sample Date (m/d/y)			Select Reg	08/15/2024 03:01 AM
Physical Characteristics				
% Solids	% by Wt.	0.1	REGS	58.1
Volatiles				
Benzene	mg/kg dry	0.02	REGS	ND (0.02)
Ethylbenzene	mg/kg dry	0.05	REGS	ND (0.05)
Toluene	mg/kg dry	0.05	REGS	ND (0.05)
m/p-Xylene	mg/kg dry	0.05	REGS	ND (0.05)
o-Xylene	mg/kg dry	0.05	REGS	ND (0.05)
Xylenes, total	mg/kg dry	0.05	REGS	ND (0.05)
Hydrocarbons				
F1 PHCs (C6-C10)	mg/kg dry	7	REGS	ND (7)
F2 PHCs (C10-C16)	mg/kg dry	4	REGS	ND (4)
F3 PHCs (C16-C34)	mg/kg dry	8	REGS	ND (8)
F4 PHCs (C34-C50)	mg/kg dry	6	REGS	ND (6)