

March 31, 2019

Ms. Jaida Ohokannoak
Nunavut Impact Review Board
29 Mitik Street
P.O. Box 1360
Cambridge Bay, Nu X0B 0C0
Email: info@nirb.ca

Dear Ms. Ohokannoak;

RE: NANUQ PROJECT – ANNUAL NIRB REPORT – 08EN002 AND 03EN099

In September 2018, Peregrine Diamonds Ltd. (Peregrine) was purchased by De Beers Canada Inc. (De Beers). Peregrine is now a wholly owned subsidiary of De Beers.

Please consider this letter the annual NIRB report for the Nanuq Project for 2018.

Peregrine holds CIRNAC class “A” land use permit N2018C0015. This permit authorizes land use activities at Peregrine’s Nanuq Project located 280 kilometres north-northeast of Rankin Inlet on 250K NTS map 56G. The permit commenced June 1st, 2018 and expires on May 31st, 2023. Peregrine also holds corresponding water use permit 2BE-NAN1823 which commenced on August 24, 2018 and expires on August 23, 2023. The NIRB files for this project are 03EN099 and 08EN002.

The Nanuq Project is on care and maintenance. The last drill program was in 2011 and the last field program consisted of camp maintenance and partial demobilization in 2016.

No field work was conducted in 2018 and no work is anticipated for 2019. An annual update letter was sent to the communities of Rankin Inlet, Nauyasat (Repluse Bay), Chesterfield Inlet, and Baker Lake in May 2018 to advise that no work was done in 2017 and no work is planned for 2018.

Critical coordinates for the project are the Nanuq Camp (Long. -91° 05' 26", Lat. 65° 13' 43") and a laydown consisting of wooden timbers (Long. -91° 04' 34", Lat. 65° 13' 01"). Both coordinates are located adjacent to the Lorillard River on national topographic map sheet 56G03.

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To date Peregrine has spent approximately \$11,000,000 exploring the Nanuq mineral claims. All exploration activities on the Nanuq Project were suspended by Peregrine as the draft Nunavut Land Use Plan has designated much of the project area as prohibited to mining and exploration. Until this uncertainty is resolved no further exploration will be undertaken.

If you have any questions on these items or require additional information, please do not hesitate to contact me at (403) 930-0991 (ext. 2711) or by email at david.willis@debeersgroup.com

Yours truly,

DE BEERS CANADA INC. FOR PEREGRINE DIAMONDS LTD.



David Willis – Environment and Permitting Coordinator