



PEREGRINE
DIAMONDS LTD.

November 19, 2007

Richard Dwyer
Licence Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Dear Mr. Dwyer,

Re: Peregrine Diamonds Ltd. and Dunsmuir Ventures Ltd.
NWB water license # NWB2NAN0305
Project name – Nanuq // Region - Kivalliq

This letter is to confirm that Peregrine Diamonds Ltd. assumes all liability of license NWB2NAN0305 issued to Dunsmuir Ventures Ltd. August 15, 2003 and expiring August 15, 2005. License number NWB2NAN0305 was issued in relation to the Nanuq Project in the Kivalliq region.

History of the Peregrine / Dunsmuir business combination follows: On January 16, 2006, Peregrine Diamonds Ltd. and Dunsmuir Ventures Ltd. ("Dunsmuir"), an Exchange-listed company engaged in the exploration for diamonds (primarily in North America), effected a business combination whereby Dunsmuir amalgamated with a newly created subsidiary of Peregrine ("Subco") to form Peregrine Holdings Ltd. Pursuant to the three-cornered amalgamation under which the business combination was effected, each shareholder of Dunsmuir received 0.05 of a common share of Peregrine in exchange for one outstanding common share of Dunsmuir. The issued options, warrants and convertible debenture of Dunsmuir were also exchanged for similar convertible securities to acquire common shares of Peregrine on the basis of the same exchange ratio. As a result of the amalgamation, the securityholders of Dunsmuir became securityholders of Peregrine, and Peregrine Holdings Ltd. (Dunsmuir) became a wholly-owned subsidiary of Peregrine.

The foregoing is a matter of public record and the disclosures describing this business transaction can be accessed at www.sedar.com.

Regards,

Greg Shenton
Chief Financial Officer