Water Resources Division Nunavut Regional Office Iqaluit, NU X0A 0H0

September 30, 2015

NWB File: 2BE-NAN1318

CIDMS #: 953945

Re: 2BE-NAN1318 – Water Licence Assignment Application – Nanuq – Peregrine Diamonds Ltd.

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

Dear Ms. Ikkutisluk,

Please be advised that the Water Resources Division of Aboriginal Affairs and Northern Development Canada have completed a review of the water licence assignment application of 2BE-NAN1318 from Peregrine Diamonds Ltd. to Peregrine Exploration Ltd. submitted by Peregrine Diamonds Ltd. The Nunavut Water Board (NWB) circulated the water licence assignment application for comments on September 16, 2015.

Comments in the attached Technical Review memo have been provided pursuant the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4268 or by email at jonathan.mesher@aandc-aadnc.gc.ca.

Sincerely,

Jonathan Mesher
Water Resource Technician

CC: Andrew Keim, A/Manager of Water Resources – Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office

Erik Allain, Manager of Field Operations – Aboriginal Affairs and Northern Development Canada, Nunavut Regional Office



Technical Review Memorandum

To: Robin Ikkutisluk – Licensing Administrator, Nunavut Water Board

From: Jonathan Mesher – Water Resource Technician, Aboriginal Affairs and Northern

Development Canada.

Date: September 30, 2015

Re: 2BE-NAN1318 – Water Licence Assignment Application – Nanuq –

Peregrine Diamonds Ltd.

Applicant: Peregrine Diamonds Ltd.

Project: Nanuq Region: Kivalliq

Background

The Nanuq property is currently owned and operated by Peregrine Diamonds Limited, this assignment will make Peregrine Exploration Limited the assignee of the Nanuq property.

The Nanuq property is situated in the Kivalliq Region of Nunavut approximately 120km north of Chesterfield Inlet and 250km Northeast of Baker Lake. Water licence 2BE-NAN1318 associated to this property allows for the use of 60 m³ of water per day as well as the deposit of waste. It will expire in June, 2018.

Recommendations/Comments

AANDC has reviewed the assignment application and noticed that one of the items in the Nunavut Water Board checklist in box 8 is missing: A statement of assignee's capacity to implement the conditions of the water licence and a schedule for the implementation of all plans, manuals and reports.

We recommend that Peregrine Exploration Ltd. provide proof of their capacity to implement the conditions of the water licence.

