



PEREGRINE  
DIAMONDS LTD.

June 22, 2011

By Fax (5 pages total)

Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
Tel: (867) 360-6338  
Fax: (867) 360-6369

Attention: Phyllis Beaulieu, Manager of Licensing

Re: Payment of New Water Use Fees for Chidliak and Nanuq Projects

Dear Ms. Beaulieu;

Please accept this letter as submission of our new water use fees, as outlined in the letter and calculation tables attached, in respect of the Nanuq Water Licence #2BE-NAN0813 – where the calculated fee is **\$219.00** – and in respect of the Chidliak Water Licence #2BE-CHI0813 – where the calculated fee is **\$346.75**. Please charge the fees to our corporate credit card, information below:

Mastercard #  
Name on Card:

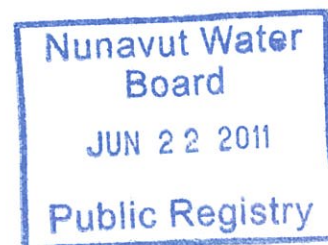
Expiry:

Thank you very much for your assistance on this.

Regards;

**PEREGRINE DIAMONDS LTD.**

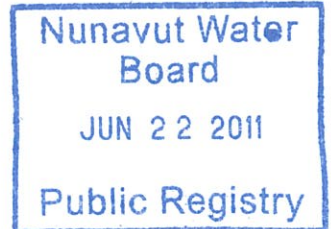
Laura McLean  
Receptionist





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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT



June 20, 2011

ALL CURRENT WATER LICENSEES PAYING WATER USE FEES

**Subject:** NOTIFICATION OF CORRECTIONS TO THE CALCULATION OF WATER  
USE FEES under the *Northwest Territories Waters Regulations* SOR/93-303

Dear Licensee:

Please be advised, that based on clarification and instructions received from the Department of Indian and Northern Affairs Canada (INAC), it has come to the attention of the Nunavut Water Board (NWB or the Board) that the Board's collection of water use fees has been inconsistent with the Northwest Territories Waters Regulations (the Regulations). The Board's misunderstanding regarding the application and calculation of water use fees under section 9 of the Regulations has resulted in flat fees being assessed and inaccurate fee calculations being accepted by the Board. Accordingly, the Board, by virtue of this letter is notifying all those parties currently paying water use fees that as of June 20, 2011, and going forward, we are implementing a consistent calculation of water use fees that reflects the instructions of INAC.

Accordingly, as of June 20, 2011, the NWB requires all licensees to determine fees payable according to section 9 of the Northwest Territories Waters Regulations. In furthering the consistent and accurate calculation of water use fees, the Board has attached a Water Use Fees Calculator to assist in determining the fees payable under the license according to the Regulations. Please note that for those licensees who have a specific amount for water use fees set out as a condition of their licence, the amount required by the Regulations supercedes the amount specified in the licence. Regardless of the amount specified in the licence, licensees are responsible for paying the amount as outlined in the Regulations and instructed by INAC. Consequently, those licensees are also encouraged to use the attached calculator to determine the fees payable for their water use allocation under their licence.

The Board recognizes that for some licensees the updated calculations may significantly increase the fees paid, but the Board has no discretion with respect to these fees, and is required to ensure that our procedures are consistent across Nunavut and the Northwest Territories and meet the requirements of the Regulations.

As of June 20, 2011 the Board staff will be reviewing all water use fee payments submitted to the Board to ensure that they are calculated correctly and licensees will be advised of deficiencies in that regard. Thank you in advance for your cooperation during this transition.

If you have any questions about this matter, please contact Phyllis Beaulieu, Manager of Licensing,  
PO Box 119, Gjoa Haven, NU X0B 1J0, telephone: 867.360.6338, fax: 867.360.6369, or e-mail:  
[licensing@nunavutwaterboard.org](mailto:licensing@nunavutwaterboard.org).

Sincerely,



Thomas Kabloona  
Chairman  
Nunavut Water Board

<b>Water Use Fees Calculator:</b> Northwest Territories Waters Regulations s. 9(1)(a), (b), and (c)	
<b>AGRICULTURAL UNDERTAKING</b>	
Enter the volume of authorized water use (m <sup>3</sup> /year)	
Calculated Annual Water Use Fee (\$)	\$30.00
<b>INDUSTRIAL, MINING and MILLING or MISCELLANEOUS UNDERTAKING</b>	
Enter the volume of authorized water use (m <sup>3</sup> /day)	95
Enter the volume of authorized water use (m <sup>3</sup> /year)	
Calculated Annual Water Use Fee (\$)	\$346.75
<b>POWER UNDERTAKING</b>	
Identify the class of Power Undertaking (0, 1, 2, 3, 4, 5, 6)	
For class 6 Power Undertakings enter the authorized output (kW)	
Calculated Annual Water Use Fee (\$)	\$0.00

Nunavut Water  
Board

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Public Registry

<b>Water Use Fees Calculator:</b> Northwest Territories Waters Regulations s. 9(1)(a), (b), and (c)	
<b>AGRICULTURAL UNDERTAKING</b>	
Enter the volume of authorized water use (m <sup>3</sup> /year)	<input type="text"/>
Calculated Annual Water Use Fee (\$)	<input type="text" value="\$30.00"/>
<b>INDUSTRIAL, MINING and MILLING or MISCELLANEOUS UNDERTAKING</b>	
Enter the volume of authorized water use (m <sup>3</sup> /day)	<input type="text" value="60"/>
Enter the volume of authorized water use (m <sup>3</sup> /year)	<input type="text"/>
Calculated Annual Water Use Fee (\$)	<input type="text" value="\$219.00"/>
<b>POWER UNDERTAKING</b>	
Identify the class of Power Undertaking (0, 1, 2, 3, 4, 5, 6)	<input type="text"/>
For class 6 Power Undertakings enter the authorized output (kW)	<input type="text"/>
Calculated Annual Water Use Fee (\$)	<input type="text" value="\$0.00"/>