

February 1, 2018

Ms. Sarah Forte, Water Management Coordinator INAC – Water Resources 969 Qimugjuk Building Iqaluit , Nunavut X0A 0H0

Mr. Richard Dwyer, Licencing Administrator NWB – Licencing Department PO Box 119 Gjoa Haven, NU X0B 1J0

Dear Ms. Forte & Mr. Dwyer:

RE: NANUQ PROJECT – 2BE-NAN1318 ANNUAL WATER USE FEE – CALENDAR YEAR 2017

Peregrine Diamonds Ltd. ("Peregrine") currently holds water use licence 2BE-NAN1318. The annual water use fee for this water use licence is \$219.00 based upon fees set out in Section 12(1)(b) of the Nunavut Waters Regulations (SOR/2016-69).

Maximum water allocation = 60 m^3 per day **Total days in the year** = 365**Charge per cubic meter** = $$0.01 \text{ per m}^3$

Total annual fee: \$219.00 (60m3 x 365 days x \$0.01 per m³)

Peregrine wold like to pay the annual water use fee for calendar year 2017. Please call me at your earliest convenience in order to complete the transaction by credit card. My direct line is (604) 608-4524.

The annual water use report for calendar year 2017 is attached.

Yours truly,

PEREGRINE DIAMONDS LTD.

Phille

David Willis – Manager, Lands & Community